



# Appendix five – About the audit

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## Audit objective

To assess how effectively council reports clearly communicate performance in delivering key services to the public.

## Audit criteria

The audit addressed the following criteria:

1. Councils' annual reports on service delivery are compliant with the *Local Government Act*
2. Councils' annual reports demonstrate a link between stated objectives and the level and type of services delivered
3. Councils' annual reports provide meaningful information which allows the public to assess performance against the goals set
4. Councils' annual reports provide meaningful information which allows the public to assess both efficiency and effectiveness.

## Audit scope and focus

The audit examined the 2016–17 annual reports published by councils on their websites.

The audit considered reporting on key services, in the service delivery categories described in the body of the report.

## Audit Exclusions

The audit commented on reporting of service delivery performance, and did not assess the underlying service performance.

## Audit approach

The audit team conducted the audit in accordance with ASAE 3500 Performance Engagements and ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The standards require the audit team comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance and draw a conclusion on the audit objective.

Our procedures included:

1. Establishing good practice principles through research and consultation
2. Applying good practice principles to 2016–17 published annual reports
3. Highlighting good practice in reporting
4. Consulting with councils and key stakeholders on potential improvement strategies

The audit approach was complemented by quality assurance processes within the Audit Office to ensure compliance with professional standards.

## Audit methodology

Our performance audit methodology was designed to satisfy Australian Audit Standards ASAE 3500 on performance auditing. The Standard requires the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance and draw a conclusion on the audit objective. Our processes have also been designed to comply with the auditing requirements specified in the *Public Finance and Audit Act 1983*, and the *Local Government Act 1993*.

## **Acknowledgements**

We gratefully acknowledge the co-operation and assistance provided by the Office of Local Government and those stakeholders who participated in the workshops and discussion held during the audit. We would also like to thank other stakeholders that spoke with us and provided material during the audit

## **Audit team**

Jo Manion, Huntley Evans, Daniel Irwin and Michelle Ravindran conducted the performance audit, Rod Longford and Claudia Migotto provided strategic direction. Caroline Karakatsanis was the engagement reviewer.

## **Audit cost**

Including staff costs, travel and overheads, the estimated cost of the audit is \$236,316.