



# Appendix two – List of recommendations

The table below lists the recommendations made in this report.



## Financial reporting

### Quality of financial reporting

Councils can improve the quality of financial reporting by reviewing their financial statements close processes to identify areas for improvements.

Councils can improve the quality of financial reporting by involving an audit, risk and improvement committee in the review of financial statements.

The Office of Local Government should release the Local Government Code of Accounting Practice and Financial Reporting and the End of Year Financial Reporting Circular earlier in the audit cycle, ideally by 30 April each year.

The Local Government Code of Accounting Practice and Financial Reporting should align with Australian Accounting Standards.

### Timeliness of financial reporting

The Office of Local Government should introduce early close procedures with an emphasis on asset valuations.



## Asset management

### Recognition and asset useful life estimates

The Office of Local Government should address the different practices across the local government sector in accounting for rural fire-fighting equipment before 30 June 2018. In doing so, the Office of Local Government should work with NSW Treasury to ensure there is a whole-of-government approach.



## Governance and internal controls

### Governance

Councils should early adopt the proposed requirement to establish an audit, risk and improvement committee.

The Office of Local Government should introduce the requirement for councils to establish internal audit functions and update its 2010 Internal Audit Guidelines.

The Office of Local Government should maintain an accurate register of entities approved under section 358 of the *Local Government Act 1993*.

The Office of Local Government should consider establishing a financial reporting framework for council entities.