

Appendix 2 – Status of previous recommendations

Our previous reports to Parliament focusing on local government made recommendations to the councils and the Department of Planning, Housing and Infrastructure. The implementation status of our recommendations is summarised below with the relevant audit findings for 2023–24.

Recommendations to Department	Comment	Current status
Rural firefighting equipment		
In 2023, we recommended that the Department assess council’s compliance with legislative responsibilities and standards or guidelines regarding the rural firefighting equipment vested to councils under section 119(2) of the <i>Rural Fires Act 1997</i> .	The Public Accounts Committee has a current inquiry: ‘Assets, premises and funding of the NSW Rural Fire Services’.	—
Early financial reporting procedures		
The Department should consider requiring early financial reporting procedures across the local government sector.	We continue to recommend that the Department consider requiring early financial reporting procedures across the local government sector. The Department reminds councils to engage with valuers earlier, to ensure that asset valuations are completed by 30 June 2024. The Department should consider assessing whether councils are complying with this requirement.	—
Legal framework		
The Department should clarify the legal framework relating to restrictions of water, sewerage and drainage funds (restricted reserves) by either seeking an amendment to the relevant legislation or by issuing a policy instrument to remove ambiguity from the current framework.	<i>Water Management Amendment (Central Coast Council) Act 2024</i> was assented to on 15 August 2024 to clarify the legal framework.	✓
Developer contributions		
The Department, as the principal department responsible for administration of the EPA Act, addresses how funds collected under one plan are treated if a contribution plan is repealed, or repealed and replaced with a new contributions plan.	The Department issued draft infrastructure contribution practice notes between December 2023 and February 2024, with responses being considered.	—

Key  Fully addressed  Partially addressed  Not addressed

Recommendations to councils	Comment	Current status
Asset valuations		
Councils should complete asset revaluations before financial year-end.	We continue to recommend that councils complete asset valuations and fair value assets before financial year-end to help improve the quality and timeliness of financial reporting. Thirty-seven councils implemented this recommendation in 2023–24.	—
Asset source records		
Councils should improve controls and processes to ensure integrity and completeness of asset source records.	We continue to recommend that councils improve controls and processes to ensure the integrity and completeness of asset source records. Thirty-nine councils had weak processes over maintenance, completeness and security of fixed asset registers, as reported in Section 3.2.	—
Tracking recommendations		
Councils should focus on tracking audit recommendations and prioritise high-risk repeat issues.	Most councils track audit recommendations.	✓
Cyber security		
Councils should prioritise planning and governance of cyber security to ensure cyber security risks over key data and IT assets are appropriately managed and key data are safeguarded. Councils should refer to the ‘Cyber Security Guidelines – Local Government’ released by the OLG.	We continue to recommend that councils focus on improving cyber security governance and controls. Cyber security findings were reported in 73 councils as they did not have at least one of the following basic governance and internal controls to manage cyber security: <ul style="list-style-type: none"> • a cyber security framework, policy and procedures • a register of cyber incidents • simulated cyber-attack testing (penetration testing) • a cyber security training and awareness program. 	—

Key  Fully addressed  Partially addressed  Not addressed