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# Report highlights

## What this report is about

The Office of Local Government (OLG) in the Department of Planning and Environment is responsible for strengthening the local government sector, including through its regulatory functions.

This audit assessed whether the OLG is effectively monitoring and regulating the sector under the *Local Government Act 1993*. The audit covered:

- the effectiveness of departmental arrangements for the OLG to undertake its regulatory functions
- whether the OLG has effective mechanisms to monitor and respond to risks and issues relating to council compliance and performance.

## What we found

The OLG does not conduct effective, proactive monitoring to enable timely risk-based responses to council performance and compliance issues.

The OLG has not clearly defined and communicated its regulatory role to ensure that its priorities are well understood.

The OLG does not routinely review the results of its regulatory activities to improve its approaches.

The department lacks an adequate framework to define, measure and report on the OLG's performance, limiting transparency and its accountability.

The OLG's new strategic plan presents an opportunity for the OLG to better define, communicate, and deliver on its regulatory objectives.

## What we recommended

The OLG should:

- publish a tool to support councils to self-assess risks and report on their performance and compliance
- ensure its council engagement strategy is consistent with its regulatory approach
- report each year on its regulatory activities and performance
- publish a calendar of its key sector support and monitoring activities
- enhance processes for internally tracking operational activities
- develop and maintain a data management framework
- review and update frameworks and procedures for regulatory responses.

## Fast facts

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150

the number of councils, county councils and joint organisations in the local government sector

1543

the number of complaints received by the OLG about 123 councils in 2020–21

9

the number of performance improvement orders and suspension orders issued to councils since 1 July 2019

2012

when the Audit Office previously recommended that the OLG develop a risk-based framework for assessing council performance

2013

when OLG's performance measurement framework for councils was last updated

2019

when the OLG's functions were transferred to the department after it was abolished as a separate public service agency