
Report highlights

What this report is about

Results of the local government sector financial statement audits for the year ended 30 June 2023.

Findings

Unqualified audit opinions were issued for 85 councils, eight county councils and 12 joint organisations.

Qualified audit opinions were issued for 36 councils due to non-recognition of rural firefighting equipment vested under section 119(2) of the *Rural Fires Act 1997*.

The audits of seven councils, one county council and one joint organisation remain in progress at the date of this report due to significant accounting issues.

Fifty councils, county councils and joint organisations missed the statutory deadline of submitting their financial statements to the Office of Local Government, within the Department of Planning, Housing and Infrastructure, by 31 October.

Audit management letters included 1,131 findings with 40% being repeat findings and 91 findings being high-risk. Governance, asset management and information technology continue to represent 65% of the key areas for improvement.

Fifty councils do not have basic governance and internal controls to manage cyber security.

Recommendations

To improve quality and timeliness of financial reporting, councils should:

- adopt early financial reporting procedures, including asset valuations
- ensure integrity and completeness of asset source records
- perform procedures to confirm completeness, accuracy and condition of vested rural firefighting equipment.

To improve internal controls, councils should:

- track progress of implementing audit recommendations, and prioritise high-risk repeat issues
- continue to focus on cyber security governance and controls.

Fast facts

70%

Unqualified audit opinions issued for 30 June 2023 financial statements

33%

missed the statutory deadline to lodge financial statements

91

high-risk management letter findings identified