

Circular Details	Circular No 18-14 / 22 May 2018 / A588684
Previous Circular	NA
Who should read this	General Managers / All Council finance staff
Contact	Performance Team / 02 4428 4100
Action required	Information

Auditor General's report to Parliament on the 2016-17 financial audits of NSW Councils

What's new or changing

- The Auditor-General for NSW has tabled a report to Parliament commenting on the audit of NSW councils' 2016-17 financial statements.

What this will mean for your council

- Councils are encouraged to review the report and continue working towards strengthening governance, financial management and reporting in the local government sector.
- Councils are also encouraged to engage early and work with their auditors to continue to improve the quality and timeliness of financial reporting.

Key points

- The report provides an independent assessment of the financial health of the Local Government sector. It identifies the common challenges that councils face and the opportunities to improve financial management and reporting.
- Key findings and recommendations within the report include the need for the sector to:
 - improve the overall quality and timeliness of financial reporting;
 - improve the accuracy of asset management and accounting practices and conduct asset valuations earlier; and
 - improve its governance and internal control mechanisms.
- The Office of Local Government has noted the Auditor-General's findings and recommendations and will continue to work with councils, the Auditor-General and the Audit Office of NSW.

Where to go for further information

- A copy of the Auditor-General's report on Local Government 2017 is available on the Audit Office of NSW website at: www.audit.nsw.gov.au/news/report-on-local-government-2017-and-data-visualisation.
- The Code of Accounting Practice and Financial Reporting (Code) (Update 26) was issued on 18 April 2018.
- The code is available at: www.olg.nsw.gov.au/strengthening-local-government/supporting-and-advising-councils/accounting-practice.



Tim Hurst
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