



Department of
**Local Government, Sport
and Cultural Industries**

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TO ALL LOCAL GOVERNMENTS

CIRCULAR N^o 16-2017

GUIDE TO LOCAL GOVERNMENT AUDITING REFORMS

The Department of Local Government, Sport and Cultural Industries has prepared a guide to inform local governments and auditors about the recent reforms to the conduct of local government audits.

On 24 August 2017, amendments to the *Local Government Act 1995* were passed by State Parliament enabling the Auditor General to audit local government finances and performance. The Act received Royal Assent on 1 September 2017.

Following the passage of this legislation, a transitional period for local government auditing commences whereby the Auditor General will assume responsibility for financial audits as existing contracts expire. All local governments will be audited by the Auditor General by 2020-21.

Under the legislation, local governments will be required to publish their annual report, including the annual financial report and auditor's report on their websites.

Performance audits, examining the economy, efficiency and effectiveness of programs and organisations, including compliance with legislative provisions and internal policies, were also introduced and will be paid for by the State Government.

The Auditor General has informed the department that he intends to commence liaising with local governments in October on the transition. Local governments are encouraged to familiarise themselves with the changes. The attached guide is also available on the department's website at www.dlgsc.wa.gov.au.

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