

LOCAL GOVERNMENT AMENDMENT (AUDITING) BILL 2017

Second Reading

Resumed from an earlier stage of the sitting.

HON SUE ELLERY (South Metropolitan — Leader of the House) [5.05 pm]: I was responding to the second issue raised by Hon Adele Farina during her comments about the discretionary nature of the decision about whether audit reports are to be published. I am advised that the minister may give a copy of the report to the local government and may request the chief executive officer of the local government to publish the report on the local government's official website. It is at the minister's discretion whether a supplementary audit report is published on a local government's website. In some cases, a number of local governments may be included in an audit, and it may not be practicable for a report to be published. Examples of when this may occur include when an audit may be requested but the outcome does not reveal any new material or does not require any follow-up; or, when the outcome of an audit may be used for an investigation or for a matter going before the State Administrative Tribunal or to the courts, and is to remain confidential. If a request to publish is received, the CEO must publish a copy of the report on the local government's official website within 14 days.

I want to touch on a couple of other matters that members referred to in their comments. In respect of compliance audit returns, a compliance audit return is a self-assessment mechanism and can cover a variety of compliance requirements. The areas that it covers include commercial enterprises, delegation of powers and duties, disclosure of interests by members and employees, disposal of property, elections, establishment of an audit committee and the audit process, local government employees, official conduct, and tenders for providing goods and services. When the department is required to follow up on any noncompliance, assistance is given to ensure that the compliance is delivered. The department reviews the compliance audit reports for any noncompliant responses, and then puts in place appropriate action to monitor the issues and to see whether any follow-up action is required to bring the compliance up to standard.

I think a question was asked about why the bill does not include a requirement for the Auditor General to specifically audit compliance audit returns. The advice I have received is that it will be up to the Auditor General to determine the scope of an audit. The Auditor General is independent and has the expertise to do this.

A couple of members, during the course of their contributions to the debate, made reference to specific local government issues. I am able to provide some comments on Carnarvon, but I have chosen not to seek advice to respond to a range of specific local government authorities that some members referred to in their comments. I will say this, and a number of members made this point: the vast majority of local government authorities do their job every day in a way that is constructive and responsive to local communities. They are served well by professional staff who perform a range of functions across those local government authorities and by elected officials, many of whom effectively hold two full-time jobs, as they do the jobs they are paid for in their other lives and then work a second job in their position as an elected councillor. It is important to keep that in perspective and to note that we should congratulate and commend the vast majority of local government authorities, their staff and elected officials for the work they do on our behalf every day. Having said that, it is appropriate—I note that many members made the point—that they expect that this legislation can only be a measure to improve service delivery and it is appropriate that we hold local government to the same standards of probity that we hold other levels of government to.

With those comments, I commend the bill to the house.

Question put and passed.

Bill read a second time.

Leave granted to proceed forthwith to third reading.

Third Reading

Bill read a third time, on motion by **Hon Sue Ellery (Leader of the House)**, and passed.