

A. Full responses from entities

As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with the request for comment to the Director-General, Department of State Development, Infrastructure, Local Government and Planning. We also provided a copy to all 77 councils with an option of providing a response.

This appendix contains the formal responses we received.

The heads of these entities are responsible for the accuracy, fairness and balance of their comments.



Comments received from Director-General, Department of State Development, Infrastructure, Local Government and Planning



Department of
**State Development, Infrastructure,
Local Government and Planning**

Our ref: MC21/1219

15 APR 2021

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
qao@qao.qld.gov.au

Dear Mr Worrall

I am writing regarding your email of 19 March 2021 about the Draft Report to Parliament titled *Local Government 2020*. I note you also emailed the Honourable Steven Miles MP, Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning.

I was pleased to note your comments acknowledging the achievement of councils in producing their financial statements in a timely manner, given the challenges presented by COVID-19.

With regards to your recommendations for the Department of State Development, Infrastructure, Local Government and Planning, (the department) I provide the following comments:

Recommendation 1: require all councils to establish audit committees and that the chairperson is independent of council and management.

The department supports both parts of this recommendation in principle; however they will require detailed policy consideration including consultation with stakeholders. If changes are endorsed, they will require regulatory amendments to be implemented.

Recommendation 2: develop new financial sustainability ratios for councils, to be in place in time for the financial year ending 30 June 2022.

The department supports this recommendation and is considering options for the establishment of a financial sustainability framework and revised ratios for councils.

Recommendation 3: review its current funding model to identify opportunities to provide funding certainty to councils beyond one financial year.

I am pleased to advise the next two rounds of the \$200 million Works for Queensland Program and the \$100 million South East Queensland Community Stimulus Program will be released as two three-year rounds (2021-24 and 2024-27) which will provide funding certainty for councils in the medium term.

During 2021, the department will review the Indigenous Local Government State Government Financial Aid Program, Revenue Replacement Program, and Indigenous Economic Development Grants Program, and intends to report back to Government in the first half of 2022.

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This recommendation will be considered as part of the review and as part of the establishment of future funding programs.

Recommendation 4: provide periodic training to councillors and the senior leadership team for councils that are highly reliant on grants.

The department supports this recommendation and is currently working to develop training in financial governance and basic financial management for councillors. Two pilot sessions have already been delivered and additional sessions will be rolled out this calendar year.

Additionally, I support the five recommendations for the councils and intend to write to each council to emphasise the importance of implementing these recommendations.

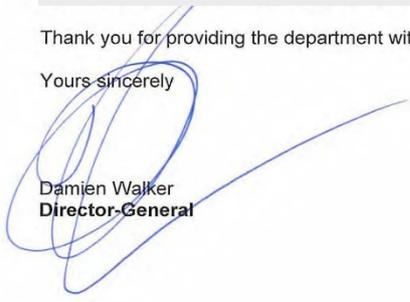
I will also write to the councils identified as not having an active internal audit function to remind them of their requirements under the *Local Government Act 2009*.

If you require any further information, please contact

[REDACTED]
[REDACTED] who will be pleased to assist.

Thank you for providing the department with an opportunity to review the Draft Report.

Yours sincerely


Damien Walker
Director-General

Comments received from Chief Executive Officer, Brisbane City Council



Dedicated to a better Brisbane

Brisbane City Council ABN 72 002 765 795

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12 April 2021

Mr Brendan Worrall
Auditor-General
PO Box 15396
CTY EAST QLD 4002

Dear Mr Worrall

Thank you for your email of 19 March 2021 about the Queensland Audit Office (QAO) proposed report to parliament – Local Government 2020.

I thank you for the opportunity to comment on the report.

Council is supportive of the recommendations made in the report.

Council is very interested in recommendation REC7 and note that it is now several years that QAO have made a recommendation for the Department of State Development, Infrastructure, Local Government and Planning (the department) to review the Financial Sustainability Ratios contained in the Financial Management (sustainability) Guideline 2013.

I also note that the timing recommended for this review has been pushed out to the year ending 30 June 2022. Council requests that the review of these ratios is expedited given the different sizes, services, and circumstances of the various councils and with the implementation of new accounting standards one of which is only currently applicable to Brisbane City Council. This makes comparability between councils even more problematic.

I also note your comments on page 11 regarding consistency between monthly reporting and their Annual Financial Statements in relation to new accounting standards. Council would like to confirm that it takes a proactive approach to new accounting standards and have reflected recent changes in its quarterly reporting since implementation. These new standards have also been reflected in Council's budget for a number of years.

Corrections to two items in the draft report have also been forwarded to QAO staff in relation to the ratios on page 57.

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If you have any further enquiries regarding this matter, please contact [REDACTED],
[REDACTED]

Thank you for contacting me.

Yours sincerely



Colin Jensen
CHIEF EXECUTIVE OFFICER



Comments received from Mayor, Ipswich City Council



Mayor Teresa Harding

City of Ipswich
Queensland, Australia

Mr Brendan Worrall
Queensland Auditor-General
PO Box 15396
CITY EAST QLD 4002

Email: gao@gao.qld.gov.au

13 April 2021

Dear Mr Worrall *Brendan*

I write regarding the email of 19 March 2021 from your office providing a copy of the draft report to the Queensland Parliament titled *Local Government 2020 Financial Audit Report 2019-20* as required by Section 64 of the *Auditor-General Act 2009*.

I understand that a response from Ipswich City Council is welcome although not required, and that responses to your audit recommendations will be published in an appendix to the tabled report.

I take this opportunity, on behalf of the Ipswich City Council, to affirm our absolute commitment to good corporate governance, transparency and integrity.

At the first meeting of this Council my motion to establish a Transparency and Integrity Hub was resolved and the new Hub went live on 1 July 2020. The publication of financial transactions was a first in the nation. While much has been published on the Hub, this Council's ambition is to significantly increase the range and volume of information shared with the community to hold true to our commitment to transparency and integrity.

This Council supports the five (5) recommendations for Councils set out in the draft report and is working to address specific areas for improvement.

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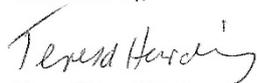
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On behalf of this Council I was pleased to note the improvements in the financial governance assessment for this Council for 2019-2020 when compared to the prior year. However, I offer assurance that this Council will continue its strong focus on good corporate governance, transparency and integrity and ongoing improvement of our policy, culture, systems and practice.

Thank you again for providing the opportunity to review the draft report.

Yours sincerely,



Mayor Teresa Harding



Comments received from Chief Executive Officer, South Burnett Regional Council


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14 April 2021

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
53 Albert Street
BRISBANE QLD 4000

Email: qao@qao.qld.gov.au

Dear Auditor-General

RE: Local Government 2020 Draft Report

I wish to acknowledge receipt of your email relating to the above mentioned dated 19 March 2021.

Thank you for providing a draft copy of the report to Council with the opportunity to respond. I have read the report and Council has no further response.

Again, thank you and I look forward to hearing from you regarding the confirmed tabling date in the near future.

Yours faithfully


Mark Pitt PSM
CHIEF EXECUTIVE OFFICER

Customer Service Centres

<input type="checkbox"/> Blackbutt 69 Harl Street	<input type="checkbox"/> Murgon 42 Stephens Street West
<input type="checkbox"/> Kingaroy 45 Glendon Street	<input type="checkbox"/> Wondal Cnr Mackenzie & Scott Streets
<input type="checkbox"/> Nanango 48 Drayton Street	