

Appendix H:

Prior-year recommendations

Who	Recommendation	Recommendation addressed
All councils	<p>1</p> <ul style="list-style-type: none"> • arrange for training or briefing sessions to be held with key internal stakeholders before 30 June 2024 to enhance their understanding of the financial reporting process and their legislative obligations • assess the adequacy of their financial reporting plan given their legislative obligations, namely: <ul style="list-style-type: none"> • task allocation and timelines • the nature and timing of liaison with other business units • quality assurance processes • critically assess whether they have the resources and expertise to fulfil their financial reporting obligations throughout the year and, if not, that they consider engaging an external party. 	<p>In progress</p> <ul style="list-style-type: none"> • the sector has a varied understanding of their financial reporting obligations, 18 councils did not comply with the Act • 47 councils did not submit draft financial report and performance statement by agreed date <p>Refer Section 1 for further detail.</p>
	<p>2</p> <p>that finance teams prepare and present a paper to their audit and risk committee prior to 30 June each year that outlines the:</p> <ul style="list-style-type: none"> • council's accounting policy requirements with respect to property, infrastructure assets, plant and equipment • approach to assessing each property class's fair value, infrastructure assets, plant and equipment, including engaging an expert valuer and key milestones • likely outcomes for the respective reporting cycle (expected movements in fair value and impact on the financial report). 	<p>In progress</p> <ul style="list-style-type: none"> • 32 councils yet to complete a briefing prior to 30 June <p>Refer Section 3 for further detail.</p>
	<p>3</p> <p>that audit and risk committees:</p> <ul style="list-style-type: none"> • review the finance team's accounting paper prior to balance date • after balance date, when reviewing the draft financial report: <ul style="list-style-type: none"> • determine whether there have been any changes to circumstances which would indicate that key assumptions behind the finance team's initial advice and key judgements are no longer true • assess whether the valuation and fair value assessment outcomes are reasonable • update their annual work plan to include the above tasks. 	<p>In progress</p> <ul style="list-style-type: none"> • 32 councils yet to complete a briefing prior to 30 June <p>Refer Section 3 for further detail.</p>
	<p>4</p> <ul style="list-style-type: none"> • prioritise and promptly address the internal control and financial reporting issues we raise with them and that their audit and risk committee monitor this • review the actions and timelines established to resolve internal control weaknesses, with a focus on older and higher-risk findings • for longer-term action plans, ensure adequate compensating safeguards are in place. 	<p>In progress</p> <ul style="list-style-type: none"> • reduction in open issues but increase in unresolved prior year issues <p>Refer Section 3 for further details.</p>

Who	Recommendation	Recommendation addressed	
Local Government Victoria	5 enhance the structure and layout of its local government model performance statement for the 2023–24 financial year.	Completed <ul style="list-style-type: none"> new model released for 2023–24 Refer Section 1 for further details.	
Local Government Victoria and or the Municipal Association of Victoria	6 deliver a governance training program, which may include tailored resource material, to support councillors and their audit and risk committee members throughout their term of appointment.	In progress <ul style="list-style-type: none"> MAV to develop a councillor development program MAV delivered a 2-day induction program for Mayors and Deputy Mayors in December 2024 Refer Section 1 for further details.	