

## Queensland Government response to

### State Development and Regional Industries Committee *Report No. 32, 57th Parliament* – Examination of Auditor-General reports on the local government sector

#### INTRODUCTION

The State Development and Regional Industries Committee (the committee) Report No. 32, 57th Parliament – Examination of Auditor-General reports on the local government sector (the report) was tabled on 28 November 2022.

The Queensland Government's response to the Report's recommendation is provided below.

#### RESPONSE TO RECOMMENDATIONS

##### Recommendation 1

That all local governments be required to establish an independent audit and risk management committee.

***Queensland Government Response:*** *Supported in-principle.*

This recommendation is supported in principle, however, at this point in time it is not proposed to achieve this by way of an amendment to the *Local Government Act 2009*.

The Queensland Government recognises the connection between effective governance, sustainability and the existence of an adequate audit and risk management framework within a local government. However, there is a cost and resourcing impost on local governments to implement these frameworks.

Instead, the implementation of this recommendation will form part of the work being undertaken by the Department of State Development, Infrastructure, Local Government and Planning in considering how to better support local governments in facing capability and sustainability challenges. Should there be opportunities for local governments to collaborate on matters such as the establishment and funding of audit committees, this may assist improve the portion of local governments who voluntarily elect to have an independent audit and risk management committee.

The Queensland Government recognises the sustainability challenges faced by Queensland's local governments and next year will see the commencement of a new Local Government Sustainability Framework, which will better inform the government in determining how to support local governments enhance their sustainability.