

A. Entity responses

As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments to:

- Director-General, Department of Local Government, Water and Volunteers
- Minister for Local Government and Water and Minister for Fire, Disaster Recovery and Volunteers.

We also provided a copy of the report to the following entities and gave them the option of providing a response:

- Premier and Minister for Veterans
- Director-General, Department of the Premier and Cabinet
- chief executive officers of all 77 local governments.

This appendix contains the responses we received.

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



Comments received from Minister for Local Government and Water and Minister for Fire, Disaster Recovery and Volunteers



Hon Ann Leahy MP
 Minister for Local Government and Water and
 Minister for Fire, Disaster Recovery and Volunteers

Our ref: MC25/1333
 CTS 04865/25

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25 March 2025

Ms Rachel Vagg
 Auditor-General
 Queensland Audit Office

Email: qao@qao.qld.gov.au

Dear Ms Vagg

Thank you for your email of 3 March 2025 regarding the draft report to Parliament, *Insights on audit committees in local government* (the draft report). I note you also provided a copy of the draft report to Ms Linda Dobe, Director-General, Department of Local Government, Water and Volunteers (the department).

I appreciate you providing the department with an opportunity to review the draft report. It was insightful to read about the audit committee practices in local governments across Queensland and to understand the potential challenges that councils without an audit committee may face.

I note that you made two recommendations for councils:

Recommendation 1: For councils that do not have audit committees - *Critically assess the effectiveness of their current oversight of financial and governance responsibilities (including management of finances, risks, information technology, assets, projects, grants and delivery of services), and re-evaluate the need for an audit committee.*

Recommendation 2: For councils with audit committees - *Self-assess the performance of their audit committees against the actions listed in Appendix D of the draft report and continue to improve the maturity and effectiveness of their committee.*

The department supports both recommendations for councils and will write to each council to emphasise the importance of implementing them once the final report has been tabled.

Regarding the three recommendations for the department, I provide the following comments:

Recommendation 3: *Plan for all councils to have an audit committee and promote the benefits of audit committees.*

The department supports this recommendation in principle and will continue to promote the benefits of audit committees through proactive engagement with councils and by providing comprehensive resources designed to support their implementation. The department's focus remains on promoting best practice through guidance and the sharing of benefits rather than through mandating the formation of an audit committee.



Recommendation 4: *Facilitate the creation and effective operation of audit committees in local governments by:*

- *supporting councils to access highly skilled external audit committee members with the right expertise.*
- *enabling collaborative approaches to share audit committee members, where appropriate.*

The department supports the first part of this recommendation. Councils are suitably equipped to engage the expertise required and can use the guidance material developed by the department to assist with the process. The Audit Committee Guidelines for Queensland Local Governments is published on LG Central and provides guidance around the composition of an audit committee, the appointment of members, and includes templates like a skills matrix to help councils determine what skills are needed on the audit committee.

The department supports the second part of this recommendation and will update the Audit Committee Guidelines for Queensland Local Governments to include guidance on collaborative approaches to share audit committee members.

Recommendation 5: *Provide councillor audit committee members with appropriate induction, training, and other resources to help them fulfil their audit committee roles.*

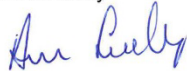
The department supports this recommendation in principle and will engage with stakeholders to determine the appropriate support necessary to enhance councillor audit committee members effectiveness in their roles, noting that council specific induction materials is the responsibility of council.

Please find enclosed a copy of the completed recommendation table with the department's responses.

If you require any further information, please contact

[Redacted] who will be pleased to assist.

Yours sincerely



ANN LEAHY MP
Minister for Local Government and Water
Minister for Fire, Disaster Recovery and Volunteers

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Responses to recommendations



Department of Local Government, Water and Volunteers

Insights on audit committees in Local Government

Response to recommendations provided by Ann Leahy MP, Minister for Local Government and Water and Minister for Fire, Disaster Recovery and Volunteers, Department of Local Government, Water and Volunteers on 24 March 2025.

Recommendation	Agree/ Disagree	Time frame for implementation (Quarter and financial year)	Additional comments
<p>We recommend that the Department of Local Government, Water and Volunteers:</p> <p>3. plans for all councils to have an audit committee and promotes the benefits of audit committees</p>	Agree	30 September 2025	<p>The department supports this recommendation in principle and will continue to promote the benefits of audit committees through proactive engagement with councils and by providing comprehensive resources designed to support their implementation. The department's focus remains on promoting best practice through guidance and the sharing of benefits rather than through mandating the formation of an audit committee.</p>
<p>4. facilitates the creation and effective operation of audit committees in local governments by</p> <ul style="list-style-type: none"> supporting councils to access highly skilled external audit committee members with the right expertise enabling collaborative approaches to share audit committee members, where appropriate 	Agree	30 September 2025	<p>The department supports the first part of this recommendation. Councils are suitably equipped to engage the expertise required and can use the guidance material developed by the department to assist with the process. The Audit Committee Guidelines for Queensland Local Governments is published on LG Central and provides guidance around the composition of an audit committee, the appointment of members, and includes templates like a skills matrix to help councils determine what skills are needed on the audit committee.</p> <p>The department supports the second part of this recommendation and will update the Audit Committee Guidelines for Queensland Local Governments to include guidance on collaborative approaches to share audit committee members.</p>
<p>5. provides councillor audit committee members with appropriate induction, training, and other resources to help them fulfil their audit committee roles.</p>	Agree	30 September 2025	<p>The department supports this recommendation in principle and will engage with stakeholders to determine the appropriate support necessary to enhance councillor audit committee members effectiveness in their roles, noting that council specific induction materials is the responsibility of council.</p>



Comments received from Chief Executive Officer, Fraser Coast Regional Council



Comments received from Chief Executive Officer, Redland City Council

