



# IIA–Australia State of the Nation WA Local Government

May 2020



The Institute of  
Internal Auditors  
Australia

Commentary		Overall Rating
<i>Audit committee should have more independent external membership; should be doing better in relation to risk management / internal audit / outcomes reporting which are not mandated.</i>		C Pass
Category	Good Practice features we would expect to see	Rating
Integrity Commissions	<ul style="list-style-type: none"> <li>➤ Mandated by law</li> <li>➤ Public hearings</li> <li>➤ No person off limits</li> <li>➤ Power to make findings</li> </ul>	A Pass
Ombudsman	<ul style="list-style-type: none"> <li>➤ Mandated by law</li> <li>➤ Reports to parliament</li> <li>➤ No agency off limits</li> <li>➤ Power to make findings</li> </ul>	A Pass
Audit Committee	<ul style="list-style-type: none"> <li>➤ Mandated by law or policy</li> <li>➤ Reports to governing authority</li> <li>➤ Independent membership</li> <li>➤ Scope not limited</li> </ul>	B Pass
Risk Management	<ul style="list-style-type: none"> <li>➤ Mandated by law or policy</li> <li>➤ Reports to independent audit or risk committee</li> <li>➤ Independent of line management</li> <li>➤ Scope not limited</li> </ul>	Fail
Internal Audit	<ul style="list-style-type: none"> <li>➤ Mandated by law or policy</li> <li>➤ Reports unfettered to audit committee</li> <li>➤ Independent of management</li> <li>➤ Scope not limited</li> </ul>	Fail
Financial Statements	<ul style="list-style-type: none"> <li>➤ Mandated by law</li> <li>➤ Public reporting</li> <li>➤ Audit committee independent oversight</li> <li>➤ Independent external audit process</li> </ul>	A Pass
Outcomes Reporting	<ul style="list-style-type: none"> <li>➤ Mandated by law or policy</li> <li>➤ Public reporting</li> <li>➤ Supports responsible financial management</li> <li>➤ Links to highest level strategic outcomes</li> </ul>	Fail
IIA–Australia State of the Nation Ratings		
➤ <i>In place through law, regulation or policy</i>	➤ <i>Leader in the way activity has been implemented</i>	A Pass
➤ <i>Reflects Australian and international good practice</i>	➤ <i>Transparent and accountable</i>	B Pass
➤ <i>In place through law, regulation or policy</i>	➤ <i>Emphasises good practice, but not quite optimum level</i>	C Pass
➤ <i>In place through law, regulation or policy</i>	➤ <i>Currently evolving, or not completely in line with good practice</i>	Fail
➤ <i>Not in place through law, regulation or policy</i>		Fail