

9.6 Draft Financial Statements 2020/21

REPORT BY THE MANAGER FINANCE
TO 04 AUGUST 2021 ORDINARY MEETING
GOV400087, FIN300136

RECOMMENDATION

That Council:

1. receive the report by the Manager Finance on the Draft Financial Statements 2020/21;
2. resolve that in its opinion the General Purpose Financial Statements and Special Purpose Financial Statements for the year ended 30 June 2021:
 - 2.1 have been drawn up in accordance with the provisions of the Local Government Act 1993, the Local Government (General) Regulation 2005, the Australian Accounting Standards, and the Local Government Code of Accounting Practice and Financial Reporting;
 - 2.2 present fairly the Council's financial position and operating result for the year;
 - 2.3 accord with the Council's accounting and other records; and
 - 2.4 do not contain any known matter that would make the financial statements false or misleading in any way
3. authorise the Mayor, Deputy Mayor, General Manager and Responsible Accounting Officer (CFO) to sign the Statement by Councillors and Management on its opinion of the General Purpose Financial Report 2020/21 and Special Purpose Financial Report 2020/21;
4. authorise the General Manager to issue the 2020/21 Financial Reports immediately upon receipt of the Auditors Report, subject to there being no material audit adjustments or audit issues; and
5. authorise the General Manager to finalise the date at which the Auditors Report and Financial Statements for 2020/21 are to be presented to the public.

Executive summary

Council is required to prepare financial reports for each year and refer them to audit as soon as practicable. Council is required to endorse the draft financial reports for referral to audit. The audit of the 2020/21 financial reports is scheduled for 27 August 2021.

Disclosure of Interest

Nil

Detailed report

The attached draft financial reports have been prepared in accordance with the legislated requirements included in this report.

The attached draft financial statements are not available to the public until after Council's auditor has provided an independent audit report. It is recommended that Council authorise the General Manager to issue the financial reports immediately upon receipt of the auditors' report, subject to there being no material audit changes or audit issues.

It is recommended that Council authorise the General Manager to finalise the date at which the auditors' report and financial statements are to be presented to the public. It is anticipated that this presentation will occur at the Council meeting of 3 November 2021.

Community Plan implications

Theme	Good Governance
Goal	An effective and efficient organisation
Strategy	Prudently manage risks association with all Council activities

Strategic implications

Council Strategies

Not applicable.

Council Policies

Not applicable.

Legislation

Section 413 of the Local Government Act 1993 requires that:

1. A council must prepare financial reports for each year, and must refer them for audit as soon as practicable (having regard to the requirements of section 416 (1)) after the end of that year.
2. Council's financial reports must include the following:
 - a) a general purpose financial report, and
 - b) any other matters prescribed by the regulations, and
 - c) a statement in the approved form by the council as to its opinion on the general purpose financial report.
3. The general purpose financial report must be prepared in accordance with this Act and the regulations and the requirements of:
 - a) the publications issued by the Australian Accounting Standards Board, as in force for the time being, subject to the regulations, and
 - b) such other standards as may be prescribed by the regulations

Section 416 of the Local Government Act 1993 requires that:

1. A council's financial reports for a year must be prepared and audited within the period of 4 months after the end of that year.

Council's financial reports must be prepared in accordance with the requirements of:

- a) the Australian Accounting Standards and professional pronouncements; and
- b) the Local Government Code of Accounting Practice and Financial Reporting; and
- c) the Local Government Act 1993 and the Regulations.

Section 215(1) of the Local Government (General) Regulation 2005 requires that the statement by Council as to its opinion on the financial reports must be made by resolution of the Council and be signed by the Mayor, at least one other member of Council, the General Manager and the Responsible Accounting Officer. The statement must indicate:

- a) whether or not Council's annual financial reports have been drawn up in accordance with the required Standards and Regulations;
- b) whether or not those reports present fairly Council's financial position and operating result for the year;
- c) whether or not those reports accord with the Council's accounting and other records;
- d) whether or not the signatories know of anything that would make those reports false or misleading in any way; and
- e) include such information and explanations as will prevent those reports from being misleading because of any qualification that is included in the statement.

Financial implications

The cost of preparing and auditing the Financial Statements is already included in the Operational Plan; no budgetary changes are anticipated at this stage.

Associated Risks

There is a risk of material misstatement in the Financial Reports, which is mitigated by the following:

- Completion by qualified professionals;
- Fraud controls;
- Financial compliance procedures; and
- External audit.

Should a material change be required before the audit report is issued, the Financial Statements will be required to come back to Council for confirmation.

NEIL BUNGATE
MANAGER FINANCE

LEONIE JOHNSON
CHIEF FINANCIAL OFFICER

21 July 2021

Attachments:

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER