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## 8 GOVERNANCE AND CORPORATE PERFORMANCE

### 8.1 ANNUAL REPORT 2017-2018 - PERFORMANCE STATEMENT AND FINANCIAL REPORT

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**Attachments:** 1. Annual Report 2017-2018 - Under Separate Cover

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#### SUMMARY

Council is required to complete and forward to the Minister for Local Government its Annual Report by 30 September 2018. The Council must not submit the Performance and Financial Statements to its auditor or the Minister unless it has passed a resolution giving its approval in principle to the Performance and Financial Statements.

#### RECOMMENDATION

##### THAT:

1. Council adopts-in-principle the 2017-2018 Performance Statement and Financial Report.
2. Council authorises the Principal Accounting Officer to make amendments to the 2017-2018 Performance Statement and Financial Report, as agreed with Council's Auditors and in consultation with Council's Audit Committee.
3. Council nominates Cr Atkinson and Cr Lowe to sign the 30 June 2018 Performance Statement and Financial Report in their prescribed form.
4. Council authorises the Acting Chief Executive Officer to sign the 2017-2018 Performance Statement and Financial Report in their final form.
5. The Annual Report be forwarded to the Minister for Local Government Victoria by 30 September 2018.
6. Public notice be given of:
  - a) The availability of the report of the auditor under Section 9 of the *Audit Act 1994*.
  - b) A meeting to be held for the purpose of discussing the Annual Report under Section 134 of the *Local Government Act 1989* at 7.00pm on 15 October 2018.

#### BACKGROUND

The Council is required under Section 131 of the *Local Government Act 1989* (Act) to complete an Annual Report each year and forward it to the Minister by 30 September.

In accordance with Section 131 of the Act, Council must prepare and annual report in respect of each financial year and must be comprised of:

- a report of operations of the Council;

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ANNUAL REPORT 2017/18 - PERFORMANCE STATEMENT AND FINANCIAL REPORT (CONT.)

- an audited performance statement;
- audited financial statements;
- a copy of the auditor's report on the performance statement, prepared under section 132;
- a copy of the auditor's report on the financial statements under Part 3 of the *Audit Act 1994*;
- any other matter required by the regulations.

Council must not submit the Performance Statement and Financial Report to its auditor or the Minister unless it has passed a resolution giving its approval in principle to the Statements.

The Annual Report incorporating the audited Performance Statement and Financial Report are required to be certified by Council's Principal Accounting Officer, the Chief Executive Officer and by two Councillors on behalf of the Council prior to the Council's Auditor signing the Audit Report. The Annual Report is then forwarded to the Minister by 30 September.

The Audit Committee, at its meeting of 6 September 2018, discussed the annual Performance Statement and Financial Report with a representative of the agent of the Victorian Auditor General.

### **ISSUES AND DISCUSSION**

Two Councillors are required to sign the certification of the annual Performance Statement and Financial Report once clearance is obtained from the Auditor General and after the Principal Accounting Officer and Chief Executive Officer have signed their certification. It is proposed that the Councillors on the Audit Committee be authorised to sign the certification on behalf of the Council after the necessary clearance has been obtained. In the eventuality that there may be some late changes made to the Performance Statement and Financial Report, it is also proposed that the approval given to the Councillors be extended to enable them to sign the certification after these necessary changes have been made.

Section 133 of the Act stipulates that after the Annual Report has been submitted to the Minister, the Council must give public notice that it has been prepared and can be inspected at the Council office and website.

Section 134 of the Act requires a meeting of Council to consider the Annual Report. The meeting must be held as soon as practicable but within the time required by the regulations, after the Council has sent the Annual Report to the Minister.

### **CONSULTATION**

The Auditor-General's Contractor has liaised closely with Council management in undertaking his work and has also reviewed the reports presented by the Internal Auditors.

The Performance Statement and Financial Report were reviewed by the Audit Committee at its meeting on 6 September 2018 and received in-principal support.

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ANNUAL REPORT 2017/18 - PERFORMANCE STATEMENT AND FINANCIAL REPORT (CONT.)

Once the Auditor's report has been received, the Council must give public notice to this effect and that it is available for inspection.

In accordance with Regulation 17 of the *Local Government (Performance and Reporting) Regulations*, the Council must hold a meeting to consider the Annual Report within a month of submitting the report to the Minister. It is proposed that the 2017-2018 Annual Report be considered as part of the Ordinary Council meeting to be held on Monday 15 October 2018.

### **FINANCIAL, RESOURCE AND ASSET MANAGEMENT IMPLICATIONS**

The Auditor-General's Office charge audit fees in line with the volume of audit work undertaken. The amount expended in 2017-2018 was \$45,895 and in 2018-2019 a budget of \$68,710 is available

### **POLICY AND LEGISLATIVE IMPLICATIONS**

The legislation requires the Council to resolve to approve in principle the annual Performance Statement and Financial Report prior to them being forwarded to the Council's Auditor and the Victorian Auditor General. The Auditor General's agent Pitcher Partners, Chartered Accountants, conducted the onsite audit process from 13-17 August 2018. The contractor is required to submit copies of the Council resolutions, relating to the adoption of the statements and authorising the signing, with the working papers to the Auditor General. This will enable the Auditor General sufficient time to review the work performed by his agent, and provide the Councillors with clearance to sign the certification of the report.

### **SUSTAINABILITY IMPLICATIONS (SOCIAL AND ENVIRONMENTAL)**

There are no environment and sustainability implications.

### **OFFICER DECLARATION OF CONFLICT OF INTEREST**

No Officers involved in the preparation of this report have any direct or indirect interest in this matter.

### **CONCLUSION**

The annual Performance Statement and Financial Report have been prepared in accordance with the audit standard requirements and are required to be approved by Council.