



## **AGENDA**

**FOR FINANCE AND CORPORATE SERVICES COMMITTEE MEETING TO BE HELD ON**

**19 JULY 2021 AT CONCLUSION OF POLICY AND PLANNING COMMITTEE  
IN THE LITTLE PARA CONFERENCE ROOMS, SALISBURY COMMUNITY HUB,  
34 CHURCH STREET, SALISBURY**

### **MEMBERS**

Cr D Proleta (Chairman)  
Mayor G Aldridge  
Cr M Blackmore  
Cr L Braun  
Cr B Brug  
Deputy Mayor, Cr C Buchanan  
Cr A Duncan  
Cr K Grenfell  
Cr N Henningsen  
Cr D Hood  
Cr P Jensen (Deputy Chairman)  
Cr S Ouk  
Cr S Reardon  
Cr G Reynolds  
Cr J Woodman

### **REQUIRED STAFF**

Chief Executive Officer, Mr J Harry  
General Manager Business Excellence, Mr C Mansueto  
General Manager City Development, Mr T Sutcliffe  
General Manager City Infrastructure, Mr J Devine  
Manager Governance, Mr R Deco  
Governance Support Officer, Ms K Boyd

### **APOLOGIES**

### **LEAVE OF ABSENCE**

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**PRESENTATION OF MINUTES**

Presentation of the Minutes of the Finance and Corporate Services Committee Meeting held on 15 June 2021.

Presentation of the Minutes of the Confidential Finance and Corporate Services Committee Meeting held on 15 June 2021.

**REPORTS**

*Administration*

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*For Decision*

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**OTHER BUSINESS**

**CLOSE**



**MINUTES OF FINANCE AND CORPORATE SERVICES COMMITTEE MEETING  
HELD IN THE LITTLE PARA CONFERENCE ROOMS, SALISBURY COMMUNITY  
HUB, 34 CHURCH STREET, SALISBURY ON**

**15 JUNE 2021**

**MEMBERS PRESENT**

Cr D Proleta (Chairman)  
Mayor G Aldridge  
Cr M Blackmore (*via Teams VC*)  
Cr L Braun  
Cr B Brug (*from 6.45 pm*)  
Deputy Mayor, Cr C Buchanan  
Cr K Grenfell  
Cr N Henningsen  
Cr P Jensen (Deputy Chairman)  
Cr S Ouk  
Cr S Reardon  
Cr G Reynolds  
Cr J Woodman

**STAFF**

Chief Executive Officer, Mr J Harry  
General Manager Business Excellence, Mr C Mansueto  
General Manager City Development, Mr T Sutcliffe  
General Manager City Infrastructure, Mr J Devine  
General Manager Community & Org. Development, Ms G Page  
A/Manager Governance, Ms J Crook  
Manager Financial Services, Ms K George  
Governance Support Officer, Ms K Boyd

The meeting commenced at 6.30 pm.

The Chairman welcomed the members, staff and the gallery to the meeting.

**APOLOGIES**

Apologies were received from Cr A Duncan and Cr D Hood.

**LEAVE OF ABSENCE**

Nil

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## PRESENTATION OF MINUTES

Moved Cr P Jensen  
Seconded Cr S Reardon

The Minutes of the Finance and Corporate Services Committee Meeting held on 17 May 2021, be taken as read and confirmed.

**CARRIED**

## REPORTS

### *Administration*

#### **2.0.1 Future Reports for the Finance and Corporate Services Committee**

Moved Cr G Reynolds  
Seconded Cr P Jensen

1. The information is received.

**CARRIED**

### *For Decision*

#### **2.1.1 Annual Plan Public Consultation Report**

Moved Cr J Woodman  
Seconded Cr L Braun

1. Information be received and noted.
2. The draft response to the 2021/22 Annual Plan and Budget consultation submission as contained in Attachment 1 to this report (Item 2.1.1 Budget and Finance Committee, 15 June 2021) be endorsed.

**CARRIED**

#### **2.1.2 Green Industries SA - Kitchen Caddy/Food Organics Grant Funding**

Moved Cr S Reardon  
Seconded Cr S Ouk

1. That Council notes the application for funding from Green Industries SA through the Kerbside Performance (Food Waste) Incentives Program was successful, with total funding for the program being up to \$677,040 over the next two years.
2. That the New Initiative Bid of \$110,690, being Council's contribution to the cost of kitchen caddies, be included in the 2021/22 budget.

**CARRIED**

### 2.1.3 Budget Update

*Cr C Buchanan declared an actual conflict of interest on OPN000741 and PSN000747 contained in Attachment 2 of the report, on the basis of being the President of a sporting club named in the report.*

*Cr Buchanan left the meeting at 6.37 pm.*

*Cr K Grenfell declared a perceived conflict of interest on the basis of having a family member who attends the school named in OPN000741 of the report. Cr Grenfell managed the conflict by remaining in the meeting and voting in the best interest of the community.*

Moved Cr L Braun

Seconded Mayor G Aldridge

1. The Consolidated Budget Summary and Proposed Budget Adjustments to the Consolidated Summary as contained in Attachments 1 and 2 to this report (Item 2.1.3 Budget and Finance Committee, 15 June 2021) be endorsed.

**CARRIED**

*Cr C Buchanan returned to the meeting at 6.38 pm.*

Moved Cr C Buchanan

Seconded Cr P Jensen

2. Council endorses the changes to budget bids:
  - STN000600 The Paddocks Masterplan Implementation Works \$16k – increased as a result of transfer of funds from operational to capital expenditure (Item 3.2.4 and Attachment 10); and
  - TRN000609 City Wide Trails Program (\$35k) – reduced to reflect the successful grant application of \$500k (Item 3.2.5 and Attachment 11), noting that all other bid adjustments reflect Council resolutions.
3. Council endorses the new operating budget bid:
  - OPN000733 Greenwaste Kitchen Caddies \$111k – introduced following notification of successful grant funding application as per Finance and Corporate Services Committee report 2.1.2 Green Industries SA – Kitchen Caddy/Food Organics Grant Funding in this Agenda. (Item 3.6.10 and Attachment 22).

**CARRIED**

#### 2.1.4 Rating Strategy 2020/21

Moved Cr J Woodman  
Seconded Cr S Ouk

1. Information be received.
2. A rate increase based on 2.8% average increase in residential rates, and a 2.8% increase for Commercial and Industrial, and a 30% differential on the residential rate be applied to vacant land, be endorsed as the basis for setting rates in 2021/22.

**CARRIED**

*A **DIVISION** was requested by Cr N Henningsen and the following members responded to the Chair's call as having voted in favour of the **MOTION**:*

*Mayor G Aldridge, Crs D Proleta, M Blackmore, L Braun, C Buchanan, K Grenfell, P Jensen, S Ouk, S Reardon, G Reynolds and J Woodman*

*The following members responded to the Chair's call as having voted against the **MOTION**:*

*Cr N Henningsen*

*The Chair declared the **MOTION** was **CARRIED***

#### 2.1.5 Globe Derby Community Club 2021/22 Separate Rate

Moved Cr L Braun  
Seconded Cr K Grenfell

1. The proposed separate rate of \$110 per share in common land, 63 shares in total, in the relevant area for the Globe Derby Community Club for 2021/22, be endorsed in principle, and a formal resolution be brought forward to the June 2021 Council meeting for adoption of the rate.

**CARRIED**

#### 2.1.6 NAWMA (Northern Adelaide Waste Management Authority) Third Quarter Budget Review 2020/2021

Moved Cr G Reynolds  
Seconded Cr M Blackmore

1. The Third Quarter Budget Review of the Northern Adelaide Waste Management Authority as contained in Attachment 1 to this report (Finance and Corporate Services 15/06/202, Item 2.1.6.) is adopted.

**CARRIED**

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**2.1.7 Project Budget Delegations**

Moved Cr G Reynolds  
Seconded Cr C Buchanan

1. A Financial Delegation (the Project Budget Delegation) be discontinued effective 30 June 2021.

**CARRIED**

**2.1.8 COVID-19 Rates Financial Hardship Policy Review**

Moved Mayor G Aldridge  
Seconded Cr G Reynolds

1. That the COVID-19 Rates Financial Hardship Policy be revoked.

**CARRIED**

*Cr Brug entered the meeting at 6.45 pm.*

**OTHER BUSINESS**

Nil

**CONFIDENTIAL ITEMS**

**2.4.1 Public Lighting LED Business Case**

Moved Cr L Braun  
Seconded Cr S Ouk

1. Pursuant to Section 90(2) and (3)(b)(i) and (b)(ii) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:

- it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and

- information the disclosure of which would, on balance, be contrary to the public interest.

2. In weighing up the factors related to disclosure,

- disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations

- The non-disclosure of the matter and discussion of this item in confidence would protect confidential information relating to proposed commercial negotiations and Council's commercial position.

On that basis the public's interest is best served by not disclosing the **Public Lighting LED Business Case** item and discussion at this point in time.

3. Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public, except staff of the City of Salisbury on duty in attendance, be excluded from attendance at the meeting for this Agenda Item.

**CARRIED**

The meeting moved into confidence at 6.46 pm.

The meeting moved out of confidence and closed at 6.58 pm.

CHAIRMAN.....

DATE.....



<b>ITEM</b>	2.0.1
	<b>FINANCE AND CORPORATE SERVICES COMMITTEE</b>
<b>DATE</b>	19 July 2021
<b>HEADING</b>	Future Reports for the Finance and Corporate Services Committee
<b>AUTHOR</b>	Joy Rowett, Governance Coordinator, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community
<b>SUMMARY</b>	This item details reports to be presented to the Finance and Corporate Services Committee as a result of a previous Council resolution. If reports have been deferred to a subsequent month, this will be indicated, along with a reason for the deferral.

**RECOMMENDATION**

1. Council receives the information.

**ATTACHMENTS**

There are no attachments to this report.

**1. BACKGROUND**

- 1.1 Historically, a list of resolutions requiring a future report to Council has been presented to each committee for noting.

**2. CONSULTATION / COMMUNICATION**

2.1 Internal

- 2.1.1 Report authors and General Managers.

2.2 External

- 2.2.1 Nil.

**3. REPORT**

3.1 The table below outlines the reports to be presented to the Finance and Corporate Services Committee as a result of a Council resolution.

<b>Meeting Item</b>	<b>Heading and Resolution</b>	<b>Officer</b>
22/02/2021 2.1.2 <b>Due:</b>	<b>Event Management Framework &amp; Room Booking Fees &amp; Charges, Salisbury Community Hub</b> 1. That the update on the use of the Salisbury Community Hub be noted and pending further assessment a report be brought back to Council. February 2022	Julie Kushnir
22/02/2021 2.4.1 <b>Due:</b>	<b>Update on Action on Rates Assessment Outstanding under Section 184 of the Local Government Act 1999</b> Council has previously resolved this resolution to be confidential. November 2021	Kate George

**4. CONCLUSION / PROPOSAL**

4.1 Future reports for the Finance and Corporate Services Committee have been reviewed and are presented to Council for noting.

**CO-ORDINATION**

Officer: Executive Group  
Date: 12/07/2021

<b>ITEM</b>	2.1.1
	<b>FINANCE AND CORPORATE SERVICES COMMITTEE</b>
<b>DATE</b>	19 July 2021
<b>HEADING</b>	Council Finance Report - June 2021
<b>AUTHOR</b>	Melissa Hamilton, Assistant Accountant, Business Excellence
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community

**SUMMARY** This report provides key financial data as at 30 June 2021 for information of Council. The report demonstrates that Council is currently in a sound financial position with appropriate levels of debt and investments.

#### **RECOMMENDATION**

1. Council receives and notes the information.

#### **ATTACHMENTS**

There are no attachments to this report.

### **1. BACKGROUND**

- 1.1 Council's Treasury Policy requires that a report be prepared detailing fixed borrowings and variable borrowings at the end of the preceding month, together with all investments held, their terms and interest rates. Also included is a summary of Reserve Balances and Rates and Debtor Information. The policy requires that the timing of these reports be November, February and May, with the end of year report as soon as practical as part of the end of financial year reporting.

### **2. CONSULTATION / COMMUNICATION**

- 2.1 Internal
  - 2.1.1 NA
- 2.2 External
  - 2.2.1 NA

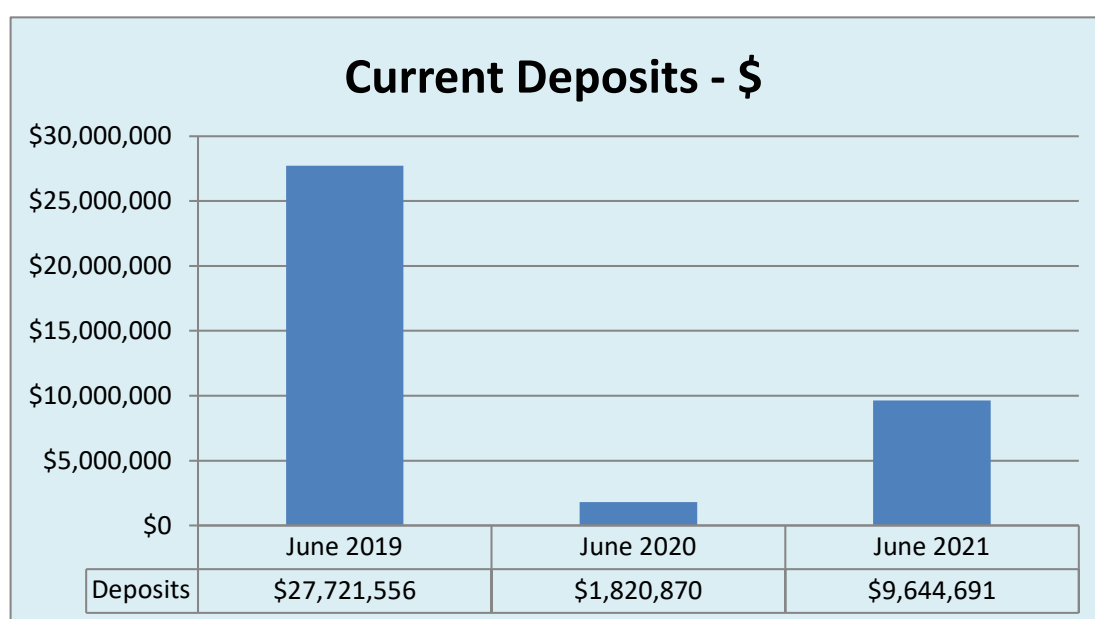
### **3. REPORT**

- 3.1 Council funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings are invested in accordance with Council's Treasury Policy. These investments are split between short term deposits with the Local Government Finance Authority (with variable maturity dates from 30-60 days) or at call with the National Australia Bank. Investments are selected considering which delivers

the best value, having regard to investment returns, transaction costs and other relevant factors. It should be noted that there is a bonus paid on deposits with the LGFA each year, and whilst the percentage varies from year to year, typically it is around 0.5%.

### 3.2 Investments as at 30 June 2021

Date	Institution	%	Term-Days	Maturity	Value
30 Jun 2021	LGFA	0.30	N/A	At Call	864,819
30 Jun 2021	NAB	0.60	N/A	At Call	4,779,872
21 Jun 2021	LGFA	0.30	N/A	30 Days	4,000,000
<b>30-Jun-2020</b>	<b>1,820,870</b>			<b>30-Jun-2021</b>	<b>9,644,691</b>



- 3.3 The cash position has increased compared to June 2020, primarily as a result of the timing of the delivery of the Infrastructure program and higher levels of capital income received, combined with lower levels of operational costs incurred during the year when adjusted for Operational Surplus Initiative measures. Proceeds received from Property Developments also increased in the 2020/21 year which has also contributed to the increased cash position.
- 3.4 It is worth noting, that whilst there are currently cash holdings, Council had been in a drawn down Cash Advance Debenture (CAD) position with a maximum exposure of \$8.0M during the first quarter of 2020/21 which incurred total interest costs of \$12k. As at 30 June 2021, Council has not needed to draw down on our existing CAD facilities. The cash holdings and borrowings will continue to be monitored closely and when necessary we will draw down further on existing CAD facilities.

3.5 Further to the above it should be noted that we are anticipating significant cash outflows in the first quarter of the 2022 Financial Year as part of the normal end of financial year supplier payments, as well as the continued delivery of the infrastructure program. Consequently, it is anticipated that our cash holdings will decrease significantly during the upcoming months.

3.6 Reserves as at 30 June 2021

	Opening Balance as 1/07/2020	Transfer to Reserves	Transfer from Reserves	Current Balance	Endorsed Commitments in 2021/22 Budget
Open Space Reserve	1,356,739	224,417	100,000	1,481,156	
Car Parking Reserve	947,803	3,328	-	951,131	
Property Disposal Reserve*	750,918	-	-	750,918	
Mausoleum Perpetual Care Fund	857,195	18,080	-	875,275	
Salisbury Memorial Park Reserve	911,933	3,199	-	915,132	
Developer and Public Infrastructure Reserve	1,430,820	532,824	208,000	1,755,644	424,000
Salisbury Water Business Unit Reserve*	2,108,962	-	-	2,108,962	

*\*Reserves to be finalised as part of the end of financial year processes*

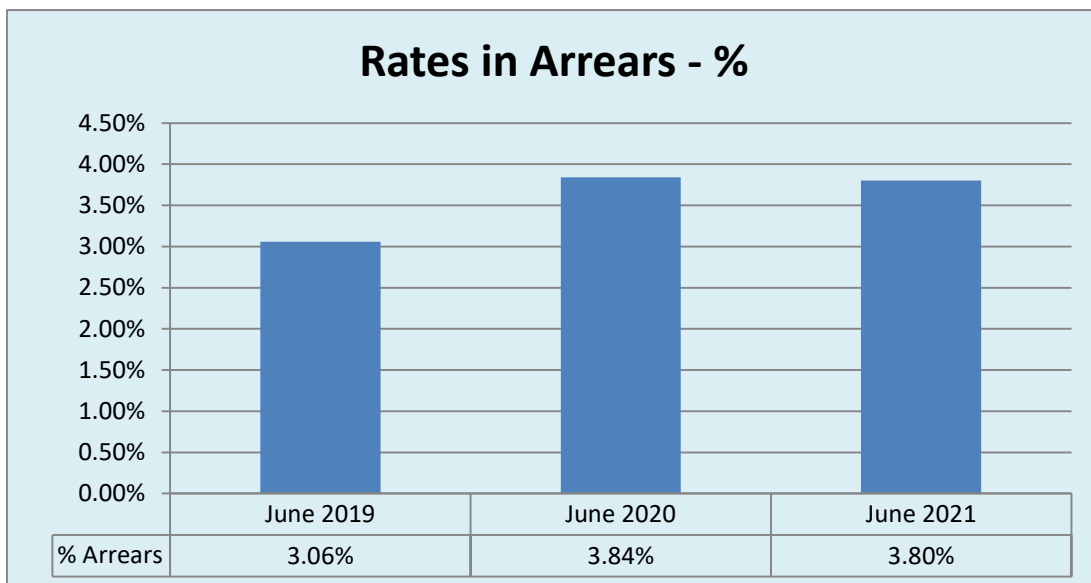
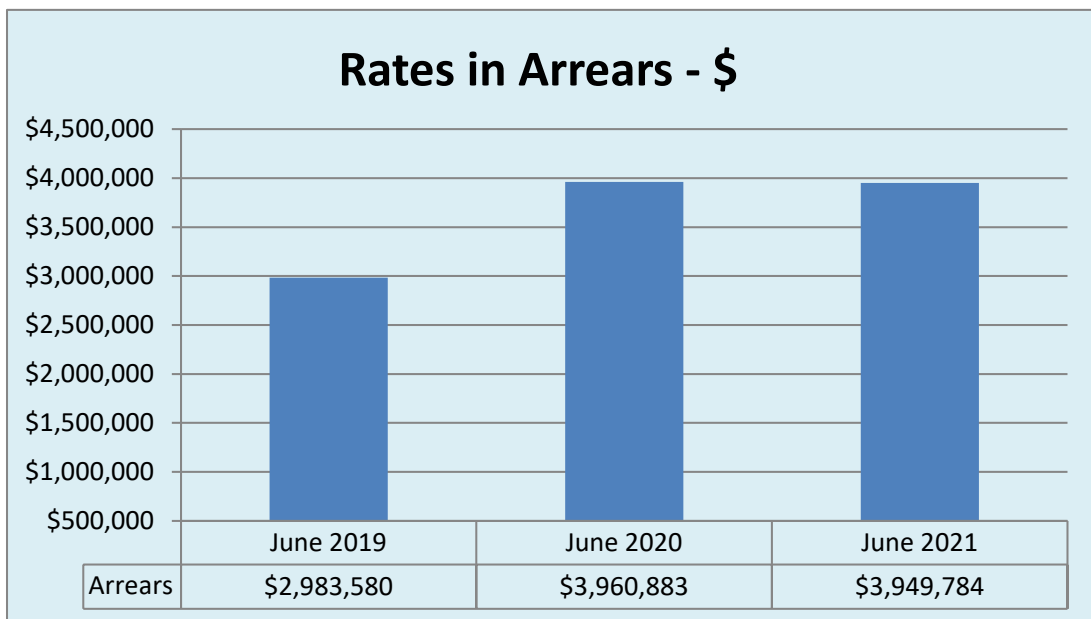
- 3.7 Reserves are a device used to ensure that Council has sufficient funds allocated for specific purposes. Transfers to the Reserves represent amounts received as either contributions, indicative interest adjustments or property disposal proceeds. Transfers from the Reserves represent the funding being allocated to specific projects, or to reduce loan borrowing requirements.
- 3.8 At 30 June 2021 the most significant movements are the transfers from the Development and Public Infrastructure Reserve of \$208k being the funding associated with the 2021 Developer Funded Infrastructure Program and \$100k funding associated with the 2021 Open Space Infrastructure Program, both of which were endorsed as part of the 2020/21 Budget. Transfers to the Developer and Public Infrastructure Reserve totaling \$532k have also been received, relating to contributions received as part of development activity across the City. The most significant being \$239k associated with the Vicinity Industrial Estate, \$87k associated with a development at Penner Avenue Burton and \$45k associated with a development at Enterprise Drive, Salisbury South. Transfers to the Open Space Reserve totaling \$224k have also been received, with the most significant being \$212k associated with development activity at The Glades.
- 3.9 Other smaller movements include transfers representing interest allocations totaling \$17.9k across all the Reserves, as well as \$18k contributions received to the Mausoleum Perpetual Care Fund.
- 3.10 It should be noted that interest is apportioned on the balances of the Reserves on a monthly basis, with the Property Disposal and the Business Unit Reserves being the only exceptions.
- 3.11 The table also incorporates the endorsed commitments in the 2021/22 Budget to allow members to see the expected impact on these reserves, which comprises of an allocation of \$424k to be transferred from the Developer and Public Infrastructure Reserve. This relates to the Developer Funded Program Bid which is a program of works including the planting of trees, building footpaths and parking bays in development areas where developers choose not to complete these

works but provided a financial contribution to Council in lieu to undertake the works post-initial development.

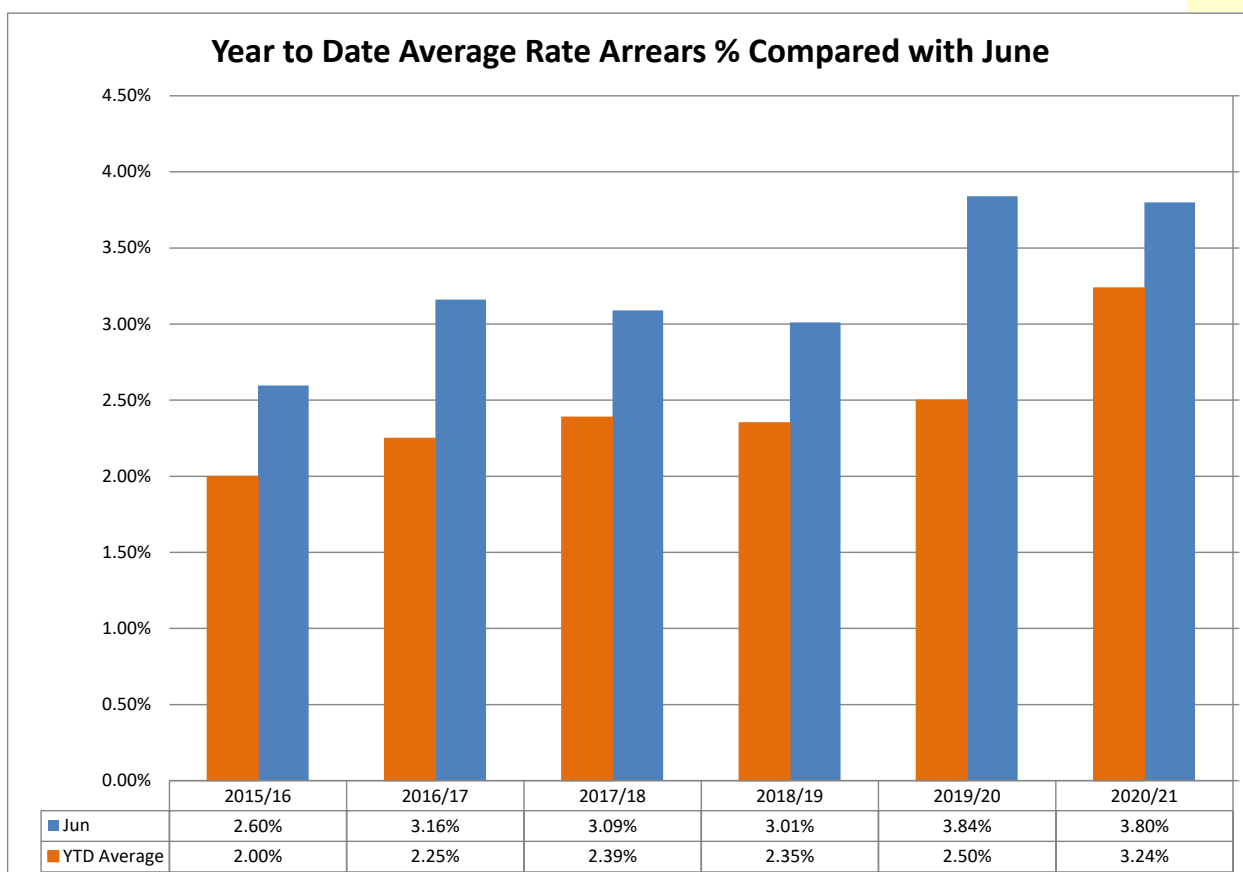
3.12 Recovery of Rates

	No of Accounts	\$	%
Outstanding Balance as at 30 June 2021*		2,161,014	2.12%
Outstanding Balance as at 30 June 2020*		2,467,481	2.44%
Outstanding Rates Arrears as at 30 June 2021	5,375	3,949,784	3.80%
Outstanding Rates Arrears as at 30 June 2020	5,560	3,960,883	3.84%

*\*The calculation of the outstanding balance is comprised of the amount outstanding at the time of the report, offset by payments for rates that have been received in advance. In previous reports, these amounts had also included Water Debtors and comparison data has been adjusted accordingly.*



- 3.13 The level of Council Rates in arrears at 30 June 2021 is 3.80%, which is above the target level for Rates Arrears of 2.5%. It was anticipated that the levels of arrears would increase as a result of the extended payment date for the June fourth quarter rates in the 2020 financial year and also into the current financial year for the first and second quarter installments, for those meeting the COVID-19 Hardship Policy.
- 3.14 As part of the ongoing focus on greater customer engagement, a solution has been implemented that better supports customers with long outstanding rate debts. The solution utilises technology to be more customer driven in that the ratepayer chooses how their engagement occurs. The process is managed by our debt collectors, Credit Solutions, with communications being co-branded with City of Salisbury and it is expected that this process will provide better support to our Community.
- 3.15 Rate arrears are cyclical in nature in that they peak in the month rate installments fall due, and then typically trend downwards for the next two months, meaning that the rate arrears level at a point in time may be distorted, and that the average rate arrears normalises the cyclical impacts. The graph below depicts the average year to date rate arrears, with the average to June 2021 being 3.24%.



## 3.16 Other Debtors as at 30 June 2021

Debtor Type	Current	30 – 60 days	60 - 90 days	Over 90 days	Total
Sundry	2,406,547	78,059	1,994	8,221	2,494,820
Salisbury Water	-	41,637	-	-	41,637
Inflammable Undergrowth	-	-	-	6,376	6,376
Health Licensing Fees	6,487	2,252	2,516	5,178	16,431
Property Management	152,765	66,425	10,672	26,102	255,964
<b>TOTAL</b>	<b>2,565,798</b>	<b>188,372</b>	<b>15,181</b>	<b>45,876</b>	<b>2,815,228</b>

3.17 The above aged analysis represents sundry amounts that are owing to Council as at 30 June 2021. The Sundry Debtors current balance of \$2,406k includes one large invoice for \$1,606k relating to Blackspot funding associated with the Nelson Road and Kesters Road, Para Hills Junction which is expected to be paid in early July 2021.

3.18 The above aged analysis also represents other amounts that are owing to Council from a variety of sources that are outstanding as at 30 June 2021. Debts outstanding greater than 90 days account for 1.63% of the total outstanding balance, or 3.79% adjusted for the large individual Invoice raised in June for \$1,606k as mentioned in Paragraph 3.17. Debts that are outstanding for greater than 30 days are subject to council's debt collection procedures, which include internal follow up and ultimately legal action through Councils debt collection agency.

## 3.19 Loan Schedule as at 30 June 2021

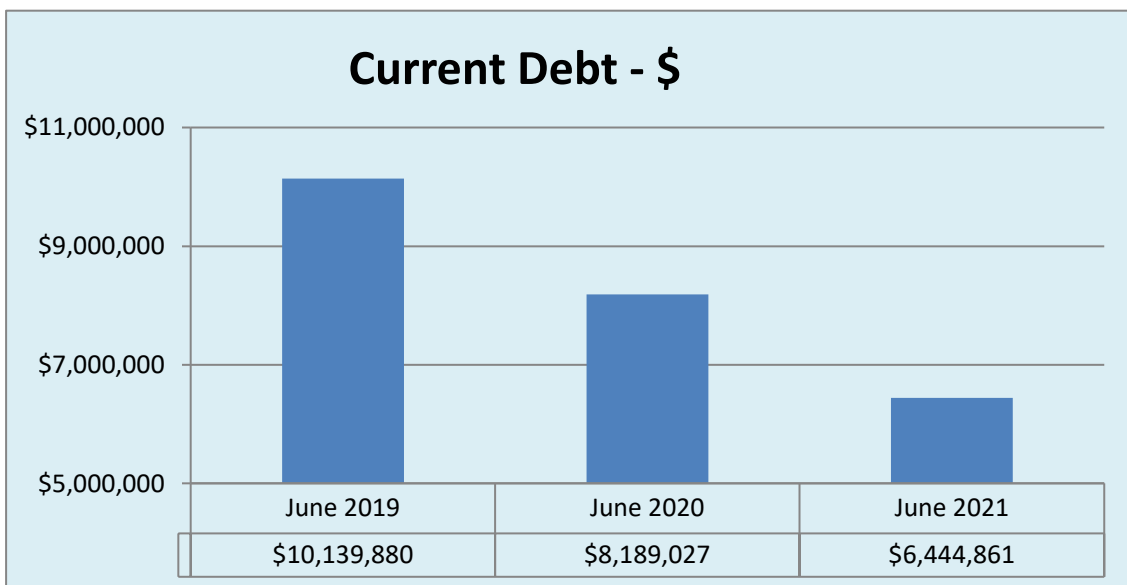
<b>Debenture Loans</b>	
Principal Outstanding as at 1 July 2020	8,189,026
Loans Raised Year to Date	0
Repayments of Principal Year to Date	1,744,165
<b>Loan Principal Outstanding - Debenture Loans</b>	<b>6,444,861</b>
<b>Cash Advance Debenture Borrowings (CADs)</b>	
Total CAD's available	50,317,000
Current CAD's drawdown amount year to date	0
<b>Balance of CAD's available</b>	<b>50,317,000</b>
<b>Interest Payments (Debenture Loans and CADs)</b>	
Interest Payments - Debenture Loans	521,909
Interest Payments - CAD's	12,091
<b>Total Interest Payments</b>	<b>534,000</b>

3.20 The above Loan Schedule summarises the position on loans taken for Council purposes. Fixed Term Borrowings detail total movements this financial year, with payments to be made half yearly, the first payment made in December 2020 and another in June 2021. During the first quarter there was a maximum draw down



of \$8.0M which was repaid by 31 October 2020 and the interest cost associated with this draw down was \$12k.

- 3.21 Not included in the above loan schedule is the \$379k Debenture Loan secured for special purpose borrowings, which is offset by a Loan Receivable. It should be noted that this loan receivable would have been equivalent to the Debenture loan payable of \$379k, however as loan repayments were deferred by Council for a period of 6 months with interest capitalized during this period (resolution 0492/2020), the Loan Receivable is now higher at \$399k.
- 3.22 The table below shows the level of fixed term loans and drawn down debt held by Council at the same time for the last three financial years and demonstrates a steady decrease in fixed term debt. This has resulted from Council’s decision to utilise property development proceeds to offset borrowing requirements in prior years, and the shift to CADs which are drawn down as required.



### 3.23 Net Financial Liabilities Ratio Comparison



Item 2.1.1

3.24 The graph above shows the net financial liabilities ratio (NFL) comparison for the 2020 and 2021 financial years as at the time of preparation of each Council finance report. Council’s endorsed range for the NFL is less than 70% as endorsed for the 2020/21 budget year which is represented by the green shaded area on the graph, noting that the endorsed range for 2019/20 was less than 40%.

3.25 It should be noted that when the ratio is below zero, that this represents a net financial assets position, which is when the financial assets (cash, receivables and financial assets) are greater than total liabilities. Effectively this means that a negative ratio is favourable. When financial assets are less than total liabilities it results in a net financial liability position, and a positive ratio.

3.26 As can be seen the trend is that early in both financial years Council is in a strong net financial assets position. This reflects higher levels of cash holdings and trade receivables than levels of trade payables and debt. As the financial year progresses, cash holdings are spent as the infrastructure program is delivered, and last financial year Council was in a net financial liability position at the end of financial year with a ratio of 14.3% which is within the endorsed range.

3.27 Council’s NFL at the end of this financial year has trended downwards compared to 30 June 2020, to a ratio of 7.5% as a result of the timing of delivery of our infrastructure program and increase in cash holdings at 30 June 2021. It should be noted that the original 2020/21 Budgeted Net Financial Liabilities Ratio was 54.35%, revised to 63.45% at Second Quarter Budget Review and further revised at Third Quarter Budget Review to 52.03%, with an anticipated level of carry forwards that strongly correlates to the relatively low NFL ratio.

- 3.28 Typically in May the borrowing requirements for the current year are reviewed together with a recommendation to establish a facility for the coming budget year. This is quite a complex process as it relies on the Third Quarter Budget Review for current year, the Budget for coming year and the prior year carry forwards report. As there are sufficient facilities available to fund our current activities, we have determined that we are able to defer this report until the first quarter of the 2021/22 year which will enable greater certainty in the borrowing requirements and reduce the need for future revisions.

#### **4. CONCLUSION / PROPOSAL**

- 4.1 The analysis above demonstrates that Council is currently in a sound financial position, considering the adverse impacts on our cash holdings early in the year. It should be noted that Council has appropriate levels of borrowing facilities to manage potential cash requirements, and that these potential drawdowns are reflected in our financial sustainability indicators which are within the endorsed ranges.
- 4.2 Whilst this report provides only a summary of key financial data as 30 June 2021, the full financial results for the financial year will be reported on as part of the 2021 Annual Financial Statements which will be presented to Council in October 2021.

#### **CO-ORDINATION**

Officer: Executive Group  
Date: 12/07/2021



<b>ITEM</b>	2.1.2
	<b>FINANCE AND CORPORATE SERVICES COMMITTEE</b>
<b>DATE</b>	19 July 2021
<b>HEADING</b>	Certification of the 2021 Annual Financial Statements
<b>AUTHOR</b>	Tim Aplin, Senior Accountant, Business Excellence
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities

**SUMMARY** This report provides a summary of the 2021 end of financial year reporting process and seeks Council's authorisation for both the Mayor and the Chief Executive Officer to sign the certificate certifying the 2021 Annual Financial Statements in their final form once completed

#### **RECOMMENDATION**

1. The information be received.
2. Council authorises the Mayor and Chief Executive Officer to sign the Council Certificate certifying the Annual Financial Statements for the financial year ended 30 June 2021, following the Audit Committee's review of these Statements on 12 October 2021.

#### **ATTACHMENTS**

This document should be read in conjunction with the following attachments:

1. 2021 Annual Financial Statements - Council Certificate

#### **1. BACKGROUND**

- 1.1 The *Local Government Act 1999* at Section 127 requires that a Council must prepare financial statements and notes in accordance with the standards prescribed by the regulations, and other statements or documentation relating to the financial affairs of the council required by the regulations for each financial year.
- 1.2 A key component of meeting this legislative obligation is that the Mayor and the Chief Executive Officer must certify the Annual Financial Statements, the format of which is governed by Regulation 14 of the *Local Government (Financial Management Regulations) 2011*.

#### **2. CONSULTATION / COMMUNICATION**

##### **2.1 External**

- 2.1.1 Councils external Auditors for the 2021 EOFY, Bentleys.

### 3. REPORT

- 3.1 The format of the certification of Councils Annual Financial Statements is governed by Regulation 14 of the *Local Government (Financial Management) Regulations 2011*, which states:

*The financial statements of a council, council subsidiary or regional subsidiary must include a statement, in a form determined by the Minister, signed by:*

- (a) *the chief executive officer and the principal member of the council;*

*certifying that—*

- (c) *the financial statements comply with relevant legislation and Australian Accounting Standards; and*

- (d) *the financial statements present a true and fair view of the*  
(i) *financial position; and*  
(ii) *results of the operations; and*  
(iii) *cash flows,*  
*of the council for the financial year; and*

- (e) *internal controls implemented by the council provide a reasonable assurance that its financial records are complete, accurate and reliable and were effective throughout the financial year; and*

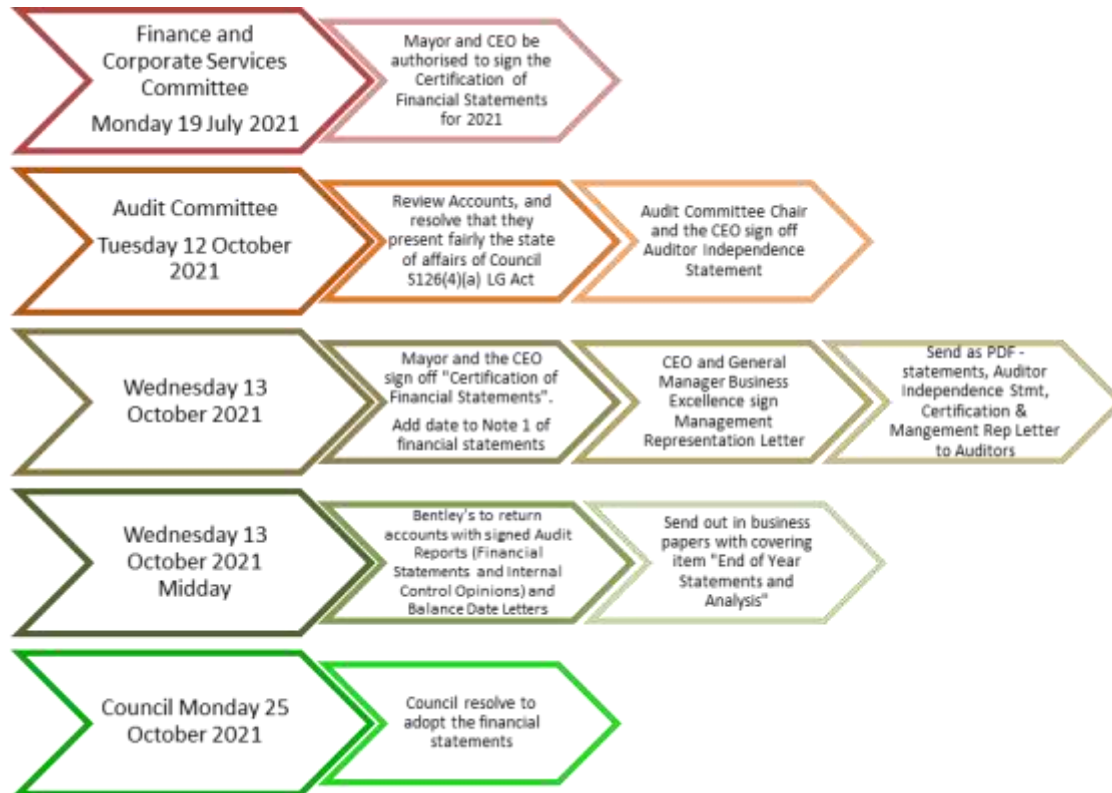
- (f) *the financial statements accurately reflect the accounting and other records of the council and;*

- (g) (i) *in the case of a council—the chief executive officer and the principal member;*

*have been authorised by the council to certify the annual financial statements in their final form.*

- 3.2 The legislation places the responsibility for preparing accurate annual financial statements on the Council, not its auditor, as the auditors' role is limited to forming an opinion as to whether the statements present fairly, in all material respects, the Council's financial position for the respective reporting period. Accordingly the Council Certificate is located prominently at the start of the statements.
- 3.3 The following process and associated timeframes have been prepared consistent with previous years and legislative requirements outlined above to ensure the Audit Committee and Council certification process integrates with the legislative requirements:

## Sign off Process 2021 Financial Year



- 3.4 Application of the above process will ensure that the legislative requirements governing the preparation, review, certification and endorsement of the Annual Financial Statements for 2021 are satisfied.
- 3.5 A copy of the 2021 Annual Financial Statements Council Certificate complying with Regulation 14 of the Local Government (Financial Management) Regulations 2011 is attached for information.

## 4. CONCLUSION / PROPOSAL

- 4.1 In order to satisfy the legislative requirements governing the preparation of the 2021 Annual Financial Statements it is recommended that Council authorise the Mayor and the Chief Executive Officer to sign the Council Certificate certifying the Annual Financial Statements for year ended 30 June 2021, following the Audit Committee's review of the Statements at its meeting on 12 October 2021.

## CO-ORDINATION

Officer: Executive Group  
Date: 12/07/2021





## City of Salisbury

### General Purpose Financial Statements for the year ended 30 June 2021

#### Certification of Financial Statements

**We have been authorised by the Council to certify the financial statements in their final form.**

**In our opinion:**

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2021 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

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John Harry  
CHIEF EXECUTIVE OFFICER

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Gillian Aldridge  
MAYOR

Date: