



AGENDA

FOR FINANCE AND CORPORATE SERVICES COMMITTEE MEETING TO BE HELD ON

**17 JULY 2023 AT CONCLUSION OF THE POLICY AND PLANNING COMMITTEE
IN LITTLE PARA CONFERENCE ROOMS, SALISBURY COMMUNITY HUB,
34 CHURCH STREET, SALISBURY**

MEMBERS

Cr B Brug (Chairman)
Mayor G Aldridge
Cr L Brug (Deputy Chairman)
Deputy Mayor, Cr C Buchanan
Cr J Chewparsad
Cr A Graham
Cr K Grenfell
Cr D Hood
Cr P Jensen
Cr M Mazzeo
Cr S McKell
Cr S Ouk
Cr S Reardon

REQUIRED STAFF

Chief Executive Officer, Mr J Harry
A/General Manager Business Excellence, Mr B Naumann
General Manager City Infrastructure, Mr J Devine
General Manager Community Development, Mrs A Pokoney Cramey
General Manager City Development, Ms M English
Manager Governance, Mr R Deco
Team Leader Council Governance, Ms J O'Keefe-Craig
Governance Support Officer, Ms K Boyd

APOLOGIES

An apology has been received from Cr L Brug.

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the Finance and Corporate Services Committee Meeting held on 13 June 2023.

REPORTS

Administration

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For Decision

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2.1.2 Certification of the 2022/23 Annual Financial Statements 19

QUESTIONS ON NOTICE

There are no Questions on Notice.

MOTIONS ON NOTICE

There are no Motions on Notice.

OTHER BUSINESS

(Questions Without Notice, Motions Without Notice, CEO Update)

CLOSE



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

13 JUNE 2023

MEMBERS PRESENT

Cr B Brug (Chairman)
Cr L Brug (Deputy Chairman)
Deputy Mayor, Cr C Buchanan
Cr J Chewparsad
Cr K Grenfell
Cr D Hood
Cr P Jensen
Cr S McKell
Cr S Ouk
Cr S Reardon

STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
Acting General Manager City Infrastructure, Mr J Collins
General Manager Community Development, Mrs A Pokoney Cramey
General Manager City Development, Ms M English
Manager Governance, Mr R Deco
Team Leader Council Governance, Ms J O'Keefe-Craig
PA to General Manager Community Development, Ms S Howley

The meeting commenced at 6:47pm.

The Chairman welcomed the Elected Members, public and staff to the meeting.

APOLOGIES

An apology has been received from Mayor G Aldridge, Cr A Graham and Cr M Mazzeo.

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr D Hood
Seconded Cr K Grenfell

The Minutes of the Finance and Corporate Services Committee Meeting held on 15 May 2023, be taken as read and confirmed.

CARRIED
Unanimously

REPORTS

Administration

2.0.1 Future Reports for the Finance and Corporate Services Committee

Moved Cr K Grenfell
Seconded Cr P Jensen

That Council:

1. Notes the report.

CARRIED
Unanimously

For Decision

Pursuant to section 75 of the Local Government Act 1999, Cr Hood declared a material conflict of interest in relation to this matter on the basis that he is a board member of the Salisbury Business Association. Cr Hood stated that he will deal with the conflict by withdrawing from the meeting.

Cr D Hood left the meeting at 6:50 pm.

2.1.1 Salisbury Business Association Separate Rate - Additional Levy Consideration

Moved Cr C Buchanan
Seconded Cr P Jensen

That Council:

1. Approves that there is to be no recovery of funds for the Sexton Laneway.
2. Notes the 2023/24 Salisbury Business Association separate rate declaration to be presented at the June Council meeting will be based on \$168,453 as reported and resolved in May 2023.
3. Requests the Salisbury Business Association to consider in the preparation of its 2024/25 separate rate levy request to Council how it can contribute to the overall revitalisation on of the Salisbury City Centre and surrounds through identifying additional opportunities that can be delivered through partnerships and collaboration with Council and other partners to enhance the overall experience for the broader community that use the city centre.

CARRIED

Cr D Hood returned to the meeting at 6:55 pm.

Pursuant to section 75(1)(c) of the Local Government Act 1999, Cr Buchanan declared a material conflict of interest on the basis of being a member of the NAWMA Board. Cr Buchanan stated that he will deal with the conflict by withdrawing from the meeting.

Cr C Buchanan left the meeting at 6:56 pm.

Pursuant to section 74 of the Local Government Act 1999, Cr Reardon declared a general conflict of interest based on being the Deputy member of NAWMA advised she will manage this conflict by withdrawing from the meeting.

Cr S Reardon left the meeting at 6:56 pm.

Cr S Reardon returned to the meeting at 06:58 pm.

Cr S Reardon returned to the meeting to advise that she has an exemption provided under section 75A(2)(e) of the Local Government Act 1999, and that she did not act as a deputy member.

Pursuant to section 75(1)(c) of the Local Government Act 1999, Cr Grenfell declared a material conflict of interest on the basis of being a member of the NAWMA Board. Cr Grenfell stated that she will deal with the conflict by leaving the meeting.

Cr K Grenfell left the meeting at 6:59 pm.

2.1.2 NAWMA (Northern Adelaide Waste Management Authority) Third Quarter Budget Review 2022/23

Moved Cr P Jensen
Seconded Cr S Ouk

That Council:

1. Approves the Third Quarter Budget Review of the Northern Adelaide Waste Management Authority as contained in Attachment 1 to this report (Item 2.1.2 Finance and Corporate Services Committee 13 June 2023).

CARRIED
Unanimously

Cr K Grenfell returned to the meeting at 06:59 pm.

Cr C Buchanan returned to the meeting at 06:59 pm.

2.1.3 2023/24 Long Term Financial Plan and Annual Business Plan and Budget Public Consultation Report

Moved Cr C Buchanan
Seconded Cr K Grenfell

That Council:

1. Notes 2023/24 Draft Long Term Financial Plan and Annual Business Plan and Budget Public Consultation Report.
2. Approves the draft responses to the 2023/24 Long Term Financial Plan and Annual Business Plan and Budget consultation submissions as contained in Attachment 1 to this report (Item 2.1.3 Finance and Corporate Services Committee, 13 June 2023).
3. Delegates to the CEO to amend the draft letter to the responses based on any decisions Council may make in relation to the proposed rate increase.

CARRIED
Unanimously

2.1.4A Budget Update

Moved Cr C Buchanan
Seconded Cr P Jensen

That Council:

1. Approves the Consolidated Budget Summary and Proposed Budget Adjustments to the Consolidated Summary as contained in Attachments 1 and 2 to this report (Item 2.1.4A, Finance and Corporate Services Committee, 13 June 2023).
2. Approves the changes to Infrastructure budget bids:
 - TRN001143 Community Bus \$480k – funding for the delivery of infrastructure for new bus stops as per Council Resolution 0152/2023, April 2023 (Paragraph 3.2 and Attachment 3).
 - DWN001000 Major Flooding Mitigation Service Continuity Program \$300k – Brickwork Place, Walkley Heights mitigation works for drainage infrastructure failure added as per Council Resolution 0342/2023, May 2023 (Paragraph 3.4 and Attachment 5).
3. Approves new and updated operating budget bids:
 - OPN001143 Community Bus \$285k – funding to continue the community bus service as per Council Resolution 0152/2023, April 2023 (Paragraph 3.5.1 and Attachment 3).
 - OPN001144 Christmas Carols \$20k – funding to host an expanded event at Carisbrooke Park as per Council Resolution 0149/2023, April 2023 (Paragraph 3.5.2 and Attachment 6).

4. Delegates to the Chief Executive Officer to transfer funds from the Chief Executive Officer Consulting budget to other areas of the business as required, and to report transactions made using this delegation via quarterly reviews, as per paragraph 3.11 of this report (Finance and Corporate Services, 13 June 2023).
5. Approves the amendment of fees for the Mawson Centre Development listed on page 31 of the 2023/24 Draft Fees and Charges so that the full commercial rates are listed as discussed in paragraph 3.12 of this report (Attachment 8 Item no 2.1.3 Finance and Corporate Services, 13 June 2023).

CARRIED
Unanimously

Pursuant to section 74 of the Local Government Act 1999, Cr C Buchanan declared a general conflict on the basis of being an member of the Club which utilises this reserve. Cr C Buchanan stated that he will deal with the conflict by withdrawing from the meeting.

Cr C Buchanan left the meeting at 07:05 pm.

2.1.4B Budget Update

Moved Cr K Grenfell
Seconded Cr S Ouk

That Council:

1. Approves the changes to Infrastructure budget bid:
 - PBN001145 Hausler Reserve, Paralowie – Stage 2 New Building \$600k – funding for the new uni-sex change facility and carparking as per Council Resolution 0141/2023, April 2023 (Paragraph 3.3 and Attachment 4).

CARRIED

Cr C Buchanan returned to the meeting at 07:05 pm.

2.1.5 Rating Strategy 2023/24

Moved Cr J Chewparsad
Seconded Cr K Grenfell

That Council:

1. Approves a rate increase based on 6.9% increase in residential rates, and a 6.9% increase for Commercial and Industrial, and a 30% differential on the residential rate be applied to vacant land, as the basis for setting rates in 2023/24.

CARRIED
Unanimously

QUESTIONS ON NOTICE

There were no Questions on Notice.

MOTIONS ON NOTICE

There were no Motions on Notice.

OTHER BUSINESS

(Questions Without Notice, Motions Without Notice, CEO Update)

The meeting closed at 7:09pm.

CHAIRMAN.....

DATE.....

| | |
|------------------------|---|
| ITEM | 2.0.1 |
| | FINANCE AND CORPORATE SERVICES COMMITTEE |
| DATE | 17 July 2023 |
| HEADING | Future Reports for the Finance and Corporate Services Committee |
| AUTHOR | Hayley Berrisford, PA to General Manager Business Excellence, Business Excellence |
| CITY PLAN LINKS | 4.2 We deliver quality outcomes that meet the needs of our community |
| SUMMARY | 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

That Council:

1. Notes the report.

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.

| Meeting Item | - Heading and Resolution | Officer |
|----------------------|---|----------------|
| 27/06/2022 4.1.10 | New Grant funding for Infrastructure Projects 5. Authorises the Chief Executive Officer to distribute the \$1.1M across the grant related projects stated in paragraphs 4.2.2 and 4.2.4 of the report (Item 4.1.10 – New Grant Funding for Infrastructure Projects – Urban Services Committee, 20 June 2022) with these allocations to be summarised within the following Quarterly Budget. | Christy Martin |
| Due: | February 2024 | |
| 24/04/2023 2.1.3 | Budget Status Update 7. City Infrastructure to prepare a report for the Finance and Corporate Services Committee addressing fleet vehicles, including manager vehicles, and the potential to transition to Hybrid and Electric alternatives. | Mark Purdie |
| Due: | September 2023 | |

4. CONCLUSION / PROPOSAL

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

| | |
|------------------------|---|
| ITEM | 2.1.1 |
| | FINANCE AND CORPORATE SERVICES COMMITTEE |
| DATE | 17 July 2023 |
| HEADING | Council Finance Report - June 2023 |
| AUTHORS | Sadaf Hashim, Assistant Accountant, Business Excellence Kate George, Manager Financial Services, Business Excellence |
| CITY PLAN LINKS | 4.4 We plan effectively to address community needs and identify new opportunities |
| SUMMARY | This report provides key financial data as at 30 June 2023 for information of Council. The report demonstrates that Council is currently in a sound financial position with appropriate levels of debt and investments. |

RECOMMENDATION

That Council:

1. Notes the report.

ATTACHMENTS

There are no attachments to this report.

1. BACKGROUND

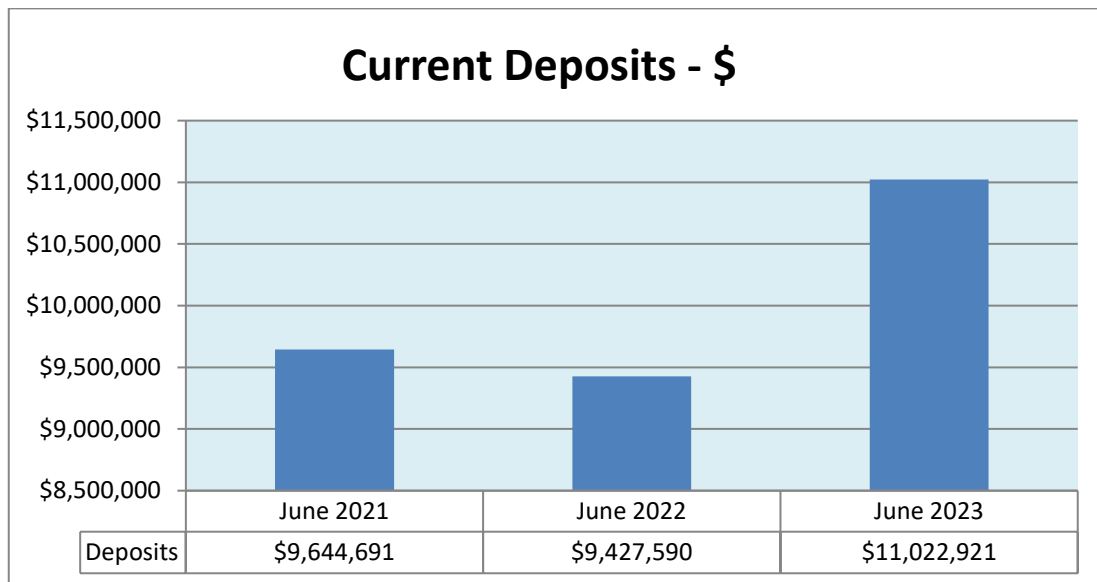
- 1.1 The Treasury Policy requires that a report be prepared detailing fixed borrowings and variable borrowings at the end of the preceding month, together with all investments held, their terms and interest rates. Also included is a summary of Reserve Balances and Rates and Debtor Information. The policy 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. REPORT

- 2.1 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 (LGFA) (with variable maturity dates from 30-60 days) or at call with the National Australia Bank or Local Government Finance Authority.
- 2.2 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 0.20%.

2.3 Investments as at 30 June 2023

| Date | Institution | % | Term-Days | Maturity | Value |
|--------------------|------------------|------|-----------|--------------------|-------------------|
| 30 Jun 2023 | LGFA | 4.30 | At Call | 30-June-2023 | 10,539,928 |
| 30 Jun 2023 | NAB | 4.30 | At Call | 30-June-2023 | 482,993 |
| | | | | | |
| 30-Jun-2022 | 9,427,590 | | | 30-Jun-2023 | 11,022,921 |



- 2.4 Cash has increased compared to June 2022, primarily as a result of 100% early receipt of the 2023/24 Financial Assistance and Untied Local Roads Grants (FA&ULG) totaling \$10.5M. In the prior year 75% of the FA & ULG had been received in advance, consequently the \$10.5M is a significant difference year on year and without this early receipt, cash holding would have been comparatively lower than the June 2022 figure.
- 2.5 As at 30 June 2023, Council has fully repaid the draw downs made on the existing cash advance debenture (CAD) facilities, with the drawdowns resulting in a modest interest cost of \$33k, which is further detailed in paragraph 2.16. The Council's cash holdings and borrowings are monitored closely and when necessary we will continue to draw down on the existing CAD facilities, noting there are appropriate levels of facilities available to manage any cash shortfalls.

2.6 Reserves as at 30 June 2023:

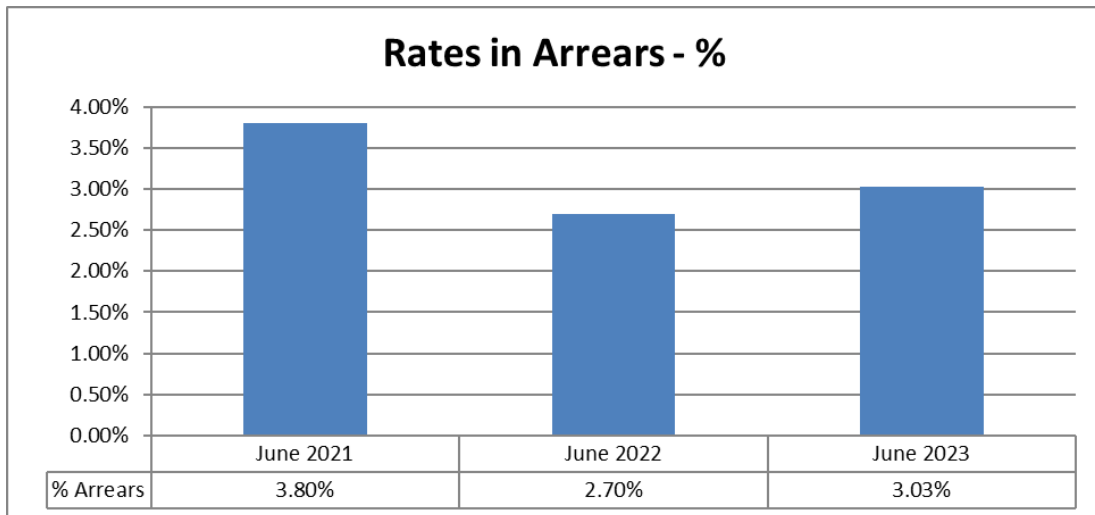
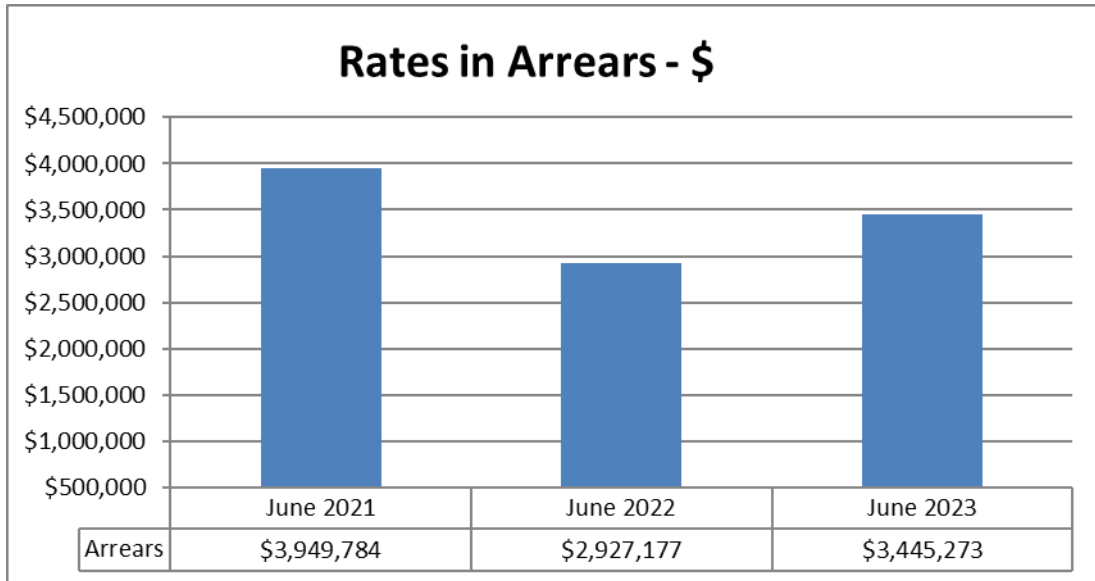
| | Opening Balance as 1/07/2022 | Transfer to Reserves | Transfer from Reserves Budgeted | Current Balance |
|---|-------------------------------------|-----------------------------|--|------------------------|
| Open Space Reserve | 1,519,205 | 387,669 | - | 1,906,874 |
| Car Parking Reserve | 954,778 | 30,700 | - | 985,478 |
| Property Disposal Reserve | 2,634,386 | - | - | 2,634,386 |
| Mausoleum Perpetual Care Fund | 931,215 | 47,939 | - | 979,154 |
| Salisbury Memorial Park Reserve | 918,644 | 29,538 | - | 948,183 |
| Developer and Public Infrastructure Reserve | 2,014,644 | 442,969 | 400,000 | 2,057,613 |
| Salisbury Water Business Unit Reserve | 3,534,443 | - | - | 3,534,443 |
| Northern Futures Fund Reserve | 265,312 | 8,531 | - | 273,843 |
| Business Transformation Reserve | 2,005,000 | 62,180 | - | 2,067,180 |

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

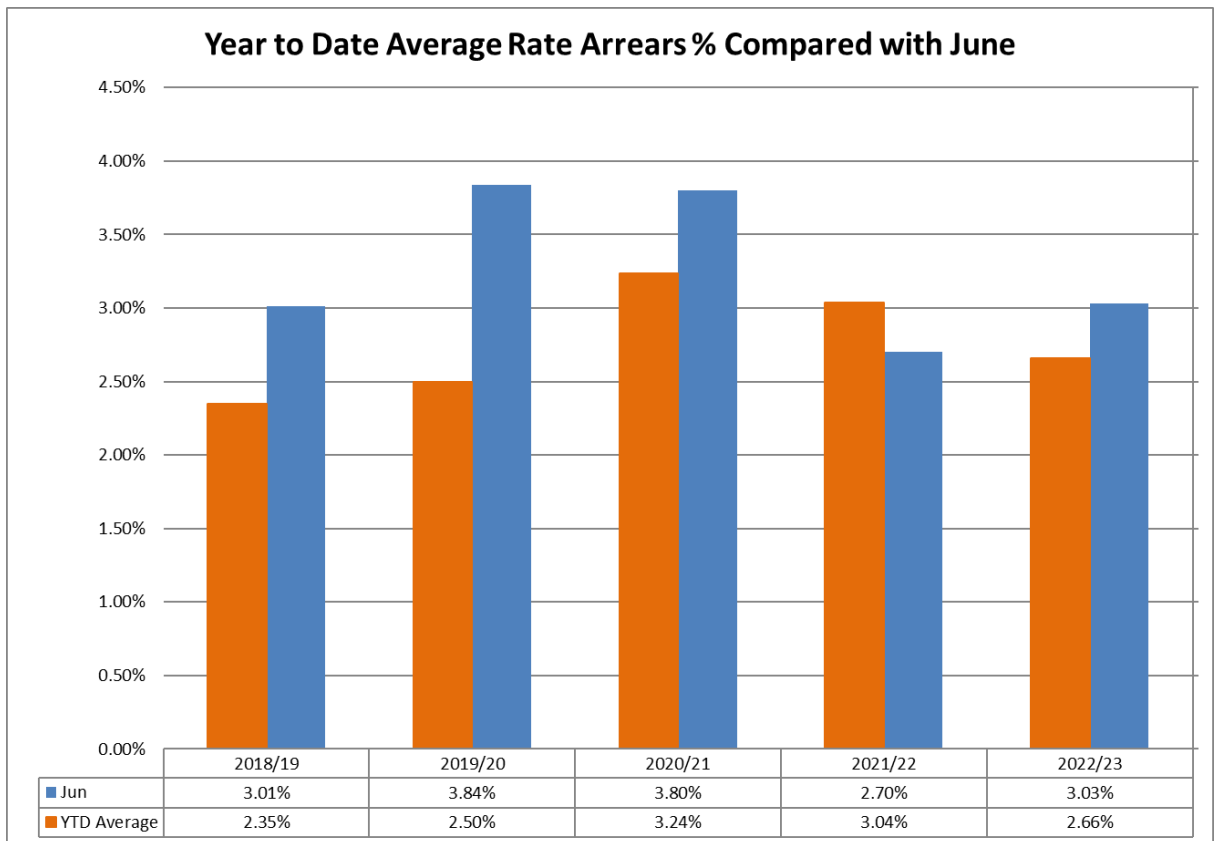
- 2.7 Reserves are a device used to ensure that Council has sufficient funds allocated for specific purposes. Transfers to the Reserves represent amounts received as either contributions, indicative interest adjustments or property disposal proceeds. Transfers from the Reserves represent the funding being allocated to specific projects, or to reduce loan borrowing requirements.
- 2.8 As at 30 June 2023, the most significant movement is the \$334k contribution for the Open Space Reserve, with the balance of \$388k reflecting interest applied year to date. The Developer and Public Infrastructure Resource has been increased by returned funds of \$379k as part of the end of year carry forwards process, with the balance of \$64k being interest year to date. Also shown in the table is the 2022/23 allocation of \$400k of Developer Funds into projects approved through the budget process.
- 2.9 Smaller “Transfer to” are associated with the interest totaling \$179k which is applied on the balances of the Reserves on a monthly basis based on the LGFA at call rate at the beginning of the month, with the Property Disposal Reserve and the Salisbury Water Business Unit Reserve being the only exceptions.
- 2.10 Recovery of Rates

| | No of Accounts | \$ | % |
|--|-----------------------|-----------|----------|
| Outstanding Balance as at 30 June 2023* | | 1,511,914 | 1.35% |
| Outstanding Balance as at 30 June 2022* | | 1,561,086 | 1.47% |
| Outstanding Rates Arrears as at 30 June 2023 | 4,806 | 3,445,273 | 3.03% |
| Outstanding Rates Arrears as at 30 June 2022 | 5,928 | 2,927,177 | 2.70% |

**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.*



- 2.11 The level of Council Rates in arrears as at 30 June 2023 has increased to 3.03% which is above the target maximum level for Rates Arrears of 2.5% noting that final quarter rate installment due on the 1st of June 2023, so typically the balance at end June is higher than target.
- 2.12 Rate arrears are cyclical in nature in that they peak in the month rate installments fall due, and then 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 2023 being 2.66%, which is only marginally above target of 2.5%.



2.13 Other Debtors as at 30 June 2023

| Debtor Type | Current | 30 – 60 days | 60 - 90 days | Over 90 days | Total |
|-------------------------|----------------|---------------|---------------|---------------|----------------|
| Sundry | 576,218 | 73,871 | 8,732 | 18,951 | 677,772 |
| Salisbury Water | 17,595 | 2,554 | - | - | 20,149 |
| Inflammable Undergrowth | - | - | - | 15,867 | 15,867 |
| Health Licensing Fees | 3,708 | 2,124 | 730 | 6,135 | 12,697 |
| Property Management | 127,312 | 17,859 | 10,649 | 6,652 | 162,472 |
| TOTAL | 724,833 | 96,408 | 20,111 | 47,605 | 888,957 |

2.14 The above aged analysis represents Council's Sundry debtors as at 30 June 2023. The total Sundry debtors current balance of \$678k includes various debts, all of which are a normal part of Council's operations, and are expected to be paid in the upcoming period.

2.15 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 2023. Debts outstanding greater than 90 days account for 5% of the total outstanding balance. 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 Council's debt collection agency should debts remain outstanding.

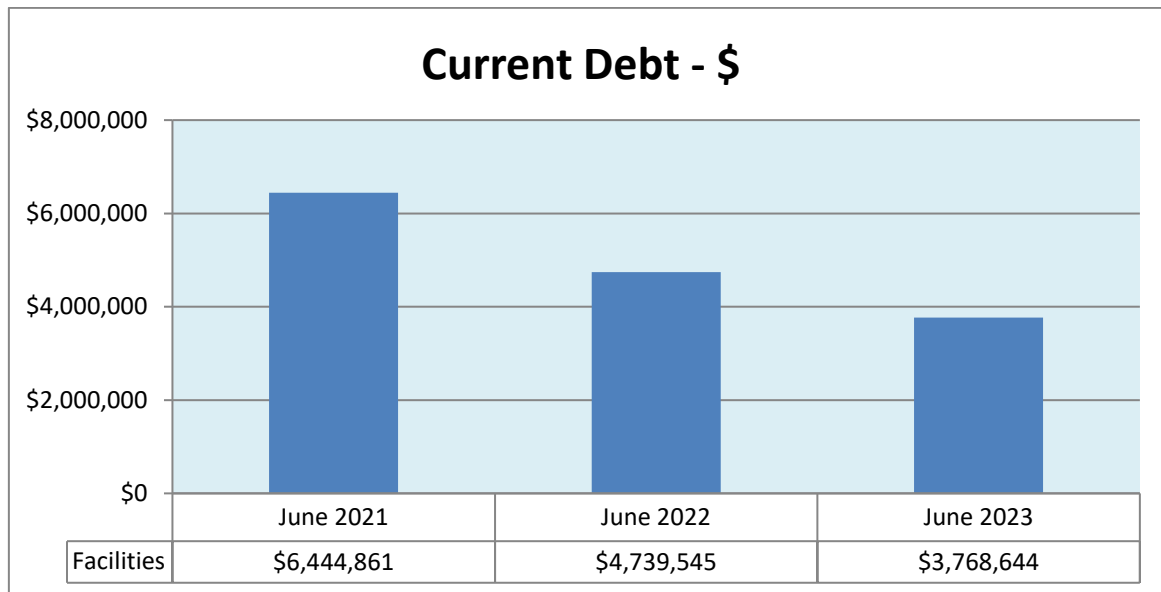
2.16 Loan Schedule as at 30 June 2023

| | |
|---|-------------------|
| Debenture Loans | |
| Principal Outstanding as at 1 July 2022 | 5,089,566 |
| Loans Raised Year to Date | 0 |
| Repayments of Principal Year to Date | 1,320,922 |
| Loan Principal Outstanding - Debenture Loans | 3,768,644 |
| Cash Advance Debenture Borrowings (CADs) | |
| Total CAD's available | 47,467,000 |
| Current CAD's drawdown amount year to date | 0 |
| Balance of CAD's available | 47,467,000 |
| Interest Payments (Debenture Loans and CADs) | |
| Interest Payments - Debenture Loans | 309,220 |
| Interest Payments - CAD's | 33,301 |
| Total Interest Payments | 342,521 |

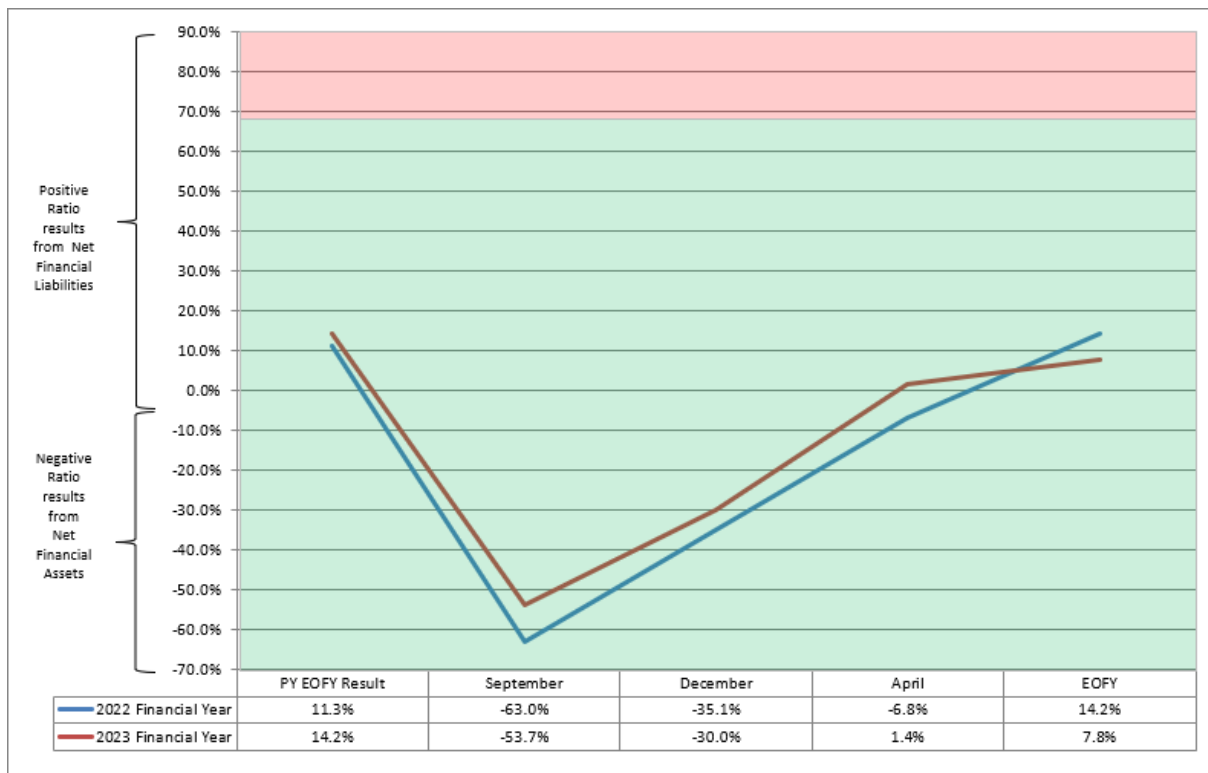
2.17 The above Loan Schedule summarises the position on loans taken for Council purposes. Fixed Term Borrowings detail total movements this financial year, with payments to be made half yearly; payments have occurred in November & December 2022 and in May & June 2023.

2.18 As at 30 June 2023, Cash Advance Debenture loans have been fully repaid, with drawn downs made during the period April to June 2023 to fund the Council's operations resulting in associated interest payments of \$33k for the 2022/23 financial year. Further, the "Cash Advance Debenture Available Facility" has decreased from \$50,317k to \$47,467k in the current report due to the maturity of "Salisbury CAD 261" on 16 June 2023. Currently there are sufficient facilities to meet Council's borrowing requirements, with further consideration of loan borrowing requirements to be reported to Council in the coming months.

2.19 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, and the timing of delivery of the capital program.



2.20 Net Financial Liabilities Ratio Comparison



2.1 The graph above shows the net financial liabilities ratio (NFL) comparison for the 2022 and 2023 financial years as at the time of preparation of each Council finance report, with the 2022 end of financial year result updated to the audited amount. Council’s approved range for the NFL is less than 70% as approved for the 2023 budget year which is represented by the green shaded area on the graph.

2.2 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.

- 2.3 As can be seen the trend is that early in both financial years Council is in a strong net financial assets position. This reflects that cash holdings and trade receivables are higher than levels of trade payables and debt. As the financial year progresses, cash holdings are spent as the infrastructure program is delivered. At the end of the 2022/23 financial year Council is in a net financial liability position of 7.8% which is within the endorsed range. Further, this is lower than 2021/22 financial year's liability ratio of 14.2% primarily due to the 100% early receipt of 2023-24 FA&ULG Grants compared to the 75% early receipt in the 2021/22 financial year.

3. CONCLUSION / PROPOSAL

- 3.1 The analysis above demonstrates that Council is currently in a sound financial position with Net Financial Liabilities within the approved range. It should be noted that Council currently has appropriate levels of borrowing facilities to manage any cash shortfalls that may result.
- 3.2 Whilst this report provides only a summary of key financial data as 30 June 2023, the full financial results for the financial year will be reported on as part of the 2023 Annual Financial Statements which will be presented to Council in October 2023.

| | |
|------------------------|---|
| ITEM | 2.1.2 |
| | FINANCE AND CORPORATE SERVICES COMMITTEE |
| DATE | 17 July 2023 |
| HEADING | Certification of the 2022/23 Annual Financial Statements |
| AUTHORS | Sadaf Hashim, Assistant Accountant, Business Excellence Kate George, Manager Financial Services, Business Excellence |
| CITY PLAN LINKS | 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 2023 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 2023 Annual Financial Statements in their final form once completed. |

RECOMMENDATION

That Council:

1. Authorises the Mayor and Chief Executive Officer to sign the Council Certificate certifying the Annual Financial Statements for the financial year ended 30 June 2023, following the Audit and Risk Committee's review of these Statements on 11 October 2023.

ATTACHMENTS

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

1. 2023 Annual Financial Statements - Council Certificate [↓](#)

1. BACKGROUND

- 1.1 Section 127 of the *Local Government Act 1999* 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 Council's external Auditors for the 2023 End of Financial Year, BDO.

3. REPORT

- 3.1 The format of the certification of Council's 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:

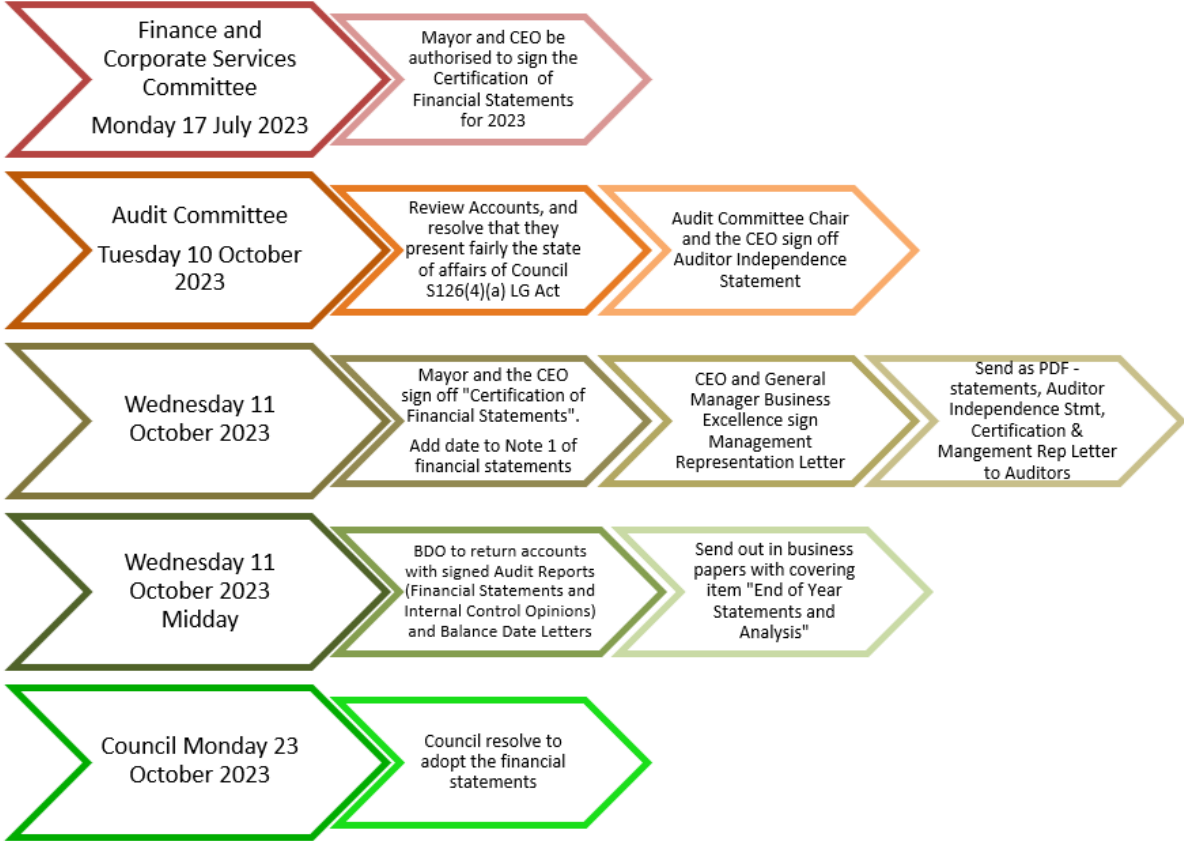
- (a) *the chief executive officer and the principal member of the council;*
- (b) *... certifying that—*
- (c) *the financial statements comply with relevant legislation and Australian Accounting Standards; and*
- (d) *the financial statements present a true and fair view of the*
 - (i) *financial position; and*
 - (ii) *results of the operations; and*
 - (iii) *cash flows,**of the council, council subsidiary or regional subsidiary (as the case may be) for the financial year; and*
- (e) *internal controls implemented by the council, council subsidiary or regional subsidiary (as the case may be) 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, council subsidiary or regional subsidiary (as the case may be) and;*
- (g) —
 - (i) *in the case of a council—the chief executive officer and the principal member;*
 - (ii) *...*

have been authorised by the council, council subsidiary or regional subsidiary (as the case may be) to certify the annual financial statements in their final form.

- 3.2 In accordance with the legislation Council is responsible for preparing accurate annual financial statements. This is not the responsibility of the external auditor. The external auditor's 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 and Risk Committee and Council certification process integrates with the legislative requirements:

Sign off Process 2023 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 2023 are satisfied.

3.5 A copy of the 2023 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 2023 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 2023, following the Audit and Risk Committee’s review of the Statements at its meeting on 10 October 2023.

City of Salisbury

General Purpose Financial Statements for the year ended 30 June 2023

Council certificate

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 2023 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.

John Harry
Chief Executive Officer

11 October 2023

Gillian Aldridge
Mayor

11 October 2023