

NOTICE OF EXTRAORDINARY MEETING

Notice is hereby given that a meeting of

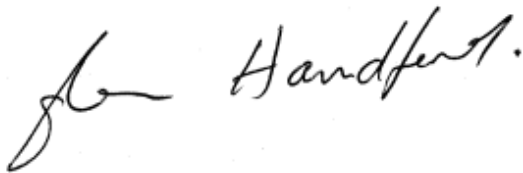
MidCoastCouncil

Will be held at the Forster Administration Centre, 4 Breese Parade, Forster

18 JANUARY 2017 FROM 1.45PM

The order of the business will be as detailed below (subject to variation by Council)

1. Acknowledgement of Country
2. Declaration of Pecuniary or Conflicts of Interest (nature of Interest to be Disclosed)
3. Apologies
4. Confirmation of Minutes - 21 December 2016
5. Matters for Information
6. Close of Meeting



Glenn Handford
INTERIM GENERAL MANAGER

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CONSIDERATION OF OFFICERS' REPORTS:

INTERIM GENERAL MANAGER

1 FINANCIAL STATEMENTS & AUDITORS REPORTS - FORMER GREAT LAKES COUNCIL 1 JULY 2015 - 12 MAY 2016

Report Author Phil Brennan, Manager Finance

File No. / ECM Index Financial Statements 2015/2016 - GLC

Date of Meeting 18 January 2017

SUMMARY OF REPORT

This report presents the Financial Statements and Auditors Reports for the period 1 July 2015 to 12 May 2016 for the former Great Lakes Council to the public in accordance with section 419(1) of the Local Government Act 1993.

SUMMARY OF RECOMMENDATION

That Council receive and note the audited Financial Statements for the period 1 July 2015 to 12 May 2016 for the former Great Lakes Council.

FINANCIAL/RESOURCE IMPLICATIONS

Nil.

LEGAL IMPLICATIONS

This report has been prepared to allow for Council's legislative obligations in respect of the presentation of financial statements for the former Great Lakes Council to the public.

BACKGROUND

Clause 27 (1) of the Local Government (Council Amalgamations) Proclamation 2016 placed a responsibility on a new council (Mid-Coast Council) to prepare audited financial reports for the former councils in respect of the period from 1 July 2015 to the amalgamation day (12 May 2016).

The Office of Local Government issued a 'Supplement for New Councils Reporting on Behalf of Former Councils' to the Local Government Code of Accounting Practice and Financial Reporting to assist in the preparation of these Financial Reports.

The Financial Reports for the former Great Lakes Council have been prepared and the audit of those reports completed by Council's Auditor, RSM Australia Pty Ltd. The Auditor's Reports were received on 20 December 2016.

The Financial Reports have been lodged with the Office of Local Government before the required date of 31 December 2016.

In accordance with section 419(1) of the Local Government Act 1993 (LGA), Council is required to present the audited financial reports for the former council to the public.

Section 418 (2) requires public notice of at least 7 days be given of the Council meeting date fixed for the presentation of the audited Financial Statements. This notice was placed in the Great Lakes Advocate and Manning River Times on Wednesday 4 January 2017 and the Gloucester Advocate the following week. The notice and a copy of the Financial Statements were also made available on Council's website from 4 January 2017.

Section 420 makes provision for any person to make submissions to Council with respect to the financial statements or auditor's reports. Such submissions must be made within 7 days after the reports are presented to the public. Copies of submissions must be referred to the auditor and, if required, amendments made to the financial reports.

2015/2016 Financial Statements & Auditor's Report

Included in the Financial Statements are the 4 consolidated statutory reports required by Australian Accounting Standards and the Office of Local Government's Code of Accounting Practice and Financial Reporting. The purpose of these four reports is as follows:

Income Statement and Statement of Comprehensive Income	The change in net assets resulting from operations. The income statement and statement of comprehensive income discloses all revenues and expenses from ordinary activities for the financial period in accordance with AASB 101. This is impacted in these financial statements by adjustments arising from OLG advice regarding revenue recognition in respect of rates, annual charges and grants and contributions.
Statement of Financial Position	The net ownership of assets after the deduction of liabilities in accordance with AASB 101.
Statement of Changes in Equity	The statement of changes in equity to disclose a reconciliation a reconciliation of the opening and closing balances of each class of equity for the reporting period detailing the nature and amount of movements in those classes of equity (AASB 101).
Statement of Cash Flows	The effect on Council's cash reserves for the year prepared in accordance with AASB 107.

These principal statements are supported by Notes that provide a greater level of detail of the accounting assumptions and valuation methodologies adopted and other information required so as to assist a user to understand the figures reported.

Council is also required to prepare Special Purpose Financial Statements which are subject to audit and Special Schedules which are required by the Office of Local Government.

The Auditors have offered the following opinion following the completion of their audit.

"Auditor's Opinion

In our opinion:

- (a) *The former Council's accounting records have been kept in accordance with the requirements of the Local Government Act, 1993, Chapter 13, Part 3, Division 2 ('this Division'); and*
- (b) *The former Council's financial statements:*
 - i. *have been prepared in accordance with the requirements of this Division;*
 - ii. *are consistent with the former Council's accounting records; and*
 - iii. *present fairly, in all material respects, the former Council's financial position as at 12 May 2016 and the results of its operations and its cash flows for the period then ended; and*
 - iv. *are in accordance with applicable Australian Accounting Standards.*
- (c) *We have obtained all information relevant to the conduct of our audit; and*
- (d) *There are no material deficiencies in the accounting records or financial statements that we have become aware of during the course of the audit."*

The Auditor also provided commentary in the Section 417(3) Report on the conduct of the audit that is relevant to the understanding of these financial statements. Some pertinent points include:

Comparative Information - *"The amounts presented for 2016 are for the period ended on this date [12 May 2016 added] and are therefore not necessarily directly comparable nor consistent with 2015 comparative amounts."*

Financial Performance - *"In accordance with the Code of Accounting Practice and Financial Reporting, rates are recognised as revenue at the commencement of the rating year for the whole year to 30 June 2016 and no adjustments have been made for rates not earned during the period 13/05/2016 to 30/06/2016. The effect of this is a distortion of the financial performance as presented in the Income Statement owing to income being included in a different period to those expenses which are ordinarily funded from this revenue. This also affects some of the performance indicators as presented in Note 13."*

Specific commentary in respect of the Performance Indicators can be found in the Auditors Report.

A final comment from the Auditor regarding asset management / valuation / data/ is worth noting for the new Council - *"The recent amalgamation of the former Great Lakes into the newly proclaimed Mid-Coast Council will require a review of how data relating to assets is collected and stored to ensure this information is sufficient and reliable as well as consistent across the whole organisation. Council should investigate the implementation of a suitable asset register that is integrated with the financial system as well as other Council systems to facilitate corporate wide asset management requirements. This will require significant investment of resources and will need to be appropriately budgeted and planned."*

RECOMMENDATION

That Council receive and note the audited Financial Statements for the period 1 July 2015 to 12 May 2016 for the former Great Lakes Council.

ATTACHMENTS

- A: Audited Financial Statements for the period 1 July 2015 to 12 May 2016 for the former Great Lakes Council

2 FINANCIAL STATEMENTS & AUDITORS REPORTS - FORMER GLOUCESTER SHIRE COUNCIL 17 JULY 2015 - 12 MAY 2016

Report Author Phil Brennan, Manager Finance

File No. / ECM Index Financial Statements 2015/2016

Date of Meeting 18 January 2017

SUMMARY OF REPORT

This report presents the Financial Statements and Auditors Reports for the period 1 July 2015 to 12 May 2016 for the former Gloucester Shire Council to the public in accordance with section 419(1) of the Local Government Act 1993.

SUMMARY OF RECOMMENDATION

That Council receive and note the audited Financial Statements for the period 1 July 2015 to 12 May 2016 for the former Gloucester Shire Council.

FINANCIAL/RESOURCE IMPLICATIONS

Nil.

LEGAL IMPLICATIONS

This report has been prepared to allow for Council's legislative obligations in respect of the presentation of financial statements for the former Gloucester Shire Council to the public.

BACKGROUND

Clause 27 (1) of the Local Government (Council Amalgamations) Proclamation 2016 placed a responsibility on a new council (Mid-Coast Council) to prepare audited financial reports for the former councils in respect of the period from 1 July 2015 to the amalgamation day (12 May 2016).

The Office of Local Government issued a 'Supplement for New Councils Reporting on Behalf of Former Councils' to the Local Government Code of Accounting Practice and Financial Reporting to assist in the preparation of these Financial Reports.

The Financial Reports for the former Gloucester Shire Council have been prepared and the audit of those reports completed by Council's Auditor, RSM Australia Pty Ltd. The Auditor's Reports were received on 20 December 2016.

The Financial Reports have been lodged with the Office of Local Government before the required date of 31 December 2016.

In accordance with section 419(1) of the Local Government Act 1993 (LGA), Council is required to present the audited financial reports for the former council to the public.

Section 418 (2) requires public notice of at least 7 days be given of the Council meeting date fixed for the presentation of the audited Financial Statements. This notice was placed in the Great Lakes Advocate and Manning River Times on Wednesday 4 January 2017 and the Gloucester Advocate the following week. The notice and a copy of the Financial Statements were also made available on Council's website from 4 January 2017.

Section 420 makes provision for any person to make submissions to Council with respect to the financial statements or auditor's reports. Such submissions must be made within 7 days after the reports are presented to the public. Copies of submissions must be referred to the auditor and, if required, amendments made to the financial reports.

2015/2016 Financial Statements & Auditor's Report

Included in the Financial Statements are the 4 consolidated statutory reports required by Australian Accounting Standards and the Office of Local Government's Code of Accounting Practice and Financial Reporting. The purpose of these four reports is as follows:

Income Statement and Statement of Comprehensive Income	The change in net assets resulting from operations. The income statement and statement of comprehensive income discloses all revenues and expenses from ordinary activities for the financial period in accordance with AASB 101. This is impacted in these financial statements by adjustments arising from OLG advice regarding revenue recognition in respect of rates, annual charges and grants and contributions.
Statement of Financial Position	The net ownership of assets after the deduction of liabilities in accordance with AASB 101.
Statement of Changes in Equity	The statement of changes in equity to disclose a reconciliation a reconciliation of the opening and closing balances of each class of equity for the reporting period detailing the nature and amount of movements in those classes of equity (AASB 101).
Statement of Cash Flows	The effect on Council's cash reserves for the year prepared in accordance with AASB 107.

These principal statements are supported by Notes that provide a greater level of detail of the accounting assumptions and valuation methodologies adopted and other information required so as to assist a user to understand the figures reported.

Council is also required to prepare Special Schedules which are required by the Office of Local Government.

The Auditors have offered the following opinion following the completion of their audit.

"Auditor's Opinion

In our opinion:

- (a) *The former Council's accounting records have been kept in accordance with the requirements of the Local Government Act, 1993, Chapter 13, Part 3, Division 2 ('this Division'); and*
- (b) *The former Council's financial statements:*

- i. have been prepared in accordance with the requirements of this Division;
 - ii. are consistent with the former Council's accounting records; and
 - iii. present fairly, in all material respects, the former Council's financial position as at 12 May 2016 and the results of its operations and its cash flows for the period then ended; and
 - iv. are in accordance with applicable Australian Accounting Standards.
- (c) We have obtained all information relevant to the conduct of our audit; and
- (d) There are no material deficiencies in the accounting records or financial statements that we have become aware of during the course of the audit."

The Auditor also provided commentary in the Section 417(3) Report on the conduct of the audit that is relevant to the understanding of these financial statements. Some pertinent points include:

Comparative Information - *"The amounts presented for 2016 are for the period ended on this date [12 May 2016 added] and are therefore not necessarily directly comparable nor consistent with 2015 comparative amounts."*

Financial Performance - *"In accordance with the Code of Accounting Practice and Financial Reporting, rates are recognised as revenue at the commencement of the rating year for the whole year to 30 June 2016 and no adjustments have been made for rates not earned during the period 13/05/2016 to 30/06/2016. The effect of this is a distortion of the financial performance as presented in the Income Statement owing to income being included in a different period to those expenses which are ordinarily funded from this revenue. This also affects some of the performance indicators as presented in Note 13."*

Specific commentary in respect of the Performance Indicators can be found in the Auditors Report.

A final comment from the Auditor regarding asset management / valuation / data/ is worth noting for the new Council - *"The recent amalgamation of the former Gloucester Shire Council into the newly proclaimed Mid-Coast Council will require a review of how data relating to assets is collected and stored to ensure this information is sufficient and reliable as well as consistent across the whole organisation. Council should investigate the implementation of a suitable asset register that is integrated with the financial system as well as other Council systems to facilitate corporate wide asset management requirements. This will require significant investment of resources and will need to be appropriately budgeted and planned."*

RECOMMENDATION

That Council receive and note the audited Financial Statements for the period 1 July 2015 to 12 May 2016 for the former Gloucester Shire Council.

ATTACHMENTS

- A: Audited Financial Statements for the period 1 July 2015 to 12 May 2016 for the former Gloucester Shire Council

3 FINANCIAL STATEMENTS & AUDITORS REPORT - FORMER GREATER TAREE CITY COUNCIL 1 JULY 2015 - 12 MAY 2016

Report Author Phil Brennan, Manager Finance

File No. / ECM Index Financial Statements 2015/2016

Date of Meeting 18 January 2017

SUMMARY OF REPORT

This report presents the Financial Statements and Auditors Reports for the period 1 July 2015 to 12 May 2016 for the former Greater Taree City Council to the public in accordance with section 419(1) of the Local Government Act 1993.

SUMMARY OF RECOMMENDATION

That Council receive and note the audited Financial Statements for the period 1 July 2015 to 12 May 2016 for the former Greater Taree City Council.

FINANCIAL/RESOURCE IMPLICATIONS

Nil.

LEGAL IMPLICATIONS

This report has been prepared to allow for Council's legislative obligations in respect of the presentation of financial statements for the former Greater Taree City Council to the public.

BACKGROUND

Clause 27 (1) of the Local Government (Council Amalgamations) Proclamation 2016 placed a responsibility on a new council (Mid-Coast Council) to prepare audited financial reports for the former councils in respect of the period from 1 July 2015 to the amalgamation day (12 May 2016).

The Office of Local Government issued a 'Supplement for New Councils Reporting on Behalf of Former Councils' to the Local Government Code of Accounting Practice and Financial Reporting to assist in the preparation of these Financial Reports.

The Financial Reports for the former Greater Taree City Council have been prepared and the audit of those reports completed by Council's Auditor, RSM Australia Pty Ltd. The Auditor's Reports were received on 20 December 2016.

The Financial Reports have been lodged with the Office of Local Government before the required date of 31 December 2016.

In accordance with section 419(1) of the Local Government Act 1993 (LGA), Council is required to present the audited financial reports for the former council to the public.

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Statement of Financial Position	The net ownership of assets after the deduction of liabilities in accordance with AASB 101.
Statement of Changes in Equity	The statement of changes in equity to disclose a reconciliation a reconciliation of the opening and closing balances of each class of equity for the reporting period detailing the nature and amount of movements in those classes of equity (AASB 101).
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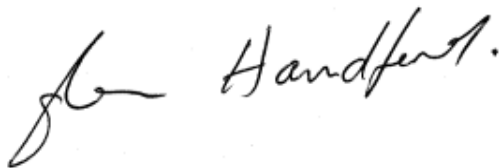
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RECOMMENDATION

That Council receive and note the audited Financial Statements for the period 1 July 2015 to 12 May 2016 for the former Greater Taree City Council.

ATTACHMENTS

- A: Audited Financial Statements for the period 1 July 2015 to 12 May 2016 for the former Greater Taree City Council



Glenn Handford
INTERIM GENERAL MANAGER