

Notice of ExtraOrdinary Meeting

**to be held at the Council Chambers
4 Breese Parade, Forster**

6 September 2017 at 2.00pm

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. Consideration of officers' reports
5. Close of meeting

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Glenn Handford
General Manager

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CONSIDERATION OF OFFICERS' REPORTS:

DIRECTOR CORPORATE & BUSINESS SYSTEMS

1 2016-2017 ANNUAL FINANCIAL STATEMENTS - MIDCOAST COUNCIL

Report Author Phil Brennan, Manager Finance

File No. / ECM Index Financial Management - Financial Statements 2016/2017

Date of Meeting 6 September 2017

SUMMARY OF REPORT

In order to comply with section 413 (2) (c) of the Local Government Act 1993 (as amended) and the Local Government Code of Accounting Practice and Financial Reporting, Council must prepare a "Statement by Councillors and Management" on the General Purpose Financial Statements (GPFS) and the Special Schedules as well as the Special Purpose Financial Reports (SPFS).

SUMMARY OF RECOMMENDATION

1. That the report be received and noted.
2. Council resolve to issue the statutory statements in relation to the 2016/2017 Annual Financial Reports for Mid-Coast Council.
3. Council refer the draft 2016/2017 Annual Financial Reports to the NSW Audit Office and RMS Australia for audit.

FINANCIAL/RESOURCE IMPLICATIONS

Nil.

LEGAL IMPLICATIONS

The "Statement by Councillors and Management" is a requirement of the Local Government Act 1993 and the Local Government Code of Accounting Practice and Financial Reporting and forms part of Council's Annual Financial Reports.

BACKGROUND

Council is required to prepare financial reports in accordance with the Local Government Act 193, Australian Accounting Standards and the Local Government Code of Accounting Practice and Financial Reporting for the financial period ending 30 June 2017.

As a result of the amalgamation on 12 May 2016, the first set of financial statements for Mid-Coast Council cover a financial period from 13 May 2016 to 30 June 2017 (approximately 13 ½ months).

The draft Financial Reports will be tabled at the meeting.

DISCUSSION

The Local Government Act 1993 (as amended) requires the Annual Financial Reports to include Statements signed by the Mayor, a Councillor, the General Manager and the Responsible Accounting Officer in accordance with a resolution of Council before the Annual Financial Statements can be referred to Council's Auditor for the commencement of the audit.

In the current situation where Council is under administration, the Statements are to be signed by the Administrator, General Manager and Responsible Accounting Officer.

The draft 2016/2017 Annual Financial Reports will be completed by the date of this meeting and will be formally tabled at the meeting.

The Statements by Councillors and Management must be completed in order to comply with Section 413 (2) (c) of the Local Government Act 1993 (as amended) which states:

"A council's financial reports must include a statement in the approved form by the council as to its opinion on the general purpose financial reports."

In addition the Local Government Code of Accounting Practice and Financial Reporting states with respect to the Special Purpose Financial Report that:

"Councils' shall complete a "Councils' Statement" on its Special Purpose Financial Report. The statement must be:

- *made by resolution of council; and signed by:*
- *The Mayor, at least one other member of the council, the responsible accounting officer and the General Manager (if not the responsible accounting officer).*

The statement by Council must indicate whether or not the Council's Special Purpose Financial Reports have been drawn up in accordance with the Local Government Code of Accounting Practice and Financial Reporting and relevant Australian Accounting Standards."

As Council is aware the NSW Audit Office is now responsible for the audit of all NSW local government authorities. In most instances the actual audit is being conducted by contract auditors (who have generally been the previous auditors). For Mid-Coast Council the contract auditors are RSM.

As the NSW Audit Office's review of practices they have requested that the 'Statements by Councillors and Management' be re-signed following the completion of the audit and prior to the issue of the required Auditor's Reports. This is a change from previous years and additional to the existing requirements. However it does correlate with procedures and practices of the private sector.

In this instance it will also allow the new Council (who will be elected at the election to be held on 9 September) to sign-off on the final audited Financial Reports prior to their release to the public. A Council meeting in October will be necessary to obtain the required resolution and to allow for the Financial Report to be lodged with the Office of Local Government by the deadline of 31 October 2017.

Following receipt of the Auditors' Reports a public notice advising the public of the presentation of the Annual Financial Report will be placed in relevant local papers two weeks prior to their presentation at a Council Meeting. It will be necessary for this meeting to occur in November 2017.

The NSW Audit Office have indicated that they wish to attend this meeting to formally present their Audit Reports to Council.

RECOMMENDATION

1. That the report be received and noted.
2. That Council resolve to issue the statutory statements in relation to the 2016/2017 Annual Financial Reports for Mid-Coast Council.
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Report Author Phil Brennan, Manager Finance

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SUMMARY OF REPORT

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SUMMARY OF RECOMMENDATION

1. That the report be received and noted.
2. Council resolve to issue the statutory statements in relation to the 2016/2017 Annual Financial Reports for MidCoast County Council (MidCoast Water).
3. Council refer the draft 2016/2017 Annual Financial Reports to the NSW Audit Office and Forsyths for audit.

FINANCIAL/RESOURCE IMPLICATIONS

Nil.

LEGAL IMPLICATIONS

The "Statement by Councillors and Management" is a requirement of the Local Government Act 1993 and the Local Government Code of Accounting Practice and Financial Reporting and forms part of Council's Annual Financial Reports.

BACKGROUND

Council is required to prepare financial reports in accordance with the Local Government Act 1993, Australian Accounting Standards and the Local Government Code of Accounting Practice and Financial Reporting for the financial period ending 30 June 2017.

As a result of the dissolution of MidCoast Water on 1 July 2017, Mid-Coast Council has become responsible for the completion of the 2016/2017 Annual Financial Reports. These Financial Reports cover the financial year from 1 July 2016 to 30 June 2017 and cover the operations of the former Mid Coast County Council (MidCoast Water).

These represent the final set of Financial Reports for MidCoast Water as a stand-alone entity. From 1 July 2017 the operations will be consolidated into the Financial Reports prepared by Mid-Coast Council.

The draft Financial Reports will be tabled at the meeting.

DISCUSSION

The Local Government Act 1993 (as amended) requires the Annual Financial Reports to include Statements signed by the Mayor, a Councillor, the General Manager and the Responsible Accounting Officer in accordance with a resolution of Council before the Annual Financial Statements can be referred to Council's Auditor for the commencement of the audit.

In the current situation where MidCoast Water is under administration, the Statements are to be signed by the Administrator, General Manager and Responsible Accounting Officer.

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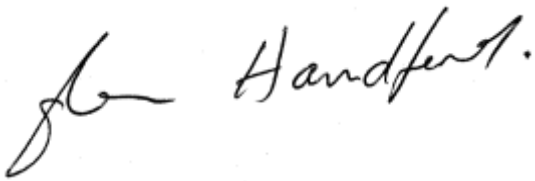
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Glenn Handford
GENERAL MANAGER