

1. DRAFT 2016/17 ANNUAL FINANCIAL STATEMENTS

Introduction

In accordance with Section 413(1) of the Local Government Act, this report is presented to council to refer Council's Financial Reports to audit. A copy of the draft **unaudited** statements will be provided to Council by close of business Thursday 17 August 2017.

Background

The Local Government Act 1993, Section 413(1) stipulates that Council must refer the Financial Statements to audit within 4 months of the end of the financial year.

Issues

The statements are prepared in accordance with the Office of Local Government's Code of Accounting Practice and Financial Reporting Guidelines.

A requirement under these guidelines is that Councillors and Management sign specific statements regarding the content of the statements. These statements in the approved format are included as **Attachment Nos 1 & 2** and will need to be signed by the Mayor and Deputy Mayor following the Council Meeting.

Council's auditors will be in attendance from 23 – 25 August to undertake the financial statement audit. As these are draft Financial Statements being referred to audit any changes required by the auditors will be included in the final financial statements which will be presented to the September Meeting of Council.

Assessment

a) **Legal Implications Including Directives and Guidelines**

Local Government Act 1993

Local Government Code of Accounting Practice and Financial Reporting Guidelines – Update 25, June 2017.

b) **Financial Implications/Considerations**

The Annual Financial Statements reflect the transactions previously reported to Council at the Quarterly Budget Reviews and the end of year adjustments.

c) **Policy Provisions – Council Policy and Practice**

Nil

d) **Strategic Implications – Implications for Long Term Plans/Targets**

Item 4.3.1 of the Community Strategic Plan – Operate and manage Council in a financially sustainable manner that meets all statutory and regulatory compliance and Council policies

Item 4.3.1.6 of the Delivery Program – Prepare Council's Annual Financial accounts in accordance with relevant Acts and Regulations

Summary

Once the Financial Statements have been completed and the Auditor's Report issued they will be referred back to Council for final adoption.

RECOMMENDATION

1. That Council's 2016/2017 Financial Report be referred to audit to the NSW Audit Office.
2. That Council resolve that the annual Financial Report is in accordance with:
 - the Local Government Act 1993 and the Regulations made there under;
 - the Australian Accounting Standards and professional pronouncements, and
 - the Local Government Code of Accounting Practice and Financial Reporting;– presents fairly the Council's operating result and financial position for the year, and
 - accords with Council's accounting and other records;
 - and that Council is not aware of any matter that would render this report false or misleading in any way.
3. That Council adopt the Councillors/Management "Statements" and resolve that they be signed and attached to the year-end accounts.
4. That Council delegates to the General Manager the authority to "finalise the date" at which the Auditor's report and Financial Statements are to be presented to the public (as per section 418(1) of the Local Government Act 1993).
5. That Council note and adopt the value of the nominated Internal Reserves and their closing balances as listed in Note 6(c) of the General Purpose Financial Statement.

John Sevil

Director Finance and Corporate Strategy/Responsible Accounting Officer

Narromine Shire Council
General Purpose Financial Statements

For the year ended 30 June 2017

Statement by Councillors and Management
made pursuant to Section 413(2)(c) of the *Local Government Act 1993 (NSW)* (as amended)

The attached General Purpose Financial Statements have been prepared in accordance with:

- ☑ the *Local Government Act 1993 (NSW)* (as amended) and the regulations made thereunder,
- ☑ the Australian Accounting Standards and professional pronouncements, and
- ☑ the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these financial statements:

- ☑ present fairly the Council's operating result and financial position for the year, and
- ☑ accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 21/08/17.

Craig Davies
Mayor

Dawn Collins
Deputy Mayor

Jane Redden
General Manager

John Sevil
Responsible Accounting Officer

Narromine Shire Council Special Purpose Financial Statements

For the financial year ended 30 June 2017

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached Special Purpose Financial Statements have been prepared in accordance with:

☐ The NSW Government Policy Statement “Application of National Competition Policy to Local Government”.

☐ The Office of Local Government Guidelines “Pricing & Costing for Council Businesses – A Guide to Competitive Neutrality”.

☐ The Local Government Code of Accounting Practice and Financial Reporting.

☐ The NSW Office of Water (Department of Environment, Climate Change and Water) Guidelines – “Best Practice Management of Water and Sewerage”.

To the best of our knowledge and belief, these financial statements:

☐ present fairly the operating result and financial position for each of Council’s declared business activities for the year, and

☐ accord with Council’s accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 21/08/17.

Craig Davies
Mayor

Dawn Collins
Deputy Mayor

Jane Redden
General Manager

John Sevil
Responsible Accounting Officer