

3.1 CITY OF MONASH ANNUAL REPORT - PERIOD ENDED 30 JUNE 2008 (FIN15: MK:DW)

Responsible Director: Marilyn Kearney

RECOMMENDATION

That Council adopts the Annual Report for the City of Monash, for the period ended 30 June 2008.

INTRODUCTION

The Council is required, under the *Local Government Act 1989*, to consider and formally adopt the Annual Report for the period ended 30 June 2008.

ANALYSIS

Council's Annual Report contains three sets of Statements – Financial, Standard and Performance Statements and includes reports of the Auditor General. The financial audit for the period ended 30 June 2008 has been completed.

In accordance with Section 134 of the *Local Government Act 1989*, 14 days' public notice of the intention of Council to consider the financial statements and the Auditor's report has been given.

Financial Statements

The four main Statements are the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the Cash Flow Statement. The notes detail Council's accounting policies and the make-up of values contained in the Statements. The notes should be read in conjunction with the four main statements.

Standard Statements

The Standard Statements provide four statements, Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement and Standard Statement of Capital Works. The Standard Statements provide a link between the Council's Budget and Financial Statements as well as an assessment of Council's financial performance against its budget for the year.

Performance Statement

The audited Performance Statement for 2007/08 included in the Annual Report shows that Council has met the performance targets set for the financial year 2007/08.

In accordance with Clause 12 & 16 of the *Local Government (Finance and Reporting) Regulations 2004*, and Section 132 of the *Local Government Act 1989*, Councillor Paul Klisaris (Audit Committee Chairperson) and Councillor Charlotte Baines, together with David Conran (Chief Executive Officer) and Danny Wain (Principal Accounting Officer) of the City of Monash, signed the Financial, Standard and Performance Statement.

Review by Audit Committee

As reported to Council at its meeting on 26 August 2008, the Audit Committee met with Council's external auditor RSM Bird Cameron (acting as agent for the Auditor General) to discuss the Financial, Standard and Performance Statements for the period ended 30 June 2008, with the Chief Executive Officer, the Director Corporate Planning & Finance and Manager Finance Services in attendance.

The meeting addressed a wide range of issues - including the approach taken by the auditor in addressing accounting treatment of specific items in the financial statements. Both the discussion and responses provided from RSM Bird Cameron provided assurance to the Audit Committee that the Statements for the City of Monash are a fair representation of the financial and performance issues of the municipality.

SUMMARY COMMENTS

The Annual Report highlights the significant achievements and outcomes for Council during the 2007/08 financial year ranging from major projects and capital works through to the wide array of services provision and Council's increased emphasis on community involvement and consultation.

Council's sound financial position is evidenced by a Net Operating Result for 2007/08 which is better than Budget for 2007/08. Councils' Total Equity increased as we continue to invest in the future of the City through our extensive capital works program. These service and financial outcomes were achieved while Monash remained the lowest rating Council in Melbourne with a modest debt level of \$10M.

The audited Performance Statement also shows that Council's 2007/08 Key Strategic Activities (KSA) performance measures were, in the main, achieved and explanations provided where performance measures were deferred.

EXTERNAL CONSULTATION

External consultation occurred with both the External Auditor RSM Bird Cameron (acting as agent for the Auditor General) and the Office of the Auditor General.

IMPLEMENTATION

In accordance with the requirements of the Local Government Act 1989, all financial and performance statements have been included in Council's 2007/08 Annual Report and were forwarded to the Minister for Local Government prior to the legislative deadline of 30 September 2008.

CONCLUSION

That Council adopts the Annual Report for the period ended 30 June 2008 in accordance with the *Local Government Act 1989*.