

3.3 2017/2018 FINANCIAL & PERFORMANCE STATEMENTS

(FIN 48: DW: SW)

Responsible Director: Danny Wain

RECOMMENDATION*That Council:*

1. *Notes the draft City of Monash 2017/18 Annual Financial Statements and Performance Statement (the Statements) prepared in Accordance with the Local Government Act 1989.*
2. *Notes the 14 August 2018 recommendation of Council's Audit & Risk Committee in relation to the Statements.*
3. *Adopts the Statements "in principle" prior to them being provided to the Victorian Auditor-General's Office for audit sign off.*
4. *Appoints Councillors Paterson and Klisaris to certify the Statements in their final form.*
5. *Authorises the Councillors Klisaris and Paterson to accept any further recommended changes to the Statements by the Victorian Auditor-General's Office.*

INTRODUCTION

The 2017/18 Financial Statements and Performance Statement (the Statements) of the City of Monash have been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*. The Financial Statements also comply with the Australian International Reporting Standards (AIFRS) framework. The Statements are included in Attachment 1 of this report.

PROCESS

A statutory approvals process for the Annual Accounts requires that the following process be undertaken:

- the Auditor-General must appoint an External Auditor to review the draft set of Financial and Performance Statements (the Statements) and to make a preliminary recommendation to Council's Audit & Risk Committee. The Council's appointed External Auditor is the Victorian Auditor-General's Office (VAGO);
- Council's Audit & Risk Committee must meet to consider the draft statements and the preliminary recommendation made by the External Auditor, and if satisfied with the Statements as drafted, make a recommendation that the Statements be approved "In Principle" by Council;

- the Council must nominate two Councillors to certify the Statements in their final form, which by convention, is Council's two current Audit & Risk Committee members;
- the Council considers the Statements, approves them "In Principle", and authorises that the Statements be submitted to VAGO;
- the Statements are then submitted to VAGO for review;
- any issues arising from the draft Statements are resolved in the first instance with Council's Principal Accounting Officer (the Chief Financial Officer), and if necessary Council's Audit & Risk Committee, following which the Auditor-General will provide certification of the Statements;
- the Council's Principal Accounting Officer, the Chief Executive Officer and the two nominated Councillors are then required to certify the Statements;
- the Statements and all other parts of the Annual Report must be lodged with the Minister for Local Government prior to 30 September; and finally
- Council's Annual Report, incorporating the certified Statements, is considered by Council at a subsequent Council meeting.

AUDIT & RISK COMMITTEE

Council's Audit & Risk Committee met on 14 August 2018 to consider the Statements where matters were raised and discussed with minor changes to disclosures and resolved:

"The Committee:

- a) endorses the 2017/18 draft Financial Statements and Performance Statement (the Statements), subject to resolution of any outstanding audit issues and minor amendments; and*
- b) recommends that Council, at its meeting on 28 August 2018, adopts the Statements "in principle" and forwards the Statements to the Auditor-General for certification."*

CONCLUSION

Following completion of the required processes, including review by Council's Principal Accounting Officer, External Auditor and the Audit & Risk Committee, it is recommended that Council:

- notes the draft City of Monash 2017/18 Annual Financial Statements and Performance Statement (the Statements) prepared in Accordance with the Local Government Act 1989;
- notes the 14 August 2018 recommendation of Council's Audit & Risk Committee in relation to the Statements;
- adopts the Statements "in principle" prior to them being provided to the Victorian Auditor-General's Office for audit sign off;

- nominates Councillors Klisaris and Paterson to certify the Statements in their final form; and
- authorises the nominated Councillors to accept any further recommended changes to the Statements by the Victorian Auditor-General's Office.