

**3.1 2018/2019 FINANCIAL & PERFORMANCE STATEMENTS**

(FIN 48: DW: SW)

Responsible Officer: Danny Wain, Chief Financial Officer

**RECOMMENDATION***That Council:*

1. *Notes the draft City of Monash 2018/2019 Annual Financial Statements and Performance Statement (the Statements) prepared in Accordance with the Local Government Act 1989;*
2. *Notes the 13 August 2019 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. *Nominates Audit & Risk Committee members Councillors McCluskey and Paterson to certify the Statements in their final form; and*
5. *Authorises the nominated Councillors to accept any further recommended changes to the Statements by the Victorian Auditor-General's Office.*

**INTRODUCTION**

The 2018/19 Financial Statements and Performance Statement (the Statements) of the City of Monash have been prepared in accordance with the *Local Government Act 1989* (the Act) and the Local Government (Planning and Reporting) Regulations 2014 (the Regulations). 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 Acting 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 Tuesday 13 August 2019 to consider the Statements, and resolved:

*"The Committee:*

- a) endorses the 2018/19 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 27 August 2019, 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 2018/19 Annual Financial Statements and Performance Statement (the Statements) prepared in Accordance with the Local Government Act 1989;
- notes the 13 August 2019 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 Audit & Risk Committee members Councillors McCluskey 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.