

3.5 2020/21 FINANCIAL & PERFORMANCE STATEMENTS

(F16-16656P12: DW: YN)

Responsible Senior Officer: Danny Wain, Chief Financial Officer

RECOMMENDATION

That Council:

1. *notes the draft City of Monash 2020/21 Annual Financial Statements and Performance Statement (the Statements) prepared in Accordance with the Local Government Act 1989;*
2. *notes the 10 August 2021 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 Geoff Lake and Tina Samardzija 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 2020/21 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 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 10 August 2021 to consider the Statements, and resolved:

"The Committee:

- a) endorses the 2020/21 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 31 August 2021, 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 2020/21 Annual Financial Statements and Performance Statement (the Statements) prepared in Accordance with the Local Government Act 1989;
- notes the 10 August 2021 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 Geoff Lake and Tina Samardzija 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.