

**GENERAL MANAGER'S REPORTS TO EXTRAORDINARY  
COUNCIL MEETING TO BE HELD MONDAY 20 JANUARY 2020**

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 ..... General Manager       ..... Mayor

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## ITEMS FOR DECISION

### ITEM NO. 1 – STATEMENT BY COUNCILLORS AND MANAGEMENT

Council Meeting:	20 January 2020
Report Date:	13 January 2020
Author:	Finance Manager
File #:	SC133
Approval:	General Manager

#### EXECUTIVE SUMMARY

Council is required to provide a Statement by Councillors and Management under Section 413(2)(c) of the Local Government Act, 1993 for its General Purpose and Special Purpose Financial Statements prior to submission to the Audit Office for preparation of Independent Auditor's Reports.

#### RECOMMENDATION

That:

1. Council authorise the signing, by the Mayor and Deputy Mayor, of the *Statement by Councillors and Management*, and endorse the signing, by the General Manager and Finance Manager (as Responsible Accounting Officer), in relation to the General Purpose Financial Statements and Special Purpose Financial Statements;
2. Approval be granted to the Mayor and General Manager to authorise the submission of completed Audited Financial Statements to the Office of Local Government upon receipt of the Audit Report.

#### BACKGROUND

Council applied for, and received, an extension of time to lodge its annual financial statements. At the time of writing this report, the annual financial statements are in draft form and the external auditors are due to commence the required compliance checks and reasonableness assurances.

#### OFFICER COMMENT

Council must fix a date for a meeting to present the annual statements and must give seven days public notice of such meeting and hold the meeting within 35 days of receipt of the Auditor's Report.

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.....General Manager

.....Mayor

Council's auditors, together with representatives of the Audit Office, will provide a detailed presentation of the financial statements at a monthly Council meeting to be determined.

### **SUSTAINABILITY**

The draft financial statements indicate Council's ability to continue as a going concern.

### **STATUTORY COMPLIANCE/POLICY**

The Statement by Councillors and Management is made pursuant to Section 413(2)(c) of the Local Government Act 1993 (NSW) (as amended) and the Local Government Code of Accounting Practice and Financial Reporting.

It provides that:

- 1) The 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 other pronouncements of the Australian Accounting Standards Board;
  - 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,
- accord with Council's accounting and other records.

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

- 2) The Special Purpose Financial Statements have been prepared in accordance with:
  - the NSW Government Policy Statement 'Application of National Competition Policy to Local Government';
  - the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality';
  - the Local Government Code of Accounting Practice and Financial Reporting;
  - the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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.....General Manager

.....Mayor

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;
- Accord with Council's accounting and other records; and
- Present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

## **FINANCIAL**

The draft financial statements indicate a net operating surplus of \$6,586,000, including grants for capital purposes in the amount of \$8,359,000.

The draft statement of financial position indicates net assets totalling \$288,396,000.

The draft Statement of Cash Flow indicates a surplus in operating activities of \$12,351,000 with an overall increase in cash of \$5,891,000.

## **INTEGRATED PLANS**

The annual financial reports provide the overall financial position following operation and completion of the operational plan for 2018/19.

## **RISK MANAGEMENT**

Council is required to comply with Sec 413(2)(c) of the Local Government Act in order to prevent a qualified audit statement being issued.

## **CONSULTATION / ENGAGEMENT**

Consultation with the General Manager, finance staff and finance consultant. Audit supervisors Crowe Horwath will be onsite within a short time in order to undertake verification and checking works.

## **OPTIONS**

NIL

## **ATTACHMENTS**

Attachment # 1: Draft General Purpose and Special Purpose Financial Statements for the year ended 30 June 2019.

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.....General Manager

.....Mayor