

Extra Ordinary Meeting

Meeting Date: Thursday, 05 September, 2024
Location: Council Chambers, City Administrative Building, Bridge Road, Nowra
Time: 5.30pm

Membership (Quorum - 7)
All Councillors

Please note: The proceedings of this meeting (including presentations, deputations and debate) will be webcast, recorded and made available on Council's website, under the provisions of the Code of Meeting Practice. Your attendance at this meeting is taken as consent to the possibility that your image and/or voice may be recorded and broadcast to the public.

Shoalhaven City Council live streams its Ordinary Council Meetings and Extra Ordinary Meetings. These can be viewed at the following link

<https://www.shoalhaven.nsw.gov.au/Council/Meetings/Stream-a-Council-Meeting>.

Statement of Ethical Obligations

The Mayor and Councillors are reminded that they remain bound by the Oath/Affirmation of Office made at the start of the council term to undertake their civic duties in the best interests of the people of Shoalhaven City and to faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the Local Government Act or any other Act, to the best of their skill and judgement.

The Mayor and Councillors are also reminded of the requirement for disclosure of conflicts of interest in relation to items listed for consideration on the Agenda or which are considered at this meeting in accordance with the Code of Conduct and Code of Meeting Practice.

Agenda

1. **Apologies / Leave of Absence**
2. **Declaration of Interests**
3. **Reports**

City Performance

CL24.265 2023-2024 Draft Unaudited Annual Financial Reports..... 1

CL24.265 2023-2024 Draft Unaudited Annual Financial Reports

HPERM Ref: D24/370800

Department: Finance

Approver: Kerrie Hamilton, Director City Performance

Attachments: 1. GPFS Annual - Statements by Councillors and Management [↓](#)
2. SPFS Annual - Statements by Councillors and Management [↓](#)

Reason for Report

This report seeks Council's endorsement for the reports to be formally referred for audit, which includes the signing of the statements (Attachments 1 and 2).

The purpose of this report is for Council to consider the first stage of its draft Annual Financial Reports process for the year ended 30 June 2024.

Council's Financial Services staff have prepared the draft 2023/2024 Annual Financial Reports. The reports are in draft, and have been provided to Councillors separately via the Councillor Portal. The reports will be reported back to Council following the external audit process and endorsement by Council's Audit Risk and Improvement Committee.

The draft financial reports are now ready for Council's external auditors to carry out their audit and to form an opinion on the reports.

CL24.265

Recommendation

That:

1. Council receives and notes the draft 2023/2024 Unaudited Annual Financial Reports.
2. Council approve the application of the signatures of the Mayor, Deputy Mayor, Chief Executive Officer and the Responsible Accounting Officer to the General Purpose and Special Purpose Statements.
3. The draft Annual Financial Reports be formally referred to the Audit Office of New South Wales for audit.

Options

1. Adopt the recommendation

Implications: Council will proceed in submitting the Financial Statements for the year ended 30 June 2024 to the Office of Local Government in line with the requirements of the Local Government Act.

2. Adopt part of the recommendation and make an alternative resolution

Implications: Council will not meet the required timeframes for the submission of the Financial Statements for the year ended 30 June 2024.

Background

As per requirements of the Local Government Act 1993, Council must comply with Sections 413, 415 and 416 by:

1. Resolving to sign off the statements regarding the 2023/2024 Annual Financial Reports.
2. Referring Council's Annual Financial Reports for the year ended 30 June 2024 for audit.

Financial Services staff have prepared the draft 2023/2024 Financial Reports as required by the Act and Regulations and seek a Council resolution to sign the statements, so the reports can be referred to the Audit Office of NSW for audit. Draft unaudited copies have been provided to Councillors separately via the Councillor Portal.

The Audit Office of New South Wales are booked to commence their audit later this month. Once the external audit has been completed and endorsed for public exhibition by Council's Audit Risk and Improvement Committee, the 2023/2024 Annual Financial Reports will be reported back to Council for formal adoption.

Internal Consultations

Nil

External Consultations

Audit Office of New South Wales

Community Consultations

Australian Accounting Standards require the preparation of annual financial reports to provide information to users for making and evaluating decisions about the allocation of scarce resources. After the audit of the financial reports, they will be placed on public exhibition where any person may lodge a submission regarding the content of the reports.

Policy Implications

This report ensures Council meets the requirements of the Local Government Act regarding the preparation and auditing of its annual Financial Reports.

Financial Implications

Council's draft 2023/2024 Annual Financial Reports provide extensive details regarding the cost of goods and services provided and the extent to which that cost was recovered from revenues, during the reporting period. The reports also include details on the assets, liabilities and equity of the Council as at 30 June 2024.

Risk Implications

This report ensures Council meets the requirements of the Local Government Act regarding the preparation and auditing of its Annual Financial Reports.

Shoalhaven City Council

General Purpose Financial Statements
for the year ended 30 June 2024

Statement by Councillors and Management

Statement by Councillors and Management made pursuant to Section 413 (2c) of the *Local Government Act 1993* (NSW)

The attached general purpose financial statements have been prepared in accordance with:

- the *Local Government Act 1993* 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 statements:

- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 05 September 2024.

Amanda Findley
Mayor
05 September 2024

Matthew Norris
Deputy Mayor
05 September 2024

Robyn Stevens
Chief Executive Officer
05 September 2024

Katie Buckman
Responsible Accounting Officer
05 September 2024

Shoalhaven City Council

Special Purpose Financial Statements for the year ended 30 June 2024

Statement by Councillors and Management

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached special purpose financial statements have been prepared in accordance with:

- NSW Government Policy Statement, *Application of National Competition Policy to Local Government*
- 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
- Sections 3 and 4 of the NSW Department of Climate Change, Energy, the Environment and Water's (DCCEEW) *Regulatory and assurance framework for local water utilities, July 2022.*

To the best of our knowledge and belief, these 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.

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

Signed in accordance with a resolution of Council made on 05 September 2024.

Amanda Findley
Mayor
05 September 2024

Matthew Norris
Deputy Mayor
05 September 2024

Robyn Stevens
Chief Executive Officer
05 September 2024

Katie Buckman
Responsible Accounting Officer
05 September 2024

LOCAL GOVERNMENT ACT 1993

Chapter 3, Section 8A Guiding principles for councils

(1) Exercise of functions generally

The following general principles apply to the exercise of functions by councils:

- (a) Councils should provide strong and effective representation, leadership, planning and decision-making.
- (b) Councils should carry out functions in a way that provides the best possible value for residents and ratepayers.
- (c) Councils should plan strategically, using the integrated planning and reporting framework, for the provision of effective and efficient services and regulation to meet the diverse needs of the local community.
- (d) Councils should apply the integrated planning and reporting framework in carrying out their functions so as to achieve desired outcomes and continuous improvements.
- (e) Councils should work co-operatively with other councils and the State government to achieve desired outcomes for the local community.
- (f) Councils should manage lands and other assets so that current and future local community needs can be met in an affordable way.
- (g) Councils should work with others to secure appropriate services for local community needs.
- (h) Councils should act fairly, ethically and without bias in the interests of the local community.
- (i) Councils should be responsible employers and provide a consultative and supportive working environment for staff.

(2) Decision-making

The following principles apply to decision-making by councils (subject to any other applicable law):

- (a) Councils should recognise diverse local community needs and interests.
- (b) Councils should consider social justice principles.
- (c) Councils should consider the long term and cumulative effects of actions on future generations.
- (d) Councils should consider the principles of ecologically sustainable development.
- (e) Council decision-making should be transparent and decision-makers are to be accountable for decisions and omissions.

(3) Community participation

Councils should actively engage with their local communities, through the use of the integrated planning and reporting framework and other measures.

Chapter 3, Section 8B Principles of sound financial management

The following principles of sound financial management apply to councils:

- (a) Council spending should be responsible and sustainable, aligning general revenue and expenses.
- (b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.
- (c) Councils should have effective financial and asset management, including sound policies and processes for the following:
 - (i) performance management and reporting,
 - (ii) asset maintenance and enhancement,
 - (iii) funding decisions,
 - (iv) risk management practices.
- (d) Councils should have regard to achieving intergenerational equity, including ensuring the following:
 - (i) policy decisions are made after considering their financial effects on future generations,
 - (ii) the current generation funds the cost of its services

Chapter 3, 8C Integrated planning and reporting principles that apply to councils

The following principles for strategic planning apply to the development of the integrated planning and reporting framework by councils:

- (a) Councils should identify and prioritise key local community needs and aspirations and consider regional priorities.
- (b) Councils should identify strategic goals to meet those needs and aspirations.
- (c) Councils should develop activities, and prioritise actions, to work towards the strategic goals.
- (d) Councils should ensure that the strategic goals and activities to work towards them may be achieved within council resources.
- (e) Councils should regularly review and evaluate progress towards achieving strategic goals.
- (f) Councils should maintain an integrated approach to planning, delivering, monitoring and reporting on strategic goals.
- (g) Councils should collaborate with others to maximise achievement of strategic goals.
- (h) Councils should manage risks to the local community or area or to the council effectively and proactively.
- (i) Councils should make appropriate evidence-based adaptations to meet changing needs and circumstances.