

2023-2024 FINANCIAL STATEMENTS & 2023-2024 PERFORMANCE STATEMENT

Report Author: Manager Financial Services (CFO)

Responsible Officer: Director Corporate Services

Ward(s) affected: (All Wards);

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public

SUMMARY

The 2023-2024 Annual Financial Statements and Performance Statement are presented to Council for approval in principle, prior to final consideration by the Victorian Auditor-General's Office (VAGO) and their agent (Crowe Australasia).

Crowe has completed a review and audit of the Financial Statements and the Performance Statement and all supporting information, with the statements reflecting the outcomes of the audit. Crowe expects to issue an unqualified audit opinion (subject to final signoff by VAGO).

These statements have been reviewed and endorsed in principle by Council's Audit and Risk Management Committee (ARMC) on Monday 7 October 2024 and have verbal and draft audit clearance from Crowe for presentation to Council.

Council is required under the *Local Government Act 2020* to approve in principle each of the statements and to authorise two Councillors to certify each of the statements in their final form subject to any changes recommended, or agreed to, by VAGO being made.

It is recommended the two Councillors authorised to certify the statements be the Councillor representatives on the ARMC, being Cr Jim Child and Cr Fiona McAllister.

RECOMMENDATION

That Council

- 1. Approve in principle the 2023-2024 Annual Financial Statements and the Performance Statement attached to this report.**
- 2. Authorise the Principal Accounting Officer to make any changes recommended by the Victorian Auditor-General's Office or Crowe Australasia.**
- 3. Authorise Councillors Child and McAllister to certify the Annual Financial Statements and the Performance Statement in their final form after any changes recommended, or agreed to, by the Victorian Auditor General's Office have been made.**

RELATED COUNCIL DECISIONS

There are no related Council decisions relevant to this item.

DISCUSSION

Purpose and Background

The purpose of this report is to present to Council for adoption the Annual Financial Statements and Performance Statement for the 2023-2024 financial year.

After the conclusion of the financial year ended 30 June 2024, the Annual Financial Statements and Performance Statement were prepared. Council's external auditors – Crowe Australasia (as VAGO's agent) – commenced the audit on these statements on 19 August 2024.

The ARMC reviewed the draft statements on 7 October 2024. All changes recommended after the ARMC review have been incorporated into the statements attached to this report.

A summary of the information contained in these statements is below.

Annual Financial Statements

The Annual Financial Statements represent a general purpose financial report consisting of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and accompanying notes. These statements have been prepared in accordance with relevant professional and statutory requirements, including the Australian Accounting Standards and Interpretations, and the *Local Government Act 2020*.

Performance Statement

The Performance Statement reports against a range of performance indicators introduced under the Local Government Performance Reporting Framework, which are statutorily required under the Local Government Performance Reporting and Accountability Act 2014.

FINANCIAL ANALYSIS

The key highlights to note are as follows:

- For the year ended 30 June 2024, Council reported a net operating surplus of \$7.9 million (2023: \$35.6 million).
- Council's financial position is sound; timing of receipt of Grants Commission funding has impacted the current year result (as the 2023-2024 grant was received early and recorded in the previous financial year 2022-2023 but expended during 2023-2024).
- Council's working capital remains positive, which reflects Council's ability to meet its current commitments as and when they fall due.
- Council's debt servicing and indebtedness ratios are well within prudential guidelines and in alignment with Council's Long Term Financial Plan.

APPLICABLE PLANS AND POLICIES

The Financial Statements and the Performance Statement provide an auditable account of the performance of the strategic objectives and priorities outlined in the Council Plan 2021-2025 for the last financial year covering the 2023-2024 period.

RELEVANT LAW

The Annual Financial Statements have been prepared in accordance with the Local Government Act 2020, the Local Government (Planning and Reporting) Regulations 2020, Australian Accounting Standards, and other mandatory professional reporting requirements.

The Performance Statement is required to be completed in the format prescribed under the Local Government Performance and Reporting Accountability Act 2014. This Act is the legislation under which the Local Government Performance Reporting Framework operates.

SUSTAINABILITY IMPLICATIONS

There are no direct environmental, economic or social sustainability implications of these reports.

RISK ASSESSMENT

Completion of the Annual Financial Statements and Performance Statement is an important part of Council's compliance with and commitment to accurate and transparent reporting of its activities and financial position.

The auditing process of the Statements gives Council and our community greater confidence that Council's processes and financial reporting is an accurate reflection of the organisation's activities and performance.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS TO THE REPORT

1. 2023-2024 Annual Financial Statements
2. 2023-2024 Performance Statement