



KEMPSEY
Shire Council

DIRECTOR CORPORATE AND COMMUNITY SERVICES REPORT

12th December 2006

DCCS12	FINANCIAL REPORTS FOR THE TWELVE (12) MONTHS TO 30 JUNE 2006
	FILE: 485 APC

SUMMARY:

Reporting on the requirements in relation to the preparation and audit of the Financial Reports to 30th June 2006.



Council's Financial Reports for the twelve (12) months to 30th June 2006 have been completed.

The Local Government Act 1993 requires that in respect of its Financial Statement, Council must by resolution prepare a statement indicating: -

1. Whether or not the Council's annual financial reports have been drawn up in accordance with: -
 - the Local Government Act and the regulations; and
 - the Local Government Code of Accounting Practice and Financial Reporting; and
 - the Australian Accounting Standards; and
2. Whether or not those reports present fairly the Council's financial position and operating result for the year; and
3. Whether or not those reports accord with the Council's accounting and other records; and
4. Whether or not the signatories know of anything that would make those reports false or misleading in any way.

Council's financial reports have been prepared in accordance with the above requirements.

The Local Government Act provides that Council's financial reports must be prepared and audited within four months after the end of the year, ie by 31st October. A report was provided to Council at its meeting of the 10 October advising of the delay in completion of the 2005/06 Financial Reports principally as a result of staffing problems experienced during 2006.

Council advised the Department of Local Government of the delay and was granted an extension until the 30 November 2006 for the submission of the accounts.

Council was unable to meet the revised schedule and has advised the Department accordingly. The accounts have been finalised and Council's auditors are scheduled to undertake the audit in the week of the 11 December 2006.

The delay in finalising the 2005/06 Financial Reports will have the following consequences:

- Annual Report due for submission by the 30 November 2006 will be delayed pending the issue of the Audit Report.
- Council's accounts will be qualified as they have not complied with the submission date of the 31 October 2006.
- Council's data may not be included in the Comparative Data Report for NSW Local Government.

Attached at [\(Appendix L\)](#) are copies of the Income Statement and Balance Sheet for the year ended 30 June 2006.

The Auditor's will provide a presentation to Council upon completion of the audit.

REPORT IMPLICATIONS:

- *Environmental*

Nil.

- *Social*

Nil.

- *Economic (Financial)*

There are no financial implications arising from the following recommendation.

- *Policy or Statutory*

The Statement do not comply with statutory submission date of the 31 October 2006, in all other aspects the Financial Reports comply to the standards governing their preparation.

- *Director's Review*

As per report.

RECOMMENDATION:

That pursuant to Section 413(2)(c) of the Local Government Act 1993 Council declare that in its opinion:-

- a) the financial reports fairly represent the financial position of Kempsey Shire Council as at 30 June 2006; and**
- b) the financial reports have been prepared in accordance with the requirements of the Local Government Act 1993 and the Regulations made thereunder, the Local Government Code of**

Accounting Practice and Financial Reporting, and the Australian Accounting Standards; and

- c) the financial reports are in accord with Council's accounting and other records; and
- d) Council is not aware at this time of any circumstances, which would render any particulars included in the financial report to be misleading or inaccurate.

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G B Snape
DIRECTOR CORPORATE & COMMUNITY SERVICES