



# FINANCIAL MANAGEMENT AND CONTROL POLICY

Adoption Date: 27 August 2019

Review Date: August 2020

Responsible Officer: Corporate & Community

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## POLICY STATEMENT

WSC is committed to the timely and accurate preparation of all mandated financial reports.

## OBJECTIVES:

- To ensure WSC complies with the NSW Local Government Act 1993, the Local Government (General) Regulation 2005 and currently applicable Australian Accounting Standards.
- To provide a clearly defined financial management and control structure for the guidance of all WSC Staff.
- To ensure Council's financial management policy, procedures and guidelines are best practice and meet the highest standard of accountability.
- To ensure all financial reporting requirements are met as and when they fall due.
- To deliver consistently high quality financial information to internal and external stakeholders.

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## Policy Implementation Procedures, Guidelines and Documents

NSW Local Government Act 1993 Part 3 and Part 4

Financial Management and Control Procedures

Local Government (General) Regulation 2005 Part 9

## Related WSC Policies

Investment Policy

## **Financial Management and Control**

### **1. Bank Accounts**

Council operates three separate accounts being:

- General Fund Bank Account
- Trust Bank Account
- Business On-line Saver (BOS) (Sweep Account for excess funds)

All money or property received by council in trust must be deposited and held in the Trust Bank Account. All other money and property must be deposited and held in the General Fund Bank Account. Excess funds are transferred to and from the BOS account to achieve a higher daily return on surplus funds.

### **2. Strategic Planning**

Council must as part of its strategic planning compliance, develop a 10 year financial plan which includes a works program, capital expenditures and recurrent income and expenditures and fees and charges.

- Resourcing strategy
- (1) A council must have a long-term strategy (called its **resourcing strategy**) for the provision of the resources required to implement the strategies established by the community strategic plan that the council is responsible for.
- (2) The resourcing strategy is to include long-term financial planning, workforce management planning and asset management planning.
- Operational plan
- (1) A council must have a plan (its **operational plan**) that is adopted before the beginning of each year and details the activities to be engaged in by the council during the year as part of the delivery program covering that year.
- (2) An operational plan must include a statement of the council's revenue policy for the year covered by the operational plan. The statement of revenue policy must include the statements and particulars required by the regulations.

### **3. Investing Council Funds**

The investment of Council funds must be made in accordance with Section 625 of the Local Government Act 1993. Investing surplus funds should be made in such a manner to ensure security in safeguarding the preservation of capital and provide a reasonable return, preferably a return above the 90 day BBSW

- (1) A council may invest money that is not, for the time being, required by the council for any other purpose.
- (2) Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.

#### **4. Annual Financial Reports**

Annual Financial reports will be prepared in accordance with the requirements of:

- [Local Government Act 1993 \(NSW\) \(as amended\)](#)
- [Local Government \(General\) Regulation 2005](#)
- [Local Government Code of Accounting Practice and Financial Reporting \(the Code\)](#)
- [Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board](#)

#### **5. External Auditors**

In accordance with Section 422 of the Local Government Act 1993 the Auditor General is to be Council's auditor. The Auditor General is appointed to provide an opinion on council's annual financial reports (Part 3, [Divisions 2 and 3 of Local Government Act 1993](#)). The Auditor General provides Council with a financial control that will assist in:

- strengthening Council's good governance and policy framework
- ensuring financial reports are compliant with legislation and Accounting Standards
- reviewing and improving Council's financial management practices, its accountability for public monies, and financial performance

#### **6. Legislative Requirements**

Under the provisions of the LGA 1993 the Annual Financial Report must be prepared and audited within the period of four months after the end of that year and must be presented at a council meeting held on or before 5 December after the year end to which the reports relate. The following legislative requirements for financial reports are mandatory for compliance:

## List of requirements

<a href="#">Section 413(1)</a>	Council must prepare financial reports as soon as possible after year end having regard to requirements of <a href="#">Section 416(1)</a> .
<a href="#">Section 413(2)(c)</a>	Council must prepare a statement on the General Purpose Reports as to its opinion on the reports (prior to sign off by auditor).
<a href="#">Section 415(1)</a>	Council's auditor must audit financial reports as soon as practicable after receipt having regard to requirements of <a href="#">Section 416(1)</a> .
<a href="#">Section 415(3)</a>	The Local Government (Financial Management) Regulation 1999 may prescribe matters that an auditor must consider and provide comment on in auditing council's financial reports.
<a href="#">Section 416(1)</a>	Council's financial reports must be completed and audited within 4 months after year end.
<a href="#">Section 416(2)</a>	Council may make application to the Director General for an extension to that period.
<a href="#">Section 416(3)</a>	A council must make such an application if requested to do so by its auditor.
<a href="#">Section 416(6)</a>	A council must notify its auditor of any application for an extension made under this section and of the outcome of the application.
<a href="#">Section 417(1)</a>	Auditor must prepare two reports to council: <ul style="list-style-type: none"> <li>➢ A report on the general purpose financial report; and</li> <li>➢ A report on the conduct of the audit.</li> </ul>
<a href="#">Section 417(5)</a>	As soon as practicable after receiving the auditor's reports, council must send a copy of the audited financial reports and the auditor's reports to the DLG and ABS.
<a href="#">Section 418(1)(a) &amp; (b)</a>	<ul style="list-style-type: none"> <li>➢ Council must: fix a date for a meeting to present its financial reports, and</li> <li>➢ Give public notice of the date so fixed.</li> </ul>
<a href="#">Section 418(2)</a>	The date for the meeting must be at least 7 days after the date the notice is given, but not more than 5 weeks after the auditor's reports are given to council.
<a href="#">Section 418(3)(a)</a> (b) (c)	The public notice must include: <ul style="list-style-type: none"> <li>➢ A statement that the business of the meeting will include the presentation of the audited financial reports and the auditor's reports; and</li> <li>➢ Summary, in the approved form, of the financial reports; and</li> <li>➢ A statement to the effect that any person may, in accordance with section 420, make submissions (within the time provided by that section and specified in the statement) to the council with respect to the council's audited financial reports or with respect to the auditor's reports.</li> </ul>
<a href="#">Section 418(4)</a>	Copies of the audited financial reports and audit reports must be available for public inspection at the council's office from the date of the public notice until 1 day after the meeting.
<a href="#">Section 419(1)</a>	Council must present its financial reports and audit reports at the meeting of council.
<a href="#">Section 420(1)</a>	Any person may make submissions to the council on the financial reports and/or audit reports.
<a href="#">Section 420(2)</a>	Submissions to the council must be in writing and submitted within 7 days after the reports were presented.
<a href="#">Section 420(3)</a>	Copies of any submissions made must be referred to the auditor.
<a href="#">Section 420(4)</a>	Council to take appropriate action in respect to submissions, including advising the Director General of any matter that appears to require amendment to the financial reports.
<a href="#">Local Government (LGGR) cl.216(1) &amp; (2)</a>	The Director General can by notice in writing direct the council to amend its financial reports. Any amendments will require council to make public notice of the amendment. Council must specify in the notice that the public can inspect, without fee, the amended reports at council offices.
<a href="#">Section 428(1)</a>	Council must present its Annual Report within 5 months of year end.
<a href="#">Section 428(2a)</a>	Council's Annual Report must include a copy of the council's audited financial reports (these include Special Purpose Financial Reports).

**Procedure Review History**

Date	Changes Made	Approved By
	Procedure Developed	Ray Kent - General Manager
July 2019	Reviewed	Greg Ingham – General Manager
August 2019	Formally Adopted	Council