

**Presenter:** Phu Nguyen, Chief Financial Officer

### Purpose and background

1. The purpose of this report is to seek 'in principle' approval of the Council's draft Consolidated Financial Statements and Performance Statement for the year ended 30 June 2015 in accordance with sections 131 and 132 of the *Local Government Act 1989* (the Act) and to seek authorisation of two Councillors to certify the Statements in their final form after any changes recommended or agreed by the Auditor-General have been made, in accordance with section 132(5) of the Act.
2. Council is required under section 131 of the Act to prepare audited Consolidated Financial Statements regarding its operations for the financial year ended 30 June 2015. The draft Consolidated Statements are presented in Attachment 2 and have been prepared in accordance with Australian Accounting Standards and reporting requirements have been audited by the Victorian Auditor-General's Office (VAGO).
3. The Performance Statement and accompanying notes are presented in Attachment 3. The Performance Statement provides a summary of performance against key indicators.
4. The Financial Statements and Performance Statement comply with the new mandatory requirements under the *Local Government (Planning and Reporting) Regulations 2014* and Performance Reporting Framework.
5. In accordance with best practice guidelines issued by the Australian Stock Exchange, the Chief Executive Officer and Acting Principal Accounting Officer have made a declaration on the Financial Statements presented to Council (refer Attachment 4). The statement gives Council greater assurance of the integrity in financial reporting and is in accordance with Council's commitment to enhancing governance protocols.

### Consideration at Council

6. The 2014-15 Fourth Quarter June 2015 Year to Date Financial Performance Report was presented to Council on 25 August 2015.

### Key issues - Audit Committee

7. The 2014-15 annual financial statements of the Melbourne City Council consolidated with CityWide Service Solutions Pty Ltd, Queen Victoria Market Pty Ltd, Enterprise Melbourne Pty Ltd and the Sustainable Melbourne Fund were considered by the Council's Audit Committee at its meeting held on 28 August 2015.
8. The 2014-15 Performance Statement have also been considered by the Audit Committee.
9. Following review, the Audit Committee has recommended the approval of the 2014-15 Consolidated Financial Statements and Performance Statement.

### Recommendation from management

10. That Council:
  - 10.1. Approves in principle, the 2014-15 Consolidated Financial Statements and Performance Statement.
  - 10.2. Nominates and authorises the Lord Mayor, Robert Doyle, and the Chair of the Future Melbourne Committee (Finance and Governance portfolio), Cr Stephen Mayne, to certify and approve the Consolidated Financial Statements and Performance Statement in their final form after any changes recommended, or agreed with the Auditor General, have been made on behalf of Council.
  - 10.3. Acknowledges the declaration made by the Chief Executive Officer and Principal Accounting Officer (Chief Financial Officer) which is provided in accordance with good governance principles and gives the Council greater surety of the information contained in the statements.

#### Attachments:

1. Supporting Attachment
2. Draft Annual Consolidated Financial Statements for Council 2014-15
3. Draft 2014-15 Performance Statement
4. Declaration by the Chief Executive Officer and Acting Principal Accounting Officer

## SUPPORTING ATTACHMENT

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### **Legal**

1. The report accurately describes the relevant statutory framework.

### **Finance**

2. The financial details are contained in the draft Annual Consolidated Financial Statements for Council 2014-15 (refer Attachment 2).

### **Conflict of interest**

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

### **Stakeholder consultation**

4. The VAGO undertook the audit of the Consolidated Financial Statements and Performance Statement.
5. The information attached to the report was considered by the Audit Committee at its meeting on 28 August 2015.

### **Environmental sustainability**

6. There is no significant impact on environmental sustainability.