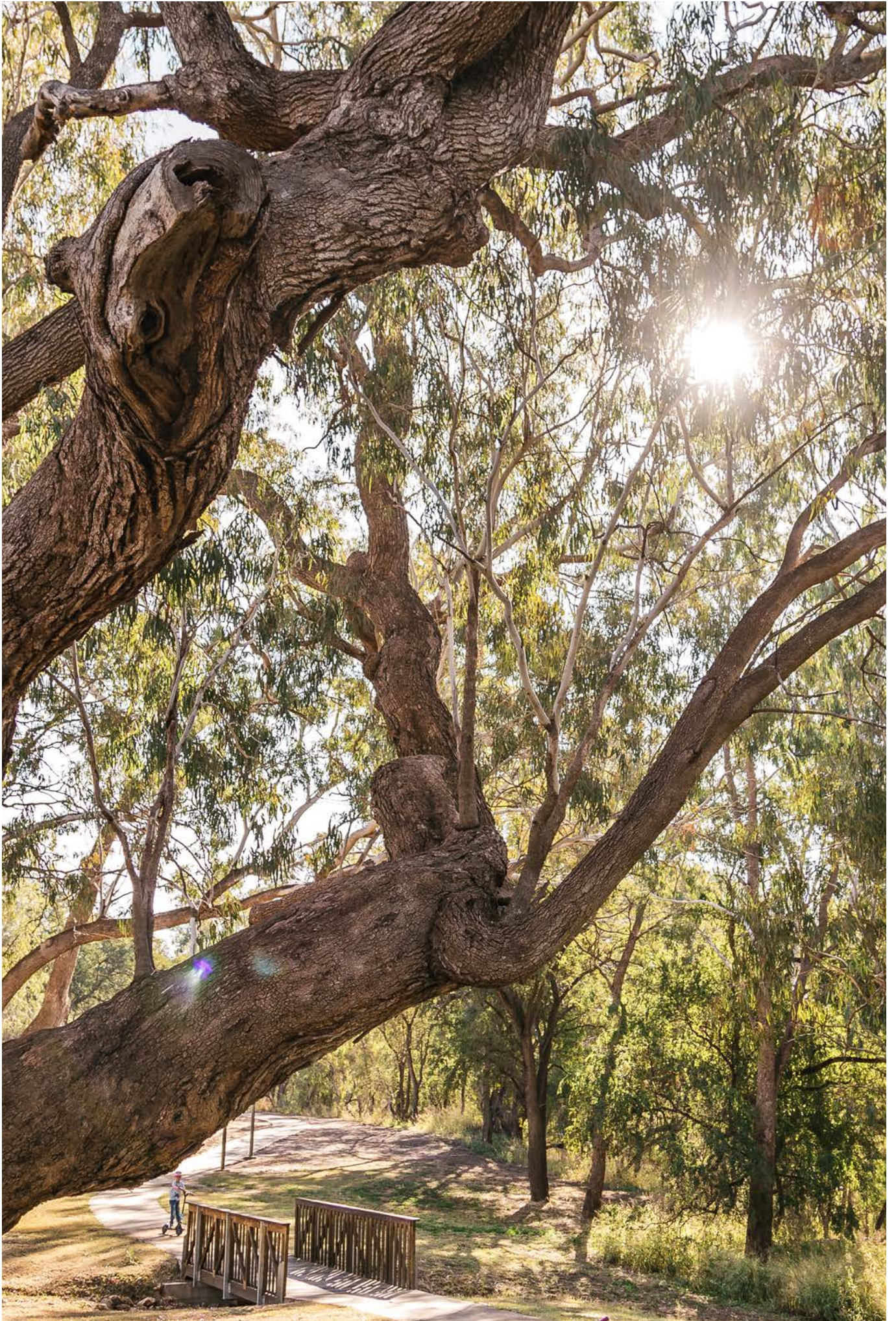


Strategic priority 2

We aim to make responsible decisions about both revenue setting and expenditure commitments in the short term so that current and future councils have a secure financial future, and the region has an affordable range of services.

DELIVERING STRONG FINANCIAL MANAGEMENT

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2.1 FINANCIAL PLANNING



Budget of **\$132.31 million** adopted for 2019/20.



Long term forecasts demonstrated Council's capacity to service the 2019/20 borrowings of \$2.825 million - reviewed and approved by the Queensland Government.



The annual reviews of the water, sewerage and gas **asset management plans** were completed and adopted in 2019/20.



Grants, subsidies, contributions and donations secured:

- **\$29.361 million** for capital works
- **\$19.397 million** towards operations

2.2 REVENUE COLLECTION



The number of accounts (assessments) managed as at 30 June 2020 were:

- General rates – **6,781**
- Water charges – **5,658**
- Sewerage charges – **4,895**
- Waste charges – **4,689**
- Gas charges – **578** (active).



2 (half yearly) issues of rates notices.



Administration of rate remissions and concessions - the value for 2019/20 was:

- General rates - **23** concessions for community groups totalling **\$13,907.84**.
- Water access infrastructure charge - **33** concessions totalling **\$48,589.08**
- Pensioner remission - **579** remissions for pensioners totalling **\$175,119.78**



Active management of the region's investment portfolio (**\$78,973,087** at 30 June 2020).

2.3 ACCOUNTING



Processed:
3,427 debtor invoices,
20,207 creditor invoices
18,933 timesheets.



Reconciled:
48,336 cash transactions (in) valued at **\$153,405,818**.

Reconciled **19,992** cash transactions (out) valued at **\$107,211,847**.



GST (collected **\$4.5m**, paid **\$8.13m**, refunded **\$3.63m**)

PAYG: **\$6.7m**

Investment income: **\$1.36m**

Borrowings: **\$2.825m**

2.4 PROCUREMENT



- **18** public tenders prepared
- **17,001** purchase requisitions with a total value of **\$85,400,134.66**
- **14** contracts awarded
- **906** procurement requests
- **\$1.844** million in inventory managed with **15,037** store issues.



183 businesses now registered to receive additional points/weighting for tender and quotation scoring based on local content.

This recognises local businesses' contribution to the local economy.

2.5 FINANCIAL REPORTING



'Clean bill of health' from our auditors for the 2019/20 financial statements (unmodified audit opinion).

Maranoa has achieved an 'Unmodified' Audit Opinion for 6 consecutive years.



All financial measures reported externally and internally were in the target range.

The financial reporting formed part of the 'Gold' standard achieved for Council's annual report (announced in 2019/20).



Special purpose financial reports were prepared and audited to acquit Council's use of external funding.



We plan for our region's financial future by preparing and updating financial planning documents required by local government legislation and other financial sustainability initiatives for today and tomorrow.



Our year at a glance 2019/20



Budget of **\$132.31 million** adopted for 2019/20.



Long term forecasts demonstrated Council's capacity to service the 2019/20 borrowings of \$2.825 million - reviewed and approved by the Queensland Government.



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Grants, subsidies, contributions and donations secured:

- **\$29.361 million** for capital works
- **\$19.397 million** towards operations

Financial planning highlights

New regional and local area highlights in budget communications

New local area budget highlights were developed for 2019/20 year and launched at Business Breakfasts in Injune, Surat, Mitchell and Roma.

A special edition Council News was distributed in February 2020 to all households with a mid-year update provided on the 2019/20 Budget by local area.

Asset management plans – water, sewerage and gas

The annual reviews of water, sewerage and gas asset management plans were completed and adopted by Council (water in January 2020, and sewerage and gas in February 2020).

Financial planning challenges

Budget preparations

For the third year, two legislatively compliant versions of the Maranoa Regional Council budget were prepared, one presented by the Mayor and one adopted by Council.

2.1 FINANCIAL PLANNING

What we do

We prepare for Council the 5 key financial documents that are required to form part of a local government's system of financial management (Section 104 of the *Local Government Act 2009*):

- 5-year corporate plan (Section 104 (5) (a) (i))
- Long-term asset management plan (Section 104 (5) (a) (ii))
- Long-term financial forecast (Section 104 (5) (a) (iii))
- Annual budget (Section 104 (5) (a) (iv))
- Annual operational plan (Section 104 (5) (a) (iv))

We aim to consider the short-term and longer term financial impacts of Council's policy development and decisions, on behalf of current and future residents.

For the new Corporate Plan, Council aims to demonstrate that it is representing the current and future interests of its residents by:

- ensuring financial plans extend beyond one decision and one financial year (current year budget integrated with its long-term forecast);
- planning for high value infrastructure and assets well in advance (looking forward for the next decade and beyond) and preparing business cases for major investments;
- having priority areas of focus for pursuit of grants.

Why we do it

It is often said that local government is the level of government closest to the people. Whilst this is a title that we value, it also presents challenges on a daily basis as there is the expectation that all requests made to Council can be implemented.

However, in local government, like any other tier of government, there are limited funds available. The elected members, and the employees who implement the elected Council's decisions, are constantly juggling many competing demands for Council services and projects. The task to prioritise the use of the limited funds is not an easy one, nor is how to get the balance right between raising rates and charges to meet more needs, and affordability of rates and charges in the community.

As well as juggling in the short term, all Councillors must represent the current and future interests of its residents. This means looking at the short term and longer term impacts of today's decisions. What is an easy or popular decision today, may create a financial burden for future ratepayers.

Our financial planning documents help us keep an eye on how our finances are tracking over the short, medium and long term.

What we must do

Local Government Act 2009
Local Government Regulation 2012
Australian Accounting Standards
Funding Guidelines (State, Federal Governments)
Planning Act 2016

Did you know

Since 2013/14, **\$457.082 million** of grants, subsidies, contributions and donations have been secured to assist in funding services and projects for our region (Recurrent - \$164.478 million and Capital - \$292.604 million).

This has made an extraordinary difference to the level of service and the number of projects that could be delivered for our region's residents each year.



The Roma Saleyards Multi-Purpose Facility is an example of a project planned and advocated for over many years.

Officially opened on 26 January 2020, it was jointly funded by the Australian Government through the Building Better Regions Fund (\$3,961,483) and Queensland Government (\$3,698,983) in association with *Saleyards Reserves* (\$434,193) and Council (balance).

How we are trending - Financial planning

\$ million	2013/14 \$ million	2014/15 \$ million	2015/16 \$ million	2016/17 \$ million	2017/18 \$ million	2018/19 \$ million	2019/20 \$ million
	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M
Information for business planning							
Grants, subsidies, contributions and donations - operating (recurrent)	\$30.614	\$26.146	\$18.711	\$29.027	\$18.926	\$21.657	\$19.397
- capital	\$66.132	\$72.176	\$50.224	\$19.794	\$24.91	\$30.007	\$29.361
Size of Council operations							
- Operating revenue	\$115.271	\$94.351	\$75.694	\$82.5	\$73.531	\$81.562	\$85.956
- Expenditure (operating expenses excluding depreciation + capital expenditure and loan repayments)	\$183.047	\$160.488	\$118.756	\$104.6	\$100.1	\$106.796	\$119.859

More about the numbers

2019/20 delivered the largest budget in 5 years, both in terms of operating revenue and expenditure.



2.1 FINANCIAL PLANNING

Our progress with implementing our 5 year plan

✓ Undertaken / completed ■ In progress

What we aim to do	2019/20	2019/20 Progress
<p>2.1.1 Integrate financial planning documents into how we do business providing a line of sight for current and future residents from the elected Council's vision through to delivery of services and projects:</p> <ul style="list-style-type: none"> • a 5-year corporate plan • a long-term asset management plans • a long-term financial forecasts • an annual operational plan • an annual budget including revenue statement <p>(Section 104 (5) (a) of the <i>Local Government Act 2009</i>)</p>	Refinement of new Corporate Plan.	✓
	(a) Long-term asset management plans	■
	Long-term financial forecasts adopted with annual budget	✓
	Prepare and adopt annual Operational Plan	✓
	(b) Adopt the Budget including revenue statement before 1 August to fund Council's operational plan for the year	✓
<p>2.1.2 Implement initiatives to strengthen Council's financial sustainability by planning for:</p> <ul style="list-style-type: none"> • responsible surpluses • sufficient investment in asset renewals • net financial liabilities which can be serviced by our operating revenues <p>Using key indicators of sustainability to measure progress over the short, medium and longer-term.</p>	Measure indicators of financial sustainability on long term forecasts	✓
<p>2.1.3 Consider both the short-term and longer term financial impacts of Council's policy development, plans, projects and decisions, on behalf of current and future residents.</p>		■
<p>2.1.4 Actively identify and apply for grant and subsidy opportunities to assist in funding capital works and provide services to the community.</p>	Annual service	✓
<p>2.1.5 Develop and implement additional communication initiatives to keep our community and stakeholders updated about Council's financial plans.</p>	(c) New regional and local area highlights in budget communications	✓
	(d) Communications Strategy for Projects (project management framework)	■
<p>2.1.6 Implement financial modelling software and continue to enhance financial projections.</p>	(f) Rates revenue modelling	✓
<p>2.1.7 Maintain financial and internal reserve accounts (restricted cash) for business activities to strengthen long term financial sustainability and assist with long term planning and budget decisions.</p>	Annual service	✓
<p>2.1.8 Rebuild our financial system so that monitoring of budgets can be undertaken both regionally and locally for the new organisational structure.</p>	-	-

BUDGET 2019/20 Highlights
Total Concept Released for community feedback
Injune Business Breakfast - 20 August 2019

BUDGET 2019/20 Highlights
Total Concept Released for community feedback
Mitchell Business Breakfast - 27 August 2019

BUDGET 2019/20 Highlights
Total Concept Released for community feedback
Roma Business Breakfast - 28 August 2019

BUDGET 2019/20 Highlights
Total Concept Released for community feedback
Surat Business Breakfast - 28 August 2019

BUDGET 2019/20 Highlights
Total Concept Released for community feedback
Yuleba, Wallumbilla, Jackson & Surrounds Business Breakfast - 28 August 2019

Our performance in focus

New local area budget highlights developed for the 2019/20 budget and launched at Business Breakfasts in Injune, Surat, Mitchell and Roma (August 2019).

2.1 FINANCIAL PLANNING

Looking back - what we achieved in 2019/20

(a) Long-term asset management plans

A review of the Water, Sewerage and Gas asset management plans was completed, submitted to Council and adopted at the following Council meetings:

Water - 24 January 2020 (GM/01.2020/74)

Sewerage - 12 February 2020 (GM/02.2020/10)

Gas - 12 February 2020 (GM/02.2020/11).

An urban and rural roads asset management plan has previously been prepared for roads. A review initially scheduled for 2019/20 has been deferred having regard in part to the significant damage to the road network that occurred in February 2020 as a result of the heavy rainfall event.

The focus has turned to emergent works and submissions to the Queensland Reconstruction Authority for funding to restore the road assets. Condition ratings are a critical input to asset renewal planning, so it is not feasible to review plans based on a flood damaged network.

A new asset management plan for Facilities commenced. While substantial background work has occurred, the impacts of COVID-19 on the workload of the Facilities team resulted in this project not being completed in 2019/20.

Work also commenced on the new asset management plan for Plant/Fleet early in the financial year, however due to some resourcing issues, it will now be finalised in a future financial year.

Background work was also undertaken for the Airports asset management plan including detailed pavement analysis for movement areas and an engineering assessment was undertaken of structural and operational capacity (existing service levels). Minimum programmable maintenance and monitoring activities were identified.

(b) Adopt annual budget including revenue statement before 1 August

Two legislatively compliant versions of Council's annual budget were prepared. Council's annual budget (including long term financial forecasts) was adopted on 30 July 2019 (SMB/07.2019/06).

(c) New regional and local area highlights in budget communications

Local area budget highlights documents were developed for the 2019/20 year and presented at Business Breakfasts in Injune, Surat, Mitchell and Roma. A special edition Council News was distributed in February 2020 to all households with a mid-year update provided on the 2019/20 Budget by local area.

Images on previous page.

(d) Communications strategy for projects (project management framework)

A draft communications strategy for projects was workshopped with Councillors and the update provided on 15 March 2020. Project stages have been defined to quickly and easily identify where a project is up to. A work instruction is to be developed to show how the work orders in Council's business software (Authority) are to be maintained to update the project stages, actual start dates and actual completion dates for automated reporting.

Stage	Description	Steps may include some or all of the following:	Outcomes of this stage
1	Initiation and definition	Collation of relevant documents, investigations into feasibility, development of business case, grant applications, community engagement, negotiations with funding bodies.	<ul style="list-style-type: none"> - Council approved scope and budget. - Signed funding agreement/s.
2	Design	Internal / external design or engineering services. Stakeholder engagement -internal / external.	<ul style="list-style-type: none"> - Preliminary design set. - Issued for construction drawings. - Land access.
3	Development / preconstruction	Project planning, development applications, tendering and contract negotiations, finalisation of construction budget.	<ul style="list-style-type: none"> - Approved project management plans. - Construction budget <= 90% project budget. - Development approvals in place. - Contracts executed. - Securities in Council's possession.
4	Implementation / construction	Project launch Delivery by Council teams (including sub-contractors) or External works - Principal contractor.	<ul style="list-style-type: none"> - Delivery of approved scope of works. - Certificate of classification (building works). - Practical completion notice.
5	Close out	Lessons learnt meeting/ workshop Project capitalisation Report to Council Funding acquittal Annual report.	<ul style="list-style-type: none"> - Integrated Maranoa Management System (IMMS) update for any lessons learnt. - Receipt and registering of operating manuals. - Insurance updates. - Maintenance handover - including briefing to Council by the Principal Contractor for the safe use and maintenance of any structures, or the safe operation of plant and other equipment.
6	Complete		

(e) Rates revenue modelling

This year we commenced using the IBIS financial modelling software for our rates modelling and valuation analysis. It is a cloud-based hosted service that sits over the top of Council's business systems and databases (Civica – Authority) providing Council with a powerful tool to model rating scenarios, analyse valuation movements and see the impact of changes by category, locality and ratepayer (or group of ratepayers).

The rate modelling software is providing Council the ability to review unlimited model options to finetune its rating structure for adoption with the budget.

Annual services

What we do	Corporate plan reference	What we aim for	Did we achieve it in 2019/20
Short-term			
Project lifecycle financial planning	2.1.3	Progressive development and implementation of business cases. * Outline business cases prepared for budget deliberations. Detailed business cases predominantly for grant programs at this time.	✓ *
Grant and subsidy applications	2.1.4	Review of funding rounds as announced, ensuring alignment with Council plans.	✓
Alignment with Operational plan	2.1.1	Annual and periodic review to ensure alignment between budget and corporate and operational plans.	✓
Budget (12 month financial plan)	2.1.1	Adopted annually in June or July.	✓
Rates/revenue modelling	2.1.6	Model revenue options.	✓
Medium and long-term			
Asset management plans (10 year forward works programs)	2.1.1	Minimum annual review as plans are developed.	Refer article (a) - previous page
Local government infrastructure plan (LGIP)		Review on a 5 yearly basis (from adoption of the Planning Scheme – September 2017) – earlier if required. An Interim LGIP amendment was not progressed due to there being little overall change in the status of Council's plans for future trunk infrastructure identified in the Schedule of Works.	Not applicable in 2019/20
Long-term forecasts (10 year financial plan)	2.1.1 2.1.6	Adoption with the annual budget.	✓
All timeframes			
Policies (Financial)	2.1.3	Initial development as the need is identified and then minimum annual review.	✓
Council decisions	2.1.3 2.1.7	Financial implications included in all agenda reports where applicable.	✓
Financial plan / budget communications			
Budget communications	2.1.5	Preparation and distribution of regional and local area publications about the annual budget and Council's financial plans.	✓

Our business partners, stakeholders and customers



Queensland Government

(Including Department responsible for local government - Department State Development, Local Government, Infrastructure and Planning)

Queensland Audit Office

Australian Government

Other

Community

Ratepayers

External auditors

Internal auditors

Audit Committee

External valuers

How we are managing the key operational risks

Risk	Actions underway / planned
<ul style="list-style-type: none"> Financial sustainability over the longer term 	<ul style="list-style-type: none"> Measure progress having regard to the relevant local government financial sustainability measures that are determined by the Queensland Government: <ul style="list-style-type: none"> - Budget for a responsible operating surplus each year. - Plan for sufficient investment in the renewal of our infrastructure assets. - Ensure our net financial liabilities can be serviced by our operating revenue. Use borrowing capacity for asset management and intergenerational projects in an affordable manner and in line with Debt Policy. Seek opportunities to diversify or improve revenue streams. Actively pursue grant and subsidy opportunities with 'shovel ready' projects, supported by business cases. Actively monitor and invest cash to supplement rates and charges. Use rate modelling software to analyse valuation movements, model rating options and forecast revenue. Develop and implement an Efficiency Policy. Periodically request a QTC credit/sustainability review to monitor progress.
<ul style="list-style-type: none"> Asset management planning identifies a growing infrastructure backlog that requires funding 	<ul style="list-style-type: none"> Annual review of the asset management plans to: <ul style="list-style-type: none"> - develop a better understanding of the remaining useful lives of our asset base; - finetune whole of life costs; - integrate asset planning with budgeting and forecasting; - determine funding requirements. Benchmark our Asset management - Management system is compliant with Standard ISO 55001:2014. Maximise asset reliability, availability and performance through asset data collection, performance monitoring and proactive maintenance.

Our finances - Financial planning

Operations	2019/20 \$
Operating expenses	\$315,481
Employee costs	205,225
Materials and services	110,256
Depreciation expense	-
Operating result / (deficit) - Contribution required from general revenue	(\$315,481)



We levy, reconcile and collect the revenue needed for projects and services, and manage related processes in accordance with Council's adopted policies.



Our year at a glance

2019/20



The number of accounts (assessments) managed as at 30 June 2020 were:

- General rates – **6,781**
- Water charges – **5,658**
- Sewerage charges – **4,895**
- Waste charges – **4,689**
- Gas charges – **578** (active).



2 (half yearly) issues of rates notices.



Administration of rate remissions and concessions - the value for 2019/20 was:

- General rates - **23** concessions for community groups totalling **\$13,907.84**.
- Water access infrastructure charge - **33** concessions totalling **\$48,589.08**
- Pensioner remission - **579** remissions for pensioners totalling **\$175,119.78**



Active management of the region's investment portfolio (**\$78,973,087** at 30 June 2020).

Revenue collection highlights

Investment and interest revenue

Council actively managed its cash investments in 2019/20. Council's investment policy allows for a diversified portfolio of investments which aims to maximise returns, while minimising risk.

Debt recovery

The value of outstanding rates and charges remains below the five year high in 2016/17. Prior to the second rates levy for 2019/20 the outstanding rate and charges were down to \$1,532,623 (which was at that time on target for an approximate 3.92% rate arrears percentage).

Revenue collection challenges

Outstanding rates and charges

Whilst there was a downward trend in 2017/18 and 2018/19, rate arrears of 8.4% at 30 June 2020 remains high compared to local government benchmarks.

In March 2020 debt recovery was paused as part of a response to the COVID-19 economic impacts.

The value of rates outstanding at 30 June 2020 was \$2.876 million.

Record low interest rates

Whilst the low interest rates are favourable for borrowings, the record low rates have adversely affected the amount of interest earned on investments compared to prior years.

2.2 REVENUE COLLECTION

What we do

We levy and collect rates, fees and charges.

Rates and charges are levied via the half-yearly rate notices.

Fees and charges are invoiced or payments are received through Council's Customer Service Centres.

Rates and charges are linked to land within the region, and the use of the land. There are 4 types of rates and charges, of which Council currently uses 3:

- *General rates*

For services, facilities and activities that are supplied or undertaken for the benefit of the community in general (rather than a particular person).

- *Utility charges*

For a service, facility or activity provided to a particular property (e.g. water, sewerage, waste).

- *Special rates and charges*

For services, facilities and activities that have a special association with particular land because it benefits from a particular service, facility or activity or contributes to its need. (e.g. pest management, rural fire brigades).

Fees and charges are based on a user-pays principle - where it is practical to charge an individual, business or group that uses particular facilities or services. There are two types of fees and charges (cost-recovery fees, sometimes referred to as 'regulatory' fees, and commercial fees).

Why we do it

The provision of services and projects are dependent on funding.

For the financial year ended 30 June 2020, rates and charges accounted for 42.53% of Council's operating revenue.

What we must do

Queensland Government

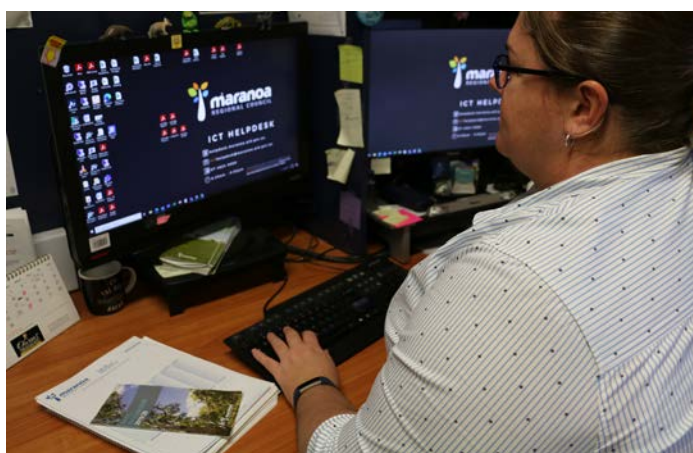
Local Government Act 2009

Local Government Regulation 2012

Did you know

Whilst Council sets the rate in the dollar and value of service charges, the rate in the dollar for general (property) rates is applied to the unimproved value of the land as determined by the Queensland (State) Government's Valuer-General.

If a property owner does not agree with the advised valuation when they receive the State Government notice, it is important that they lodge an objection directly with the State Government within the nominated timeframe. This is not something that Council can influence at the time of the rate notices being issued.



Rates and Utilities Billing Officer, Katie

More about the numbers

The level of outstanding rates and charges showed an upward trend over 5 consecutive years, from a low of 4.1% in 2012/13 to a high of 11.1% in 2016/17.

With a review of Council's rates recovery policy and processes, a reversal of this trend occurred in 2017/18 and 2018/19.

On 18 March 2020 (Council resolution: GM/03.2020/80) an initial package of initiatives was released by Council to assist the community in response to COVID-19 economic impacts. Part of the package was a pause on debt recovery actions. This resulted in a rise in rate arrears during the second half of the year (up to 8.4% by 30 June 2020).

How we are trending - Revenue collection

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Rates notices issued							
- 1st half year	7,198	7,668	7,717	7,728	7,703	7,736	7,543
- 2nd half year	7,433	7,709	7,719	7,723	7,729	7,686	7,600
Rate arrears percentage	5%	6.6%	9.1%	11.1%	8.9%	7%	8.4%
Gas billing reconnections	113	114	141	147	115	122	108
Gas billing disconnections	101	163	139	138	118	177	122
Gas billing new connections	17	58	39	14	2	2	2
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Utility charges:							
Water access	2.628	2.836	2.949	3.081	3.199	3.317	3.440
Other water (including usage)	2.067	2.003	1.601	1.807	2.007	2.323	2.477
Sewerage	2.168	2.265	2.361	2.459	2.499	2.701	2.751
Waste	1.105	1.167	1.233	1.394	1.457	1.542	1.560
Special rates	0.563	0.579	0.584	0.678	0.748	0.749	0.736
Discount for prompt payment	(1.543)	(1.849)	(1.916)	(1.842)	(1.935)	(1.007)	(1.172)
Pensioner remission	(0.279)	(0.264)	(0.272)	(0.279)	(0.287)	(0.287)	(0.292)
Net rates and charges	24.416	27.232	28.090	30.347	31.126	33.923	36.559
Outstanding rates and charges at year end	1.287	1.869	2.737	3.681	3.092	2.586	2.876
Gas sales	0.843	0.945	0.809	0.921	0.859	0.888	1.001
Fees and charges	4.677	5.469	2.682	2.038	2.212	2.499	3.493

	30 June 2020
Rate assessment numbers:	
- General	6,781
- Water	5,658
- Sewerage	4,895
- Waste	4,689
Gas (active accounts)	478
	2019/20
Valuation adjustments	239
Waste service charge changes	32
Water access changes	99
Sewerage charge changes	42
Supplementary notices	412
New payment arrangements	261
Total number of ratepayers on payment arrangements	201
Number assessments outstanding	694
Debt recovery stages	
- 1st reminder	1,279
- 2nd reminder	228
Investments - interest earnings	\$1.357 million

2.2 REVENUE COLLECTION

Our progress with implementing our 5 year plan

✓ Undertaken / completed ■ In progress

What we aim to do	2019/20	2019/20 Progress
2.2.1 Work to develop and implement transparent and equitable funding models for the provision of services and projects, with periodic benchmarking of Council's rates and charges.	(a) Rates and charges modelling for budget.	✓
	(b) Development of a 10 Year Rating Strategy.	Deferred
2.2.2 Prepare, review and adopt revenue documents required by legislation (e.g Revenue Policy, Revenue Statement, Fees & Charges) and policy documents that underpin Council's revenue collection.	Annual service (c) Policy reviews applicable to revenue collection.	✓
2.2.3 Levy and collect rates and charges via the half-yearly and supplementary rate notices, providing: <ul style="list-style-type: none"> a range of convenient payment methods; information for the community. 	Annual service (d) Queensland Government's waste levy (requirements for rate notices). (e) New on-line payment facility ('Soft Launch' to confirm functionality).	✓
2.2.4 Ensure the consistent, transparent, and equitable granting of rate and charges concessions to ratepayers, pensioners and community groups in accordance with policy. (Criteria outlined in section 120 of the <i>Local Government Regulation 2012</i>)*	Annual service (f) Policy for the granting of concessions. (g) COVID-19 rates relief package.	✓
2.2.5 Closely monitor rate arrears and other outstanding debts, and ensure timely and consistent collection activities in line with Council's approved policies - ensuring fair and consistent treatment of all ratepayers.	Annual service (h) Monitoring and reporting rate arrears (outstanding rates and charges).	✓
2.2.6 Provide incentives for the prompt payment of rates (discount).		✓
2.2.7 Maintain an active investment strategy to maximise investment earnings to reduce the amount required to be collected through rates and charges to fund services and projects for the community. Manage and administer all investments consistent with Council's investment policy.	Annual service (i) Active management of investment portfolio.	✓
2.2.8 Actively identify, manage and advocate for capital and operational grants and subsidies to assist in funding capital works and provide services to the community. Collectively work towards ensuring: <ul style="list-style-type: none"> reporting is in line with funding agreements; responses to Australian and Queensland Governments' information requests are timely and accurate; work is completed within approved timeframes. 	Annual service	✓
2.2.9 Collect fees and charges for the use of particular facilities or services, having regard to the user-pays principle, where it is practical to charge an individual, business or group.	Annual service	✓

Looking back - what we achieved in 2019/20

(a) Rates and charges modelling for the budget

With the commencement of a new term of Council (local government elections on 28 March 2020), there were 6 out of 9 people elected who were new to the role of Councillor.

The initial focus was on gathering information to familiarise Councillors with local government rating in general and Maranoa Regional Council's current rating framework in particular.

Following the preliminary discussion reports were presented on 17 and 23 June 2020 to facilitate discussions on various rating scenarios (options and revenue estimates).

(b) Development of a 10 Year rating strategy

The aim of this project, once completed, is to help ratepayers predict how rates may change in the longer term.

With the significant number of new Councillors commencing in April 2020, and the immediate priority of the 2020/21 budget development, the strategy development has been deferred to a future year.

(c) Policy reviews applicable to revenue collection

This financial year saw the ending of one Council term (2016-2020) and the commencement of a new one (2020-2021).

All policies were reviewed in time for adoption of the 2019/20 budget on 30 July 2019.

Both terms of Council committed to holding Budget Submissions and Financial Planning Standing Committee meetings to guide the preparation of the budget and rating.

Reports to the new Council were presented on 3 June 2020 for the Draft Revenue Policy and to facilitate a preliminary discussion about rating.

The Revenue Policy was also adopted on 24 June 2020 - in preparation for the 2020/21 budget.

(Council resolution: OM/06.2020/70)

(d) Queensland Government's waste levy

2019/20 was the first year of implementation of the Queensland Government's waste levy, with Maranoa Regional Council being included in the waste levy zone (i.e. one of the local government areas impacted by the State Government's waste management reforms). This required changes from a revenue collection perspective (e.g. inclusion of rate notice statement).

Wording was incorporated onto our rate notices as required by legislation:

"Council has received an annual payment of \$710,829 from the State Government to mitigate any direct impacts of the State Waste Levy on households in Council's area."

(e) New on-line payment facility (Council website)

A 'soft launch' of the new on-line facility occurred from September 2019. This was designed to confirm functionality prior to broad scale promotion of the new feature on Council's website.

100 transactions were processed for the year ending 30 June 2020, with the value being \$71,904.21. This new payment facility will be actively promoted for the 2020/21 rate notices.

(f) Policy for the granting of concessions

A draft Rates and Charges Rebate and Concession Policy has been prepared for Council's consideration, incorporating concessions for:

- Community organisations, not-for-profit and charitable organisations;
- Pensioners;
- Hardship.

The draft is planned for initial discussion at Council's upcoming Budget Submissions & Financial Planning Standing Committee on 1 July 2020.

(g) COVID-19 rates relief package

Following an initial package of relief under the previous term of Council (18 March 2020), on 13 May 2020 Council resolved to offer ratepayers a further COVID-19 rates relief package to assist with payment commitments. Council resolved to:

- extend the pause on external debt recovery (all outstanding rates and charges) to 31 July 2020 (commenced on 18 March 2020).
- waive all interest payable between 26 February 2020 and 31 July 2020 on overdue rates or charges for all rateable land within the Council's local government area – estimated to be valued at approximately \$105,000.
- write to all ratepayers with overdue rates and charges advising them of the COVID-19 Support Package.

This included that Council will consider resolving to grant them a concession pursuant to section 121(b) of the *Local Government Regulation 2012*, by way of an agreement to defer payment of current rates and charges to 31 December 2022, where:

- i. They apply for such a concession; and
 - ii. Produce evidence satisfying the Council that the payment of the rates and charges will cause hardship to them due to the impacts of the current COVID-19 Public Health Emergency in terms of section 120(1)(c) of the *Local Government Regulation 2012*.
- work with the ratepayer on a flexible payment schedule as a part of an agreement that the ratepayer will be required to enter into as a condition of the grant of any such concession, providing for the current rates and charges and all future rates and charges to be paid in full by scheduled periodic instalments by 31 December 2022 at the latest.

(h) Monitoring and reporting rate arrears

Refer over page - Outstanding rates and charges in focus.

(i) Active management of investment portfolio

During 2019/20 record low interest rates have adversely affected the amount of interest earned compared to prior years.

Final figures for 30 June 2020 recorded \$1.358 million in investment earnings for the financial year (down from \$1.772 million in the 2018/19 financial year).

48 securities were held at 30 June 2020 representing a wide portfolio in Council investments to a total of \$78,973,087.67.

Each year's investment earnings reduce the amount required to be collected by Council through rates and charges, to fund services and projects for the community.

2.2 REVENUE COLLECTION

Outstanding rates and charges in focus

The recovery of outstanding rates and charges has been a focus for a number of years.

Council's Rate Recovery Policy outlines the significant number of steps Council goes through to recover these debts.

The second round of Sale of Land proceedings commenced in February 2019 with the auction held in July 2019. While outstanding rates and charges have remained below the peak of 2016/17, the amount outstanding at 30 June 2020 was higher than last year due to Council's pause on external debt recovery in the second half of the financial year (COVID-19 rates relief package).

The table below outlines the trend of outstanding rates so that these can be monitored each year.

Date	Rates outstanding	Difference (\$)	Difference (%)	Notes
30/06/2013	\$1,989,946.25			
30/06/2014	\$2,022,174.07	\$32,227.82	2%	
30/06/2015	\$2,321,466.76	\$299,292.69	15%	
30/06/2016	\$2,858,534.34	\$537,067.58	23%	
30/06/2017	\$3,606,465.84	\$747,931.50	26%	New debt recovery process commenced in November 2016.
30/06/2018	\$3,104,708.84	-\$501,757.00	-14%	Bulk Statements of Liquidated Claim issued in May 2018.
30/06/2019	\$2,298,274.71	-\$806,434.13	-26%	Council commenced Round 1 of Sale of Land Proceedings in August 2018. Council commenced Round 2 of Sale of Land Proceedings in February 2019.
30/06/2020	\$2,876,299.94	\$578,025.23	25%	A pause on external debt recovery in response to COVID-19 has resulted in outstanding rates increasing during the second half of the financial year.

Continual improvement highlights for 2019/20

- A new grants and subsidies register has been developed to record and track reporting milestones as per funding arrangements.
- A new "one page" business case was developed for proposed projects as part of Council's budget development and will be used to identify projects for potential funding applications.

Annual services

What we do	Corporate plan reference	What we aim for	Did we achieve it in 2019/20
Rate levies and invoicing			
Notices	2.2.3	Rates modelling for Council's budget deliberations. Half yearly rates notices (generally issued in August/September and February/March) each financial year. Monthly and quarterly gas notices. Sundry invoices as required.	✓ ✓ ✓ ✓
Maintenance / updates of valuations on advice from the Valuer General.	2.2.3	As required during the year. Ongoing review of rating data.	✓
Processing of new or changed water, sewerage and waste services.	2.2.3	As required during the year.	✓
Issuing of supplementary rate notices.	2.2.3	As required during the year.	✓
Revenue collection and other administration on behalf of others			
Emergency management	2.2.2	Determination of levy category, collection twice a year through the rate notices and payment to the state government. Returns lodged three times yearly.	✓
Rural fire brigades	2.2.2	Collection and remittance of special charges for Amby, Mungallala, Yuleba and Orange Hill twice yearly (after each rates levy).	✓
State Government pensioner remission	2.2.4	Invoiced to the Queensland Concessions Unit after each rates levy and a final claim completed in December and June each year.	✓
Discounts, remissions and concessions' administration			
Discount	2.2.2, 2.2.6	Allowed before the end of the discount period and in accordance with Council's Revenue Statement.	✓
Council pensioner remission	2.2.4	Administered in accordance with Council's Pensioner Rate Concession Policy.	✓
Community organisations concessions	2.2.4	Administered in accordance with Council's Community Organisations - Rates and Charges Rebates and Concessions Policy.	✓
Other concessions	2.2.4	Considered by Council on a case by case basis.	✓
Debt recovery			
Follow up of outstanding debts	2.2.5	In accordance with Council's debt recovery policy. Payment arrangements processed upon request / report to Council if the requested term extends beyond the financial year.	Refer 'Outstanding rates and charges in focus'
Investments			
Investments management	2.2.7	Manage and administer all investments consistent with Council's investment policy. Maintenance of investment register.	✓
Community information			
Frequently asked questions and answers (FAQ's)	2.2.2, 2.2.3, 2.2.4	Development and review of material for the community about rates, charges, concessions and other revenue matters - e.g. <ul style="list-style-type: none"> Frequently asked questions Rate notice inserts / brochures on rates and charges. 	✓
Grants, subsidies and contributions			
Grant applications and administration	2.2.8	Additional initiatives to identify potential grant opportunities and actions required for grants secured.	✓
Fees and charges			
Register	2.2.9	Collated and reported to Council through the annual budget process. Assistance provided to departments and indexation applied where appropriate. Council meeting decisions monitored during the year and register updated as required. Online register maintained.	✓ ✓ ✓

Our business partners, stakeholders and customers



- Department of State Development, Local Government, Infrastructure and Planning
 - Ratepayers (e.g. Residential, Rural, Commercial/Industrial) in various categories:
 - currently have no balance outstanding
 - are prompt payers (payment received by Council by the due date)
 - missed the discount period, but have subsequently paid the difference
 - have outstanding balances - current notice discount only
 - have outstanding balances from previous notices
 - have prepaid (and are therefore in credit)
 - are paying off their rates and charges through approved payment arrangements
 - have not paid and the land is going through the process of being sold for arrears of rates and charges.
- Customers using a Council facility or service
- cost-recovery fee (known as 'regulatory')
 - other fee (known as 'commercial')
- Debt recovery contractor
 - Community groups that receive or apply for rate rebates and concessions
 - Pensioners eligible for Queensland Government and Council concession.
 - Valuer General / Queensland Government for unimproved capital valuation of land and land use codes.

How we are managing the key operational risks

Risk	Actions
<ul style="list-style-type: none"> • Misalignment of State Government's property valuations with Council's rating database <p>As all local governments must determine its general rates using the unimproved capital value as provided by the Queensland Government's Valuer-General, it is critically important that Council's valuations remain reconciled with the State's valuations.</p>	<p>Officers reconcile the total valuation amount on a progressive basis, as new valuations are notified by the State's Valuer General.</p> <p>Verification of the reconciliation is provided formally on a monthly basis.</p>
<ul style="list-style-type: none"> • Non-payment of rates and utilities billed <p>With rates and charges alone accounting for 43.63% of operating (recurrent) revenue, the continued delivery of services is heavily dependent on these amounts being received.</p> <p>As at 30 June 2020, outstanding rates and charges was \$2.876 million.</p>	<ul style="list-style-type: none"> • A debt recovery policy is in place to follow up on outstanding amounts in a consistent and timely manner. • Outstanding amounts and the age of the outstanding amounts are monitored monthly. • Sale of land processes for outstanding rates and charges.

Our finances - Revenue collection

Operations	2019/20 \$
Operating revenue	\$71,912
Rates and charges	924
Fees and charges	42,720
Internal revenue	-
Other revenue	28,268
Operating expenses	\$449,263
Employee costs	181,855
Materials and services	267,408
Depreciation expense	-
Operating result / (deficit) - Contribution required from general revenue	(\$377,351)

Our finances - General revenue

Operations	2019/20 \$
Operating revenue	\$41,010,138
General rates	(299,144)
Rates interest other rates	278
Corporate grants and subsidies - general purpose	13,063,297
Corporate finance operating revenue	1,358,049
Rural general rates	18,247,644
Urban general rates	7,641,519
Rural fire levy	234
Corporate expenses - internal expense	-
Corporate overhead recovery	998,261
Operating expenses	(\$1,480,983)
Corporate overhead recovery internal	(1,480,983)
Fire levy remittance	-
General revenue for services and projects	\$42,491,121

	2019/20 \$
Capital funding	
Industry contributions	1,250,000
Estimated opening balance	-
Funds available for capital purposes	\$1,250,000

Restricted funds	\$1,250,000
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We keep Council's accounts in order, and provide a range of accounting services to meet the needs of internal and external users of Council's financial information.



Our year at a glance 2019/20



Processed:
3,427 debtor invoices,
20,207 creditor invoices
18,933 timesheets.



Reconciled:
48,336 cash transactions (in)
valued at **\$153,405,818**.

Reconciled **19,992** cash
transactions (out) valued at
\$107,211,847.



GST (collected **\$4.5m**, paid
\$8.13m, refunded **\$3.63m**)
PAYG: **\$6.7m**
Investment income: **\$1.36m**
Borrowings: **\$2.825m**

Accounting highlights

Clean bill of health achieved for financial statements

In 2019/20 Council once again achieved an unmodified audit opinion, or 'clean bill of health', for its financial statements and associated financial records for the sixth consecutive year. This could not have been achieved without sound financial / accounting records.

Internal controls framework

Council's internal control framework received 5 'green lights' from the independent (external) auditors. The 5 aspects that were considered effective were:

- control environment;
- risk assessment;
- control activities;
- information and communication;
- monitoring controls.

New certified agreement processing

Following a successful conclusion to negotiations, and the certification of the agreement in February 2020, the updating of the payroll system parameters and processing of the first payment for all employees was completed.

Accounting challenges

Transition to new certified agreement

There were some initial challenges with the implementation that have now been resolved including:

- updating how the camping allowance is paid;
- clarification for employees about timesheet processes and entitlements if required to work on rostered days off; and
- long service leave accessibility changes for existing employees from 10 years to 7 years.

Valuation of road assets

During the year, a desktop revaluation of road assets was completed (April 2020). Additional information of a material nature had come to hand after finalisation of the valuation which necessitated a supplementary valuation. This included:

- a heavy rain event in February (affecting condition ratings)
- capital work finalisations with substantial impact on asset data; and
- an error found in the condition rating of some data which has impacted the condition rating on some pavement and surface components of rural roads.

COVID-19 impacts on auditing

The COVID-19 pandemic created some challenges in relation to document and information exchange during the interim audit. The External auditor did not physically attend the Roma office.

2.3 ACCOUNTING

What we do

We provide a range of accounting services including preparation of financial returns and claims to government agencies, reconciliations of Council's accounts and management of Council's investments and borrowings.

We also process creditor and debtor accounts and payroll on behalf of all Council services and projects.

What we must do

Australian and Queensland Government

Legislation

- Local Government Act 2009
- Local Government Regulation 2012
- Statutory Bodies Financial Arrangements Act 1982
- Statutory Bodies Financial Arrangements Regulation 2007
- Public Sector Ethics Act 1994

Australian Accounting Standards

Funding Guidelines

Asset Management Plans

Asset Management Policy.

Why we do it

As with any business, the keeping of good financial records is key to sound decision making and financial planning, as well as ensuring legislative compliance.

We have both internal and external users of Council's financial information including:

- Queensland Local Government Grants Commission
- Australian Bureau of Statistics
- Australian Taxation Office
- Queensland Treasury Corporation
- Department of Local Government, Racing and Multicultural Affairs.

The Queensland Audit Office (or their delegate) audits Council's annual financial statements each year.

Many of the financial returns that are completed impact how much revenue Council collects each year. Increased revenue from these sources reduce the impost on our region's ratepayers.

The preparation of the Queensland Local Government Grants Commission return each year is particularly important as it influences the amount of the financial assistance grant from the federal government.

Did you know

In 2019/20, our team members processed and reconciled:

Transaction type	Number	Value
Cash out	19,992	\$107,211,847
Cash in	48,336	\$153,405,818



SHARE-A-THANKS

Thank you to Teagan

In November, a procurement officer shared her appreciation to an Accounts Processing Officer for going above and beyond the call of duty.



During a recent system error [electronic tasking to the Procurement Officer's inbox], Teagan demonstrated outstanding customer service and respect for work ethics to me by making the time to manually send invoices to me, monitor and update tasks that I couldn't access... and – most importantly – did all of these extra tasks with a smile just to ensure that we could keep the system going, ensuring invoices are processed and suppliers are paid. Teagan, you are an absolute star performer...

I'm going to purchase matching ninja-outfits for us.



How we are trending - Accounting

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Information for business planning							
Number of debtor invoices	7,252	6,550	3,948	5,052	4,039	3,957	3,247
Number of creditor invoices	25,151	25,161	22,295	19,175	18,796	19,840	20,207
External reporting							
Financial Assistance Grant							
- General purpose grant	\$12,221,161	\$12,707,492	\$13,029,264	\$13,415,220	\$13,338,815	\$14,076,870	\$12,950,475
- Identified road grant	\$3,294,719	\$3,336,746	\$3,386,959	\$3,401,647	\$3,488,356	\$3,616,586	\$3,769,406
Total	\$15,515,880	\$16,044,238	\$16,416,223	\$16,816,867	\$16,827,171	\$17,693,456	\$16,719,881
Debt level (Book value)	\$21.88 m	\$16.51 m	\$14.43 m	\$12.96 m	\$14.32 m	\$17.38 m	\$18.92 m
Net community assets accounted for	\$810.488 m	\$871.613 m	\$822.357 m	\$733.956 m	\$830.674 m	\$823.361 m	\$838.114 m
Operating revenue	\$115.271 m	\$94.351 m	\$75.694 m	\$82.5 m	\$73.531 m	\$81.562 m	\$85.956 m
Operating expenses	\$112.094 m	\$99.075 m	\$89.548 m	\$79.343 m	\$78.085 m	\$77.524 m	\$83.819 m
Operating surplus (where applicable)	\$3.177 m	n/a	n/a	\$3.157 m	n/a	\$4.038 m	\$2.137 m

(m = millions)

More about the numbers

Financial assistance grants

The Australian Government makes decisions each year in June as to whether to 'prepay' part of the following year's calculation. This can significantly distort Council's year end results (if the prepayment is not continued). By way of example, the "Bring Forward" or prepaid amount for June was follows:

- 30 June 2018 \$8,741,911
- 30 June 2019 \$9,013,413
- 30 June 2020 \$8,620,785

When a Council only has \$36.599m net rates and charges, \$8.6m is a significant value.

As Federal Assistance Grants are income in the year of receipt, Council will continue to advocate for certainty in relation to the timing of payments.

Debt levels

During the 4 years from 2013/14 to 2016/17 there was a concerted effort to lower debt levels, reducing from a high of \$21.88 million to a low of \$12.96 million. The last 4 years have seen a progressive increase however the figure still remains below 2013/14.

Council's ability to service these debt levels is reflected in:

- Approval of each loan by the Queensland Government (Department responsible for Local Government). Prior to each approval, Council's long term forecasts are reviewed by Queensland Treasury Corporation.
- Financial liabilities ratio
This is one of the measures reported at a state level for Queensland local governments. The ratio is an indicator of the extent to which the net financial liabilities can be serviced by its operating revenue. Maranoa Regional Council's ratio is well within the target range.

2.3 ACCOUNTING

Our progress with implementing our 5 year plan

✔ Undertaken / completed ■ In progress

What we aim to do	2019/20	2019/20 Progress
2.3.1 Provide timely, accurate and complete financial information for: <ul style="list-style-type: none"> • Council to make decisions; • Our teams to manage maintenance, operational and project costs; • Reports to the community and other stakeholders; • Financial returns and claims to the Australian and Queensland governments; • Our employees' payroll records. 	Annual service (a) Queensland Local Government Grants Commission (QLGGC) Return	✔
	(b) Desktop asset valuations for: <ul style="list-style-type: none"> - Roads, Drainage & Bridge Network - Airports - Land, Buildings & Other Structures - Water, Sewerage & Gas. 	✔
	(f) Payroll system changes to support the new certified agreement.	✔
	(c) Local area reporting on Roma and Surrounds.	✔
	(d) Work order health check for the scheduled maintenance module (e) Project finalisation reporting to Council	Deferred ■
2.3.2 Manage and administer all investments and borrowings, consistent with Council policies.	Annual service	✔
2.3.3 Manage Council's cash requirements for accounts and payroll processing.	(g) Cashflow monitoring using the Queensland Treasury Corporation (QTC) cash management tool.	✔
2.3.4 Prepare and review policies (minimum frequency - annually) that underpin the preparation of Council's accounts.	Annual service (h) Policy reviews applicable to accounting services	■
2.3.5 Effective internal controls.	(i) Annual service	✔
2.3.6 Rebuild our financial systems for the implementation of the new organisational structure including but not limited to: <ul style="list-style-type: none"> • Payroll (new departments) • General ledger / work order structure • Responsible officers for work orders. 	-	-
2.3.7 Collate key metrics / indicators / baseline information prior to transition and operating locally.	-	-

Looking back - what we achieved in 2019/20

(a) Queensland Local Government Grants Commission (QLGGC) Return

The Queensland Local Government Grants Commission (QLGGC) return was completed with a particular focus on review and verification of road information.

The return was submitted on the due date of 15 November 2019 as advised by the QLGGC.

(b) Desktop asset valuations

Desktop valuations for roads, drainage and bridge network, airports, land, buildings and other structures, water, sewerage and gas were received from the Valuers in April 2020 and were submitted to the Auditors for review by the due date of 30 April 2020.

A supplementary desktop valuation for the roads, drainage and bridge network has been prepared due to the February heavy rain event and finalisations with a material impact on figures being received after the initial valuation data was prepared. The final report for the supplementary valuation is due on 17 July 2020.

(c) Local area reporting on Roma and Surrounds

General ledger and work order classifications for Roma and surrounds local area reporting were completed in March 2020 - the balance were done last financial year. The full suite of local area reporting is now complete.

(d) Work order health check

The health check of the work order structure for the scheduled maintenance module was due to commence after the project referenced in (c) above was completed.

This has been put on hold pending the expanded implementation of in-vehicle management systems across the fleet.

(e) Project finalisation reporting to Council

Initial planning has been undertaken in Microsoft Excel as a trial to ensure accurate data is captured and reported. The next stage is for the 'project dashboard' to be developed showing project status.

(f) Payroll system changes to support new certified agreement

The Maranoa Regional Council Certified Agreement 2019 was certified by the Industrial Relations Commission on 4 February 2020. Following certification of the agreement work commenced on:

- payment of the first amount of 2.2% from commencement of the first pay period after the successful employee ballot of the agreement;
- updating hourly rates within the payroll system for all employees across the three (3) award streams and levels (60 in total).
- updating system parameters and communicating changes to employees.

The Certified Agreement was implemented in Pay Number 17 of the financial year as per requirements. There were some initial challenges with the implementation that have now been resolved including:

- updating how the camping allowance is paid;
- clarification for employees about timesheet processes and entitlements if required to work on rostered days off; and
- long service leave accessibility changes for existing employees from 10 years to 7 years.

(g) Cashflow monitoring

An initial assessment of the Queensland Treasury Corporation (QTC) cash flow management tool was undertaken to assess its use with our existing systems. Cashflow has remained managed for accounts and payroll processing requirements.

(h) Policy reviews

A Debt Policy was adopted at the budget meeting on 30 July 2019 (Resolution No. SMB/07.2019/07). A revised Debt Policy was presented and adopted at the Council meeting held on 11 December 2019.

The Non-current Asset Accounting and Related Party Disclosure Policies were reviewed in June 2020 and will be presented at the Council meeting due to be held on 22 July 2020.

(h) Internal controls

Each year, local governments in Queensland receive a rating for their internal control framework. The possible ratings are:

- Effective (**green**) - No significant deficiencies identified
- Partially effective (amber) - 1 significant deficiency
- Ineffective (red) - More than 1 significant deficiency

The internal control framework measures the following 5 areas, each of which have been considered effective by Council's external auditors - (1) Control environment (2) Risk assessment (3) Control activities (4) Information and communication (5) Monitoring controls.

In 2019/20, Maranoa Regional Council achieved a full set of 'green lights' for its internal controls.

Council also, once again, achieved an unmodified audit opinion, or 'clean bill of health', for its financial statements. (*Maranoa has achieved an 'Unmodified' Audit Opinion for 6 consecutive years.*)

This could not have been achieved without sound financial / accounting records.



2.3 ACCOUNTING

Annual services

What we do	Corporate plan reference	What we aim for	Did we achieve it in 2019/20
Taxation (Goods and Services Tax and Fringe Benefits Tax)	2.3.1	Monthly by statutory due date (21st of the following month). Annually by the statutory due date (21 May each year).	✓ ✓
Borrowings - Reconciliation to general ledger (repayments, interest and administration fees) - New borrowings (policy, long-term forecast and applications)	2.3.2	Monthly Policy and long-term forecast reviewed in conjunction with the annual budget. Applications submitted to the Department of Local Government by the due date.	✗ (November reconciled 13 January) ✓ ✓
Investments	2.3.2	Active management daily. Reconciliation of investment register monthly.	✗ (November reconciled 13 January)
Financial assets register - Maintenance of Financial Asset Register and processing of asset transactions - Reconciliation to general ledger - Revaluation of asset classes	2.3.1	Depreciation monthly, other transactions as required. Monthly Desktop valuation - Roads, Drainage and Bridge network, Airport, Land, Buildings, Water, Sewerage and Other Infrastructure 30 June 2020.	✓ (On rolling over the financial asset register to 2019/20) ✓ ✓
Payroll Tax - Office of State Revenue (OSR)	2.3.1	Monthly by statutory due date (7th day of the following month).	✗ (November lodged and remitted 7 January)
Bank reconciliation	2.3.3	Reconciled daily	✓
Internal advice and support	2.3.1	As required	✓
Trust register	2.3.1	Reconciled monthly	✓
Payroll	2.3.1	Fortnightly	✓
Accounts processing - creditors	2.3.1	Weekly payment runs (as standard).	✓
Accounts processing - debtors	2.3.1	Daily as required Monthly (1st day)	✓

What we do	Corporate plan reference	What we aim for	Did we achieve it in 2019/20
General ledger reconciliations	2.3.1	Daily	✓
Data integrity checks including: - Trial Balance - Unbalanced transactions - Software (Civica Authority) Module Balance Check (Rates/Water, Accounts Payable, Accounts Receivable, Inventory Control, Plant, Goods Receipts, Purchasing Control, Purchasing GST Control, Trust)	2.3.1	Daily	✓
Other reconciliations	2.3.1	Monthly	✓
Queensland Local Government Grants Commission	2.3.1	Annual return completed by the due date.	✓
Australian Bureau of Statistics (ABS) - statistics	2.3.1	Quarterly	N/A
Fuel rebate claims	2.3.1	Monthly	✓
National competition policy business activity review	2.3.1	Report to Council each year.	✓

Our business partners, stakeholders and customers



Community
Ratepayers
External auditors
Queensland Audit Office
Queensland Treasury Corporation
Queensland Government
Australian Accounting Standards Board
Internal Audit
Audit Committee
Australian Taxation Office
Queensland Local Government Grants Commission
Local Government Mutual Liability (LGM Queensland)
Local Government Workcare

Local Government Association of Queensland
LGIA Super
External valuers
Suppliers to Council
Local Government Financial Professionals
Australian Bureau of Statistics
Banking institutions
Civica Pty Ltd – Authority - Council's Business System
Remserv – Remuneration Services (QLD) Pty Ltd
Rural Fire Brigades (Amby, Mungallala, Yuleba and Orange Hill)
Department of Resources
Office of State Revenue

How we are managing the key operational risks

Risk	Actions underway / planned
<ul style="list-style-type: none"> Non-compliance with Accounting Standards and legislative changes <p>There is continual improvement across the local government finance sector having regard to:</p> <ul style="list-style-type: none"> Recommendations from the Auditor-General in his report to parliament following each year's audits of local governments; Recommendations from Council's auditors; Changes in accounting standards; Industry learnings; Changes in legislation and areas of focus for the State Government. <p>All of these affect Council's accounting services, and what is currently considered industry best practice. Non-compliance also has the potential to materially misstate figures within Council's accounts and therefore impact indicators of financial sustainability.</p>	<ul style="list-style-type: none"> Inclusion of accounting resources in the adopted Organisational Structure; Employment of qualified key personnel and engagement of accountants through Council's Accounting and Audit Services panel; Attendance of accountant at industry specific information sessions to ensure knowledge remains current, and experience is shared; Engagement of specialist valuers to undertake comprehensive valuations of Council's infrastructure assets; Expansion of the Internal Audit function which will provide additional oversight to ensure Council's systems are compliant with accounting standards and relevant legislation.
<ul style="list-style-type: none"> Issues with the performance of the financial software (failure, bug at this site or in the system) <p>Local governments rely on software providers to ensure licensed software is able to achieve compliance with legislative requirements, and also able to process transactions in an efficient and accurate way. Council uses Civica's Authority software which incorporates (but is not limited to) key financial modules for:</p> <ul style="list-style-type: none"> Accounts receivable Accounts payable Asset register Bank reconciliation Business information system (BIS) Capital value register Debt recovery General ledger Gas billing Inventory control Loans Payroll Purchasing Rates Trust register Water billing Work orders and project costing 	<p>Controls are implemented on a regular basis, including:</p> <ul style="list-style-type: none"> Daily data integrity checks to ensure that the Trial Balance remains in balance, and postings of sub-systems/modules are working correctly; Monthly reconciliations of sub-systems to the general ledger on the first day following the end of month; Payroll reconciliations after the pay run and before the bank upload occurs. <p>As the software is integral to many parts of Council's operations, one officer within the Information and Communications Technology (ICT) Solutions team focusses on Level 1 and Level 2 support for the software and manages the close out of escalated issues with the software provider.</p> <ul style="list-style-type: none"> Third party review of the payroll system has been undertaken.

Our finances - Accounting

Operations	2019/20 \$
Operating revenue	\$515,059
Other revenue	515,059
Operating expenses	\$1,032,333
Employee costs	893,417
Materials and services	172,705
One-off projects (operating)	1,290
Finance costs	(35,079)
Depreciation expense	\$236
Operating result / (deficit) - Contribution required from general revenue	(\$517,510)

Our finances - Corporate expenses

Operations	2019/20 \$
Operating expenses	\$1,942,584
Payroll oncosts	9,227,550
Corporate expenses	106,565
Payroll and Accounts Payable oncosts recovery	(7,391,531)
Operating result / (deficit) - Contribution required from general revenue	(\$1,942,584)



We work to ensure that the procurement of goods and services for all functions has regard to all of the sound contracting principles detailed in the *Local Government Act 2009*:

- (a) value for money; and
- (b) open and effective competition; and
- (c) the development of competitive local business and industry; and
- (d) environmental protection; and
- (e) ethical behaviour and fair dealing.



Our year at a glance

2019/20



- **18** public tenders prepared
- **17,001** purchase requisitions with a total value of **\$85,400,134.66**
- **14** contracts awarded
- **906** procurement requests
- **\$1.844** million in inventory managed with **15,037** store issues.



183 businesses now registered to receive additional points/weighting for tender and quotation scoring based on local content.

This recognises local businesses' contribution to the local economy.

Procurement highlights

Local business support

22 face to face visits to local businesses were conducted by Council representatives to raise awareness of the local business initiatives as part of Council's procurement processes including:

- Local Business Star Rating (1 to 5 stars based on local content) which provides a 'leg up' to competitive local businesses for Council quotes and tenders.
- Local Business Purchasing Card to streamline employees' use of local businesses for low value purchases.
- Promotion of local business through Council's communication networks and through shop front decals advertising their star rating.

Procurement policy

An annual review was undertaken closing out an audit observation.

Procurement challenges

Tender calendar

The Tender calendar has been updated with the release and completion of seven tenders for Registers of Pre-Qualified suppliers in 2019/20.

The calendar is designed to spread the workload of the tendering process for Pre-Qualified Supplier registers.

Fuel management

The fuel management system equipment has been recalibrated and where necessary repaired or replaced.

Monthly stocktakes and reconciliation of the fuel has been performed.

2.4 PROCUREMENT

What we do

Procurement

We provide a range of services:

- Council stores in Roma, Mitchell, Surat, Yuleba & Injune – Stocking parts/supplies that are required to support Council operations (e.g. signs, cleaning equipment and supplies, personal protective equipment, vehicle parts/supplies, and fuel and lubricants).
- Centralised procurement support to Council's operational staff, including the facilitation of quote/tender processes for the acquisition of goods and services.
- Advice related to contractual matters, supplier performance management, legislative compliance, and/or the development of scope of work / specification documents.

Strategic finance

We assist with analysing and reporting costs to help with decision making.

Program, contract and project management

We coordinate the capital works program as a whole to identify:

- the optimum sequencing of works;
- any efficiencies that can be achieved by combining works.

We also aim to achieve cost savings on high value capital expenditure through specialisation. Inhouse (day labour) construction is coordinated by the Project Management Office (PMO) and outsourced (contract) works are managed by the Contract Management Office (CMO).

What we must do

Information Privacy Act 2009

Right to Information Act 2009

Crime and Corruption Act 2001

Public Records Act 2002

Council's Procurement Policy

Public Sector Ethics Act 1994

Local Government Act 2009

For example:

Council will conduct its procurement and contracting activities in a manner that is financial sustainable by ensuring regard is had to the sound contracting principles when entering into a contract for—

(i) the supply of goods or services

"sound contracting principles" (Section 104(3) of the *Local Government Act 2009*):

- (a) value for money; and
- (b) open and effective competition; and
- (c) the development of competitive local business and industry; and
- (d) environmental protection; and
- (e) ethical behaviour and fair dealing.

Section 104 (8) specifies that the legislation does not require equal consideration to be given to each of the sound contracting principles. However it does require that all are considered when entering into a contract for the supply of goods or services.

Local Government Regulation 2012

For example:

- Council must not dispose of property (any value), plant and equipment (valued at >\$5,000) and/or other types of non-current assets (valued at >\$10,000) without first inviting written tenders or offering the asset for sale by auction (Section 227 *Local Government Regulation 2012*)
- Unless an exception applies, Council may not enter into a large-sized contractual arrangement (\$200,000 +) without first inviting written tenders (Section 226 *Local Government Regulation 2012*)
- Council must publish the relevant details for lump-sum contractual arrangements, valued at greater than \$200,000, on its website (including the value of the contract, the company or person with whom Council entered into the contract with, and the purpose of the contract) (Section 237 *Local Government Regulation 2012*).

Why we do it

All functions within Council rely on the procurement of goods (materials) and services to be able to deliver services and projects for the community.

Like any business, challenges in the sourcing of supplies (e.g. availability, price, quality and lead times) can impact the timely and effective delivery of services and projects. Planning for procurement on the part of project managers and working with the Procurement officers is critical to delivery of the annual works program.

Given that we are managing public funds, it is also critically important that the framework for local government procurement (established in the *Local Government Act 2009*) is followed.

This means we need to have regard to all of the sound contracting principles in all of our decision making.

For a period of time, a centralised process has been implemented to give a wholistic view of Council's procurement, and enable new systems and controls to be established.

Initially involving all purchases, over time the procurement function is being 'handed back' to the relevant areas, initially for the low value purchases.

Ultimately, the plan is for the appropriate delegations to be in place to enable the Procurement team to focus on the higher value / higher risk purchases and tenders.

Did you know

The question asked of local governments everywhere is.... What are Councils doing to assist local business?

From the perspective of Maranoa Regional Council, we have developed a list of actions where Council can contribute to the economic development of the region, and also provide practical assistance to individual local businesses where there is a public benefit in doing so – in this way doing what we can to remove impediments and giving businesses the best chance of success. This initiative aims to provide:

- greater insight for businesses into Council's purchasing processes, and why we need to do some things in certain ways;
- opening up Council's purchasing so that businesses have the opportunity to bid for the supply of goods and/or services;
- marketing and promotion opportunities for the region's businesses;
- new ways of keeping the business community up to date with Council's decisions and directions;
- reduced administration for businesses where possible, while still meeting Council's legislative obligations;
- practical support to the business community where it counts the most.

In 2019/20, the rollout of the initiative included:

- local business star rating (1 to 5 stars based on local content) which provides a leg up to competitive local businesses for Council quotes and tenders;
- local business purchasing card to streamline employees' use of local businesses for low value purchases;
- promotion of local business through Council's communication networks and through shop front advertising of their star rating.

How we are trending - Procurement

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
External reporting							
Materials and services - operating	66,169	39,285	30,060	28,338	27,317	28,431	33,749

	2018/19	2019/20
Information for business planning		
Requisitions	16,810	17,001
- Number	\$89,863,519.52	\$85,400,134.66
- Value		
Tenders prepared		18
Contracts awarded in financial year		14 (includes 2 tenders issued in 2018/19, and awarded in 2019/20)
Tenders to be considered in subsequent financial year		6
Procurement requests		906
Store issues		15,037

* New data capture in 2019/20

More about the numbers

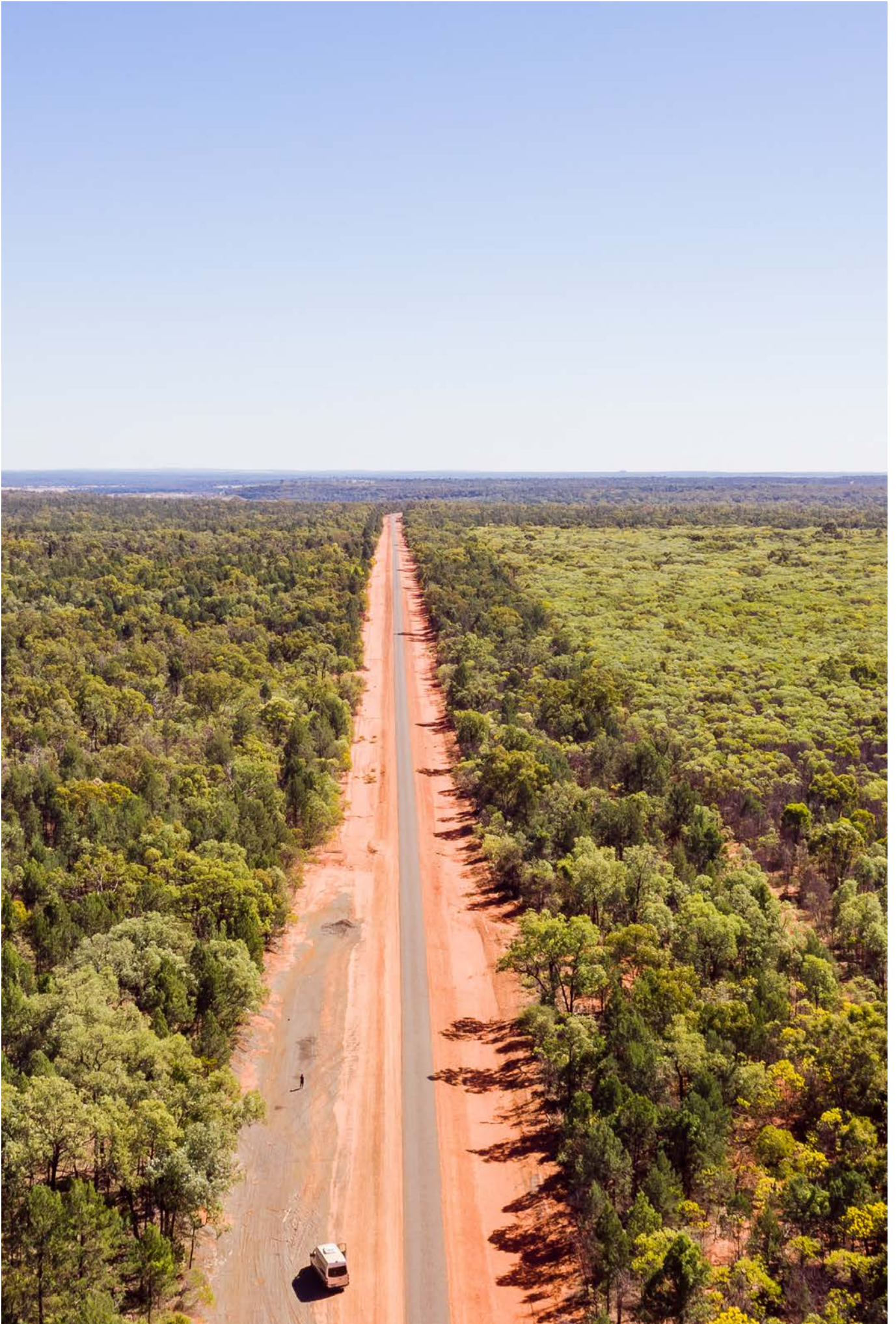
There was a downward trend in materials and services from 2013/14 through to 2017/18. Further analysis will be undertaken in future years' plans to review the reasons for the last two year's reversing trend and any potential procurement initiatives.

2.4 PROCUREMENT

Our progress with implementing our 5 year plan

✓ Undertaken / completed ■ In progress

What we aim to do	2019/20	2019/20 Progress
2.4.1 Undertake procurement of the goods and services needed for Council functions, having regard to: <ul style="list-style-type: none"> all sound contracting principles (SCP) in the <i>Local Government Act 2009</i> - <ol style="list-style-type: none"> value for money; and open and effective competition; and the development of competitive local business and industry; and environmental protection; and ethical behaviour and fair dealing. Council's Procurement Policy (PP); our legislative obligations. 	Annual service including:	
	Annual review of procurement policy	✓
	(a) Tenders and contracts <ul style="list-style-type: none"> Tenders = > \$200,000 exc GST High risk or complex request for quotes Tenders - valuable non current asset contracts Specification writing Approved contractor lists Expressions of interest 	✓
	Adopted register of sole supplier arrangements	✓
2.4.2 Implement initiatives to reduce procurement transactional costs.	(b) Refresh of panels and reinitiation of the tender calendar.	✓
2.4.3 Continue to implement initiatives to place tight controls on high value, high risk and high volume purchases.	Centralised tendering for high value, high risk and high volume purchases.	✓
2.4.4 Develop and deliver employee training packages for the procurement function.	(c) Employee training and audit	■
2.4.5 Continue to improve procurement systems, processes and documentation: <ul style="list-style-type: none"> procurement manual contract documentation forms and templates delegations 	(d) Review of supplier registration process	■
	(e) Process review and delegations	
	(f) Supplier compliance system	
	(g) Contract variation management	
2.4.6 Reporting systems to support spend analysis, monitoring and compliance.		
2.4.7 Maintain adequate and relevant store / inventory supplies to support Council's operations.	Annual service	✓
	(h) Fuel supply contract and management system <ul style="list-style-type: none"> Implementation of remaining fuel tax recommendations Calibration of fuel tanks Review of fuel contract and fuel management system. 	
2.4.8 Progressively identify opportunities to engage with suppliers to collaborate on supply chain improvements within local governments' legislative responsibilities.	Business visits	✓
	Pilot sites - low value purchases	✓
	Local content premium / star rating	✓
	Data collection on local spend Local area overview for Business Breakfasts	✓



2.4 PROCUREMENT

Looking back - what we achieved in 2019/20

(a) Tenders and contracts

Release and evaluation of public tenders for large-sized contractual arrangements (\$200,000 +):

During the year there were 18 tenders prepared, released and evaluated for large-sized contractual arrangements and valuable non current asset contracts. 14 contracts were approved through Council meetings:

- Tender 19028 - Injune Lettable Space (Released 2018/19) - (Council Resolution: GM/08.2019/75)
- Tender 19029 - Management Agreement for Mitchell Swimming Pool (Released 2018/19) - (Council Resolution: GM/08.2019/76)
- Tender 20002 - Management Agreement for Big Rig Café - (Council Resolution: GM/09.2019/38)
- Tender 20004 - Roma Bore 20 Drilling and Construction - (Council Resolution: GM/10.2019/22)
- Tender 20005 - Maranoa Regional Council Reseal Program 2019/20 - (Council Resolution: GM/10.2019/98)
- Tender 20006 - Relining of Sewers in Mitchell, Injune & Surat – 2019/20 - (Council Resolution: GM/11.2019/67)
- Tender 20007 - Management Agreement Saleyards Café - (Council Resolution: GM/11.2019/101)
- Tender 20008 - Bitumen Runway Reseal for Injune and Surat Airports - (Council Resolution: GM/11.2019/102)
- Tender 20009 - Provide Cleaning Services at Roma Saleyards Complex - (Council Resolution: GM/12.2019/63)
- Tender 20010 - Electrical Services – Solar PV Installation, 30-100kW sites - (Council Resolution: GM/11.2019/112)
- Tender 20012 - Mitchell Bore 3, Borehole Drilling and Construction - (Council Resolution: GM/11.2019/123)
- Tender 20013 - Movement and Control of Stock Services at Roma Saleyards - (Council Resolution: GM/12.2019/57)
- Tender 20014 - Lease of Lot 1 on 87687 – 254 Northern Road and Lease of Lot 39 on R869 – 95 McPhie Street, Roma QLD – (Council Resolution: GM/12.2019/77)
- Tender 20019 - Roma Bigger Big Rig Observation Tower and Treetop Walkway – (Council Resolution: SM/02.2020/29)
- Tender 20022 - Sale of Council Owned Land Lots 8 – 11 and Lots 13 – 30 on SP297126, Racecourse Road and Denton Court, Injune Q 4454 – to be presented at the meeting due to be held on 12 August 2020
- Tender 20027 - Supply and Delivery of Chemicals for Swimming Pool Treatment, Drinking Water Treatment and Sewerage Treatment – to be presented at the meeting due to be held on 26 August 2020
- Tender 20028 - Surat Bore 1, Borehole Drilling and Construction – to be presented at the meeting due to be held on 22 July 2020
- Tender 20029 - Yuleba Bore 2, Borehole Drilling and Construction – to be presented at the meeting due to be held on 22 July 2020
- Tender 20031 - New House Build at 171 Alice Street Mitchell QLD 4465 – to be presented at a meeting due to be held on 23 September 2020
- Tender 20032 - Injune Swimming Pool Management Agreement – to be presented at the meeting due to be held on 12 August 2020

Release and evaluation of quotation requests for small and medium-sized contracts (up to \$200,000).

During 2019/20, 17,001 requests for goods and services were raised.

The total value of purchase orders approved totalled \$85,400,134.66.

(b) Refresh of panels and reinitiation of the tender calendar

The following eight (8) panels were established by Council and the tender calendar was reinitiated and updated accordingly:

- Register of Pre-Qualified Suppliers for Trade and Associated Services (released in 2018/19) (Council Resolution: GM/11.2019/59)
- Register of Pre-Qualified Suppliers for Wet Hire of Equipment (Council Resolution: GM/12.2019/75)
- Register of Pre-Qualified Suppliers for Material Production Services (Winning & Crushing) (Council Resolution: GM/10.2019/07)
- Register of Pre-Qualified Suppliers for Traffic Management Services (Council Resolution: GM/02.2020/46)

- Register of Pre-Qualified Suppliers for Minor Works – Civil Construction & Maintenance (Council Resolution: GM/02.2020/40)
- Register of Pre-Qualified Suppliers for Accounting and Audit Services (Council Resolution: GM/02.2020/75)
- Register of Pre-Qualified Suppliers for Vegetation Management Services (including Grounds Maintenance) (Council Resolution: GM/02.2020/32)
- Register of Pre-Qualified Suppliers for Material Production Services (Winning & Crushing) Second Release (Council Resolution: GM/02.2020/78)

A further two (2) tenders for pre-qualified supplier panels will be presented at the meeting due to be held on 22 July 2020.

- Register of Pre-Qualified Suppliers for Dry Hire of Equipment
- Register of Pre-Qualified Suppliers for Wet Hire of Equipment (an additional Tender to the tender above as requested by Council - Resolution GM/03.2020/79, to provide the opportunity for additional suppliers to be included on the register.

(c) Employee training and audit

This year we planned to continue rollout of training for employees with financial / procurement delegations and conduct compliance monitoring with internal and external audit and implementation of recommendations.

The rollout of training for employees with financial and procurement delegations commenced early in the financial year then needed to be put on hold due to the volume of tender and procurement activities.

(d) Review of supplier registration process

A review of the existing supplier registration processes and quote/tender portals was postponed pending progress of the Next Gen procurement system that foreshadowed opportunities for a single interface for suppliers in the future.

(e) Process review and delegations

The planned review of responsibilities for procurement was not completed due to the volume of day to day work within the small team. Further work will be undertaken in future years to progressively 'hand back' responsibility for low to medium value procurement to work areas once the training packages are developed.

(f) Supplier compliance system

Beakon (Council's compliance management system) is now used for capturing, storing and maintaining contractor insurances, licences and machinery tickets and corporate induction status of contractor employees.

(g) Contract variation management

The development and implementation of a new governance and budget framework in consultation with Council's auditors was not commenced.

(h) Fuel supply contract and management system

Implementation of the remaining fuel tax recommendations is now complete.

Calibration of fuel equipment is complete with some equipment needing to be repaired. Ongoing annual calibration of all fuel equipment will be scheduled.

An initial review of the fuel contract and fuel management system was undertaken however this requires a more comprehensive investigation which will be progressed in a subsequent financial year.

Annual services

What we do	Corporate plan reference	What we aim for	Did we achieve it in 2019/20
Procurement			
Release and evaluation of public tenders for large-sized contractual arrangements (\$200,000 +)	2.4.1	<p>Tenders released for large-sized contractual arrangements:</p> <ul style="list-style-type: none"> • Provide advice related to the development of scope of work / specification documents; • Collate tender documentation; • Invite public tenders via the approved portal; • Evaluate submissions through an evaluation panel including officers accountable for the service or project; • Table the panel's evaluation report for Council's consideration; • Notify tenderers of the outcome; • Raise requisition and/or draft contract for execution in conjunction with the accountable manager/officer. 	✓
Release and evaluation of public tenders for valuable non-current asset contracts	2.4.1	<p>Tenders released for large-sized contractual arrangements:</p> <ul style="list-style-type: none"> • Provide advice related to the development of scope of work / specification documents; • Collate tender documentation; • Invite public tenders via the approved portal; • Evaluate submissions through an evaluation panel including officers accountable for the service or project; • Table the panel's evaluation report for Council's consideration; • Notify tenderers of the outcome; • Raise requisition and/or draft contract for execution in conjunction with the accountable manager/officer. 	✓
Release and evaluation of quotation requests for small and medium-sized contracts (up to \$200,000)	2.4.1	<ul style="list-style-type: none"> • Invite quotes via direct request or vendor panel; • Evaluate submissions; • Raise requisition; • Notify suppliers of outcome. 	✓
Facilitate creditor payments, through verification of invoices etc.	2.4.1	As required.	✓
Release and evaluation of public tenders for preferred and pre-qualified supplier panels (\$200,000 + expenditure per year)	2.4.1	<p>Tenders released for prequalified supplier panels:</p> <ul style="list-style-type: none"> • Provide advice related to the development of scope of work / specification documents; • Collate tender documentation; • Invite public tenders via the approved portal; • Evaluate submissions through an evaluation panel including officers accountable for the service or project; • Table the panel's evaluation report for Council's consideration; • Notify tenderers of the outcome; • Prepare deed of agreement. 	✓
Sole supplier arrangements	2.4.1	<p>As required.</p> <p>Annual review and adoption by Council.</p>	✓
Procurement policy review	2.4.1	<p>Annually.</p> <p>The Procurement Policy was reviewed and subsequently adopted at the Council meeting on 18 March 2020. (Council Resolution: GM/03.2020/43).</p>	✓
Contracts			
Draft contracts / lease documents	2.4.1	<p>As required.</p> <p>Ensuring project/contract manager lead, and legal review for high risk items.</p>	✓
Provision of advice related to legislative compliance and procurement matters	2.4.1	As required.	✓
Publish details of contractual arrangements worth \$200,000 or more on the website and in our public office	2.4.1	As required.	✓

2.4 PROCUREMENT

Annual services

What we do	Corporate plan reference	What we aim for	Did we achieve it in 2019/20
Stores / inventory			
Maintain a reliable and efficient stockholding of standardised goods and parts through internal stores. <ul style="list-style-type: none"> Procure goods Management of stock including reordering levels, stock rationalisation and acquisition of new items Issuing stock to operational staff 	2.4.7	Ongoing	✓
Reconciliation of fuel use and assignment of expenditure to relevant cost centres (Work order/ General ledger)		Weekly	✓
Undertake scheduled stocktake		Monthly	
Maintain yards and depots (e.g. mowing, brush cutting, weed control etc.)		As required	✓
Local business support			
Point of contact for current and prospective suppliers	2.4.8	Ongoing	✓
Verification of businesses' local content to ensure accurate weighting		Ongoing	✓

Our business partners, stakeholders and customers



The Procurement team provides support to every function within Council. This support is through:

- the daily facilitation of procurement processes that are required for operational continuity;
- provision of advice related to contracts, supplier management/performance, legislative compliance, and/or the development of scope of work / specification documents.
- Roma Commerce and Tourism
- Booringa Action Group
- Local Government Association of Queensland (LGAQ)
- Tendering and quotation portal provider
- External auditors
- Queensland Audit Office.

External stakeholders:

- Local businesses
- Businesses with a local presence
- Tenderers (from within and outside the region)
- Department of State Development, Local Government, Infrastructure and Planning

How we are managing the key operational risks

Risk	Actions underway / planned
<ul style="list-style-type: none"> Unethical behaviour and unfair dealings when procuring goods and services 	<ul style="list-style-type: none"> Implement a monitoring and reporting regime for non compliance with legislative obligations and Council's procurement policy Develop a Conflict of Interest Policy Maintain a Conflict of Interest Register Develop online procurement training modules - including conflicts of interest
<ul style="list-style-type: none"> Not complying with our legislative obligations 	<ul style="list-style-type: none"> Annual purchasing plan to identify appropriate strategies to purchase goods and services Centralised tendering for high value, high risk and high volume purchases. Review and update the Procurement Manual and associated documents Review procurement and financial delegations Develop online procurement training modules

Our finances - Procurement

	2019/20
Operations	\$
Operating revenue	\$5,940
Other revenue	5,940
Operating expenses	\$1,190,060
Employee costs	917,386
Materials and services	272,674
One-off projects (operating)	
Depreciation expense	-
Operating result / (deficit) - Contribution required from general revenue	(\$1,184,120)

	2019/20
Capital expenditure and funding (Renewal, new, upgrade works)	\$
Capital expenditure	
Asset renewal	-
New works	-
Upgrade works	-
Total capital expenditure	-



We measure and report on our finances through audited financial statements and special purpose reports for funding bodies.

We also support the ongoing development of our internal control framework and the management of financial risks.



Our year at a glance 2019/20



'Clean bill of health' from our auditors for the 2019/20 financial statements (unmodified audit opinion).

Maranoa has achieved an 'Unmodified' Audit Opinion for 6 consecutive years.



All financial measures reported externally and internally were in the target range.

The financial reporting formed part of the 'Gold' standard achieved for Council's annual report (announced in 2019/20).



Special purpose financial reports were prepared and audited to acquit Council's use of external funding.

Financial reporting highlights

Green lights for Maranoa's financial sustainability

For the second consecutive year, Council has all three State Government specified ratios within their target range. The Queensland Government introduced the current year sustainability statement as a special purpose statement in 2012/13.

This achievement is not the result of any one thing, but a combination of many financial management strategies that Council has worked hard on since 2012.

Benchmarking our annual reporting (including community financial report and general purpose financial statements).

Council achieved Gold standard for the fifth consecutive year at the Australasian Annual Reporting Awards.

Financial reporting challenges

New accounting standards

Two new accounting standards became effective from 1 July 2019. These were AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities.

These new standards required a reassessment of the way we account for grants and other government funding, as well as contributions.

2.5 FINANCIAL REPORTING

What we do

We prepare the general purpose financial statements and other financial accountability documents that are required by legislation for Council.

We also prepare financial reports for those who provide funding to Council for specific projects, whether through the Australian or Queensland Governments or other organisations.

What we must do

- Local Government Act 2009
- Local Government Regulation 2012
- Australian Accounting Standards
- Funding agreements

Why we do it

Council's core responsibilities to measure and communicate our financial performance are included in the *Local Government Act 2009* and *Local Government Regulation 2012*.

The four key financial accountability documents required to be prepared are:

- general purpose financial statements (Section 104 (5)(b)(i) of the *Local Government Act 2009*);
- asset registers (Section 104 (5)(b)(ii) of the *Local Government Act 2009*).
- an annual report (Section 104 (5)(b)(iii) of the *Local Government Act 2009*).
- annual review of implementation of the operational plan (Section 104 (5)(b)(iv)).

General purpose financial statements include the following primary statements and associated notes to the financial statements:

- Statement of Comprehensive Income ('Profit and Loss')
- Statement of Financial Position ('Balance Sheet')
- Statement of Changes in Equity
- Statement of Cash Flows ('Cash Flow Statement')

Council News Issue #21
HALF YEAR UPDATE
2019/20 works in progress

This edition provides an update on local area works undertaken in the first half of the financial year (July-December 2019) and works planned for Quarter 3 (January-March 2020) and Quarter 4 (April to June 2020).

The initial local area reports were launched at the Business Breakfasts in August 2019 (Injune, Mitchell, Roma, Surat). With the year now well progressed, this edition provides an update on the projects and other works forming part of this year's budget.

HIGHLIGHTS

Roma to receive further water supply security with new bore

Construction of a new bore in Roma commenced in November and will provide additional water supply and back up for Roma. In January 2019, multiple bores in Roma failed and had to undergo repairs, resulting in water shortages in some pressure zones as the bores could not fill the reservoir quickly enough to keep up with demand.

By constructing this additional bore it will reduce the likelihood of this occurring again. The new bore (Bore 20) will be a larger bore, providing a more reliable water source for the town of Roma and will be located in Jackson Street.

Footpath upgrades in Surat and Injune

With footpaths critical to the safety of cyclists and pedestrians, this year's budget has included footpath works in Surat and Injune funded through the Queensland Government's Works for Queensland Program.

These upgrades will create a safer and smoother path for cyclists and pedestrians. An upgrade to the footpath in Main Street in Surat has been completed between the Woomera Retirement Village and the Surat Multipurpose Health Centre.

A new asphalt footpath from Mt Hutton Retirement Village to Third Avenue, Injune, is nearing completion.

Wall of Remembrance projects for Injune and Yuleba

A Wall of Remembrance in Injune and Yuleba has been constructed, and fully funded through the Queensland Government's Works for Queensland Program.

Having a Wall of Remembrance in these communities allows locals and family to have a place to visit and pay respect to loved ones.

The idea of the Wall of Remembrance came to light when local community groups suggested Ash Walls for their communities. * The Works for Queensland program is an initiative of the Queensland Government.

\$6.244 million gravel resheeting program will underwrite

Gravel resheeting of the unsealed road network involves the placement of additional gravel across the road surface while also clearing and relaying the adjacent drainage. This resheeting process is a critical part of our service delivery to the road user, as well as reducing ongoing maintenance costs and extending the life of our unsealed road network. Some of the projects completed during the last quarter include Dorrybrook Road (5.8kms), Duck Creek Road (5.8kms), Glen Arden Road (8kms), Birya Lane (11.1kms), Mt Saltbush Road (7.3kms), Seventeen Mile Lane (8kms) and Warring Road (17.8kms).

The \$6.244 million commitment has been funded by Council with the assistance of both the Federal and State Governments as a strategic measure to preserve our current rural road network.

Other major roadworks completed:

- shoulder widening works on Ovallo Road. A section was previously of single lane standard and required regular shoulder maintenance and reducing given the volume of traffic on this section. The works provide an improved level of service and safety for all road users along this section, including local residents, industry and the school bus service.
- gravel resheet and upgrade of 18kms of Mt Moffatt Road.
- completion of the 2019/20 bitumen rehabilitation program - this renewed over 10.5 kilometres of sealed urban and rural road.

Council News - Maranoa Regional Council Publication 1

COMMUNITY FINANCIAL REPORT

The Community Financial Report is a simplified version of Council's audited financial statements. The data relates to evaluating Council's financial performance and factors for the 2018/19 financial year with the annual financial statements.

Council's financial statements are audited each year by the Queensland Audit Office. Our goal is to which annually ensure a clean bill of health for our financial statements. The year for financial data is the financial statements that are submitted in the Community Financial Report are:

- Statement of comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Financial sustainability notes

The key financial highlights include:

- Identified financial statements
- Operating result - a surplus of \$4.038 million
- Capital expenditure - \$45.5 million
- Cash, cash equivalents and investments - \$84,973 million with \$2.038 million earned in interest
- New borrowings of \$4.5 million
- Total recognition of value site rehabilitation provision - \$28.816 million
- Net worth - a total of \$1.821 million (after initial recognition of the value site rehabilitation provision) (We do not recognise the value site rehabilitation provision). Any council that operates a service has an obligation to maintain these sites under environmental legislation. The environmental unit of Environment and Heritage (EHS) update the conditions with which Council must comply during monitoring and aftercare are obligations of each EHS case holder. When that expenditure is material, a separate should be prepared.

Council's annual financial statements are included in Part 4 - Financial Information.

Year ended financial summary	2018/19	2017/18	2016/17	2015/16
Capital expenditure	81,305	52,287	49,874	49,874
Net result (before loss reported)	64,215	30,931	21,029	21,029
Net result (after loss reported)	61,125	29,290	18,421	18,421
Income - recurrent	94,351	75,694	80,500	80,500
Operating revenue	72,176	50,224	19,794	19,794
Capital income / loss	69	(975)	180	180
Expenses - recurrent	10,875	89,546	70,481	70,481
Operating	3,336	1,122	1,422	1,422
Capital, cash equivalents and investments	13,534	78,251	68,662	68,662
Reserve/contingency, cash equivalents and investments	37,301	52,084	41,713	41,713
Revenue	10,506	14,425	12,964	12,964
Wages in progress	43,875	50,880	48,875	48,875
Revenue	10,506	14,425	12,964	12,964
Percentage of total revenue from wages, rents and charges	19.9%	22.31%	29.67%	29.67%

Net rates, levies and charges - \$33.923 million

- General rates levied include \$14.565 million less discounts allowed of \$1,027 million and Council provision reductions of \$6.287 million;
- Special rates and charges from asset management, state government projects and rural fire levies of \$17.888 million;
- Water charges of \$3.317 million for access (installation charges) and \$1.323 million for water usage (consumption) and other water revenue rental;
- Sewerage charges of \$2.761 million;
- Miscellaneous charges of \$1,540 million.

Fees and charges - \$2.499 million

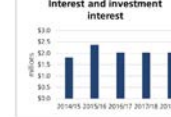
- This amount includes user fees and charges of \$1.088 million, with the balance comprising:
 - Asset planning, building and development fees - \$0.201 million;
 - Animal registration - \$0.173 million;
 - Licences and registrations - \$0.083 million;
 - Cemetery fees - \$0.128 million;
 - Other statutory fees - \$0.622 million;
 - Other fees and charges - \$0.714 million.

Interest revenue - \$2.035 million

- Interest on investments - \$1.770 million;
- Interest on outstanding loans and charges - \$6.264 million;
- Bank interest - \$0.042 million.

Local assets managed in cash investments in 2018/19 following Council's investment policy which allows for a diversified portfolio of investments used to maximise returns while minimising risk.

Interest and investment

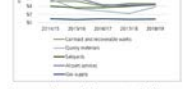


Sales revenue - \$18.123 million

Sales revenue accounted for a significant portion of Council income \$18.1 million in 2018/19:

- Quarry material - \$3.878 million;
- Asphalt services - \$4.389 million;
- Subwells - \$4.423 million;
- Contract and miscellaneous works - \$4.008 million;
- Gas supply - \$3.888 million.

\$ 5 year trend for sales revenue



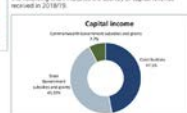
Recurrent (operating) grants, subsidies, contributions and donations - \$21.657 million

- The majority of Council's operating grants come from the Federal Government in the form of an Annual Financial Assistance Grant of \$17.883 million.
- Other grant revenue included \$3.516 million for road drainage;
- Contributions - \$0.388 million;
- Commonwealth Government subsidies and grants - \$3.104 million;
- State Government subsidies and grants - \$0.955 million.

Capital revenue - \$30.007 million

Capital revenue varies from year to year depending on the level of grant funding received and also the level of capital works funded by the emergency for the term of capital works.

- State Government subsidies and grants - \$13.967 million (43.19%);
- Contributions - \$14.138 million (47.14%);
- The following chart indicates the sources of capital revenue received in 2018/19.



Special edition Council News - highlights and half year update by local area.

Community Financial Report printed each year as part of the Annual Report.

Did you know

At the most recent audit (30 June 2020), the net value of community assets managed by Council was **\$838.114 million**.



How we are trending - Financial reporting

Financial ratios	Formula	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Target
Information for business planning / financial performance									
Current ratio	Current assets divided by current liabilities	3.21	5.00	5.38	5.99	5.29	4.96	3.72	Generally between 1:1 and 4:1 Higher percentage = higher liquidity
Asset consumption ratio	Written down value of physical stock of assets divided by the Gross value of physical stock of assets	75.28%	76.68%	74.67%	66.67%	73.1%	71.77%	71.80%	Between 40 and 80%
Debt service cover	Net operating result (excluding capital items) + depreciation + interest expense divided by interest expense plus prior year current interest bearing liabilities	8.30	6.17	4.10	11.09	7.75	10.5	11.83	Greater than 2 times
Average useful life of depreciating assets	Property, plant and equipment divided by annual depreciation	32.14	32.75	30.86	33.80	37.54	39.81	41.15	Between 30 and 40 years
Council controlled revenue measures	Non-grant operating revenue divided by total operating (recurrent) revenue	77.62%	76.38%	75.99%	65.5%	74.82%	73.92%	77.43%	Higher the per cent = greater independence *
Compliance / external reporting									
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue	-5.92%	-5.01%	-18.3%	3.83%	-6.19%	4.95%	2.49%	0 - 10%
Asset sustainability ratio	Infrastructure renewals divided by depreciation expense excluding plant and equipment depreciation	184.15%	21.86%	23.08%	52.2%	44.55%	205.94%	188.01%	More than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	-24.98%	-46.94%	-68.83%	-63.3%	-71.85%	-42.68%	-28.88%	Less than 60%

More about the numbers

There are a number of financial ratios that are used to monitor the financial 'health' of organisations. Three (3) have been selected by the Queensland Government to be audited and published externally. In addition to these, Maranoa Regional Council uses some other commonly used ratios as a further check on our progress.

This year, all external and internal measures were within the target range (all green !).

2.5 FINANCIAL REPORTING

Our progress with implementing our 5 year plan

✓ Undertaken / completed ■ In progress

What we aim to do	2019/20	2019/20 Progress
2.5.1 Prepare Council's financial statements as required by the <i>Local Government Act 2009</i> and <i>Local Government Regulation 2012</i> .	Annual service (a) Preparation of annual financial statements - in accordance with legislation and prescribed accounting standards.	✓
	Implementation of new accounting standards that came into effect 1 July 2019: <ul style="list-style-type: none"> • AASB9 Financial Instruments • AASB15 Revenue from Contracts with Customers • AASB 1058 Income of Not for Profit Entities) 	✓
2.5.2 Facilitate audits of Council's financial statements (by the delegate of the Auditor-General).	Annual service (b) External audit of Council's financial statements (Facilitation).	✓
	(b) Sign-off on or before 1 October 2019 with an unmodified audit opinion.	✓
2.5.3 Prepare and publish information about our financial performance for Council, management team and the community.	Annual service (c) Monitoring and reporting of financial sustainability ratios and trends.	✓
	(d) Preparation of the community financial report for inclusion in the draft annual report.	✓
2.5.4 Prepare special purpose reports for government and industry.	Annual service (e) Preparation of special purpose reports.	✓
2.5.5 Convene the Audit Committee and provide reporting to both the Committee and Council.	Annual service (f) Audit committee operations – review of audit committee and scheduling of 4 committee meetings to align with financial statement and audit milestones.	✓
2.5.6 Prepare financial reports to Council.	Annual service (g) Financial reports to Council.	✓
2.5.7 Undertake a review of financial risks and controls and plan for internal audits.	Annual service Internal audit of payroll processes.	✓



Director Corporate and Community Services Director Sharon with Operations Manager - Finance, Dee

Looking back - what we achieved in 2019/20

(a) Preparation of financial statements

Each year, Council is required to prepare financial statements comprising:

- (a) a general purpose financial statement;
- (b) a current-year financial sustainability statement;
- (c) a long-term financial sustainability statement.

The draft financial statements were supplied with supporting workpapers to our auditors by the external auditor's milestone date of 19 August 2019.

Council was required to apply AASB 9 (Accounting Standard) for the first time last year (2018/19). Implementing AASB 9 has resulted in a change in the way impairment provisions are calculated, which are now calculated by expected credit loss instead of incurred credit losses.

Council applied AASB 15 and AASB 1058 initially from 1 July 2019, using the modified retrospective approach permitted within the standards.

A position paper was prepared for AASB 1058 and AASB 15 and submitted to our Auditor by the external audit milestone date of 31 May 2020.

(b) External audit of Council's financial statements and internal control framework

Queensland Audit Office contract auditors were on-site for their final visit from 19 August 2019 to 30 August 2019.

The Mayor and Chief Executive Officer signed the final statements on 27 September 2019 and the Queensland Audit Office issued the Independent Auditor's Report for the general purpose financial statements on 1 October 2019.

(c) Monitoring and reporting of financial sustainability ratios and trends

For the second consecutive year, all three (3) of the Queensland Government specified ratios were within their target range.

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management Sustainability Guideline 2013.

The amounts used to calculate the three reported measures are drawn from Council's audited general purpose financial statements.

The three measure of financial sustainability (ratios) reported in the statement are:

- **Operating surplus ratio** – The operating surplus ratio indicates the extent to which operational (recurrent) revenues raised cover operational expenses. It is calculated as the net operating result divided by total operating revenue (excluding capital items). The benchmark for this ratio is 0-10%. Council achieved 2.49%.
- **Asset sustainability ratio** – The asset sustainability ratio indicates the extent assets are being replaced as they reach the end of their useful lives. It is calculated as capital expenditure on replacement infrastructure assets (renewals) divided by depreciation expense on infrastructure assets.
- The benchmark for this ratio is greater than 90%. Council achieved 188.01%.

- **Net financial liabilities ratio** – The net financial liabilities ratio indicates the extent to which operating revenue can cover net financial liabilities. It is calculated as total liabilities less current assets divided by total operating revenue. The benchmark for this ratio is less than 60%. Council achieved -28.88%. For this particular ratio, a negative percentage is a good result.



In addition to the Queensland Government ratios, Council monitors its financial progress with a number of other ratios. For 2019/20 all ratios were within their target ranges (Refer How we are trending).

(d) Preparation of the community financial report for inclusion in the draft annual report

The draft community financial report for the current year has been prepared ready for inclusion in the annual report.

Council achieved a "Gold" standard in the Australasian Reporting Awards for the previous year's report.

(e) Preparation of special purpose reports

Special purpose reports were prepared for the Australian Government's Roads to Recovery grant acquittal, Santos GLNG project acquittal and APLNG worker transition agreement acquittal. These were audited by the Queensland Audit Office by their due dates.

(f) Audit Committee operations

The Audit Committee met three times this year on:

- 26 August 2019 – to review the draft financial statements and asset valuations;
- 16 September 2019 – to approve the final financial statements and receive the results of the financial audit and closing report;
- 16 March 2020 – to review the internal audit on payroll processes, draft external audit plan and Queensland Audit Office briefing paper March 2020.

There were no further meetings during the year as the then current Audit Committee retired at the meeting held on 16 March 2020 in view of Local Government Elections held on 28 March 2020.

(g) Financial reports to Council

Monthly financial reports (actual vs budget) were presented to the 2nd meeting of the month, with the exception of the November report which was presented to the first meeting of the new calendar year on 24 January 2020 (as there is no second meeting in December) and December which was presented on 12 February 2020. The financial report for the month of March was prepared, however it was missed from inclusion in the agenda during the changeover to the new term of Council.

2.5 FINANCIAL REPORTING

Annual services

What we do	Corporate plan reference	What we aim for	Did we achieve it in 2019/20
Preparation of financial statements	2.5.1	Preparation of: (a) a general purpose financial statement; (b) a current-year financial sustainability statement; (c) a long-term financial sustainability statement.	✓
		Compliance with Section 104 (5)(b)(i) of the <i>Local Government Act 2009</i> and Sections 176 and 177 of the <i>Local Government Regulation 2012</i> including prescribed accounting standard published by the Australian Accounting Standards Board: (a) Australian Accounting Standards; (b) Statements of Accounting Concepts; (c) Interpretations; (d) Framework for the Preparation and Presentation of Financial Statements.	✓
		Provision of draft financial statements with supporting workpapers to our auditors by the external auditor's milestone date.	✓
Audits of Council's financial statements	2.5.2	Sign-off of statements on or before 1 October.	✓
		Unmodified audit opinion.	✓
		Availability of the audited financial statements on Council's website.	✓
Financial sustainability ratios and trends	2.5.3	Preparation and publishing of the financial sustainability statements and measures as determined by the Queensland Government: <ul style="list-style-type: none"> • Operating surplus ratio • Asset sustainability ratio • Net financial liabilities ratio 	✓
		Compliance with Section 178 of the <i>Local Government Regulation 2012</i> .	✓
		Monitoring of trends in other financial ratios: <ul style="list-style-type: none"> • Current ratio • Asset consumption ratio • Debt service cover • Council controlled revenue measures 	✓
Community financial report	2.5.3	Compliance with Section 179 of the <i>Local Government Regulation 2012</i> .	✓
Special purpose reports	2.5.4	Preparation of reports for: <ul style="list-style-type: none"> • Australian Government (Roads to Recovery Funding Conditions 2019) • Queensland Government • Coal Seam Gas entities 	✓
		Compliance with funding bodies' reporting milestones (due dates).	✓
		Compliance with agreements with coal seam gas proponents.	✓
Audit committee	2.5.5	Convening of the audit committee and facilitation of reporting to the committee and Council. Minimum 2 meetings per year in accordance with Council policy.	✓
Financial reports to Council	2.5.6	Annual (Minimum) - Fund / business units Monthly - Whole of Council.	Refer note (g) Previous page
	2.5.6	Quarterly Review - Whole of Council / Function	✓
Management reports	2.5.6	Dashboard and print reports - Function and Responsibility (local and regional) (* In conjunction with rebuild of financial systems for new structure, and rollout out of corporate performance measures).	■ *
Financial risks, controls, internal audit	2.5.7	Periodic review of financial risks. Arrange internal audits.	■
Asset registers	2.5.1	Recording of Council's non-current physical assets.	✓

Our business partners, stakeholders and customers



Queensland Government - Department responsible for Local Government	Elected members
Queensland Audit Office (QAO) / Auditor-General	Other councils (benchmarking)
External auditors	
Internal auditors (panel available)	
Queensland Treasury Corporation	
Community	

How we are managing the key operational risks

Risk	Actions
<ul style="list-style-type: none"> Quality / legislative compliance <p>Council produces financial reports for both internal and external stakeholders.</p> <p>The <i>Local Government Act 2009</i> and <i>Local Government Regulation 2012</i> specifies what is required for financial accountability documents.</p>	<ul style="list-style-type: none"> Appointment of accountant with relevant skills, qualifications and experience. Accountant attendance at annual training / updates by the Department of State Development, Infrastructure, Local Government and Planning. Review of draft community financial report by Chief Executive Officer / Director. Authorisation of monthly financial reports by the Director prior to inclusion in the Council meeting agenda. Dedicated function for accounting / maintenance of accounting records. External audit by the delegate of the Auditor-General.
<ul style="list-style-type: none"> Timeliness of reporting <p><i>Local Government Regulation 2012 - Section 212</i> Auditing of financial statements by auditor-general</p> <p>(1) A local government's general purpose financial statement and current-year financial sustainability statement for a financial year must be given to the auditor-general for auditing.</p> <p>(2) Also, a local government's long-term financial sustainability statement for the financial year must be given to the auditor-general for information.</p> <p>(3) The financial statements mentioned in subsections (1) and (2) must be given to the auditor-general by a date agreed between the chief executive officer and the auditor-general.</p> <p>(4) The date agreed under subsection (3) must allow the audit of the financial statements, and the auditor-general's audit report about the statements, to be completed no later than 4 months after the end of the financial year to which the statements relate.</p>	<ul style="list-style-type: none"> Council's Operations Manager - Finance is involved in the setting of the annual financial statements' timetable with the external auditor. Preparation of the timetable and milestones is overseen by the Director and Chief Executive Officer. Milestones are monitored by the Director and any concerns are escalated. Executive attendance at key audit meetings with the external auditor (delegate of the Auditor-General). Dedicated resources to monitor due dates for funding bodies. <p>Additional actions being introduced:</p> <ul style="list-style-type: none"> New corporate performance measures to incorporate financial audit outcomes. Preparation by Accountant of actions required from each audit for inclusion in corporate, function and individual performance measures.

2.5 FINANCIAL REPORTING

Our finances - Financial reporting

Operations	2019/20
	\$
Operating revenue	-
Operating expenses	\$130,461
Employee costs	-
Materials and services	130,461
Depreciation expense	-
Operating result / (deficit) - Contribution required from general revenue	(\$130,461)