

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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- 2.5 Financial and performance reporting 96

Project highlights



5 STAR LOCAL BUSINESS SPEND



Roma Flood Mitigation Project Stage 2A

officially opened 23 March 2019 by

Julianne Gilbert MP Assistant Minister for State Development	Cr. Tyson Gelder Mayor Maranoa Regional Council	Cr. Jan Chambers Portfolio Chair Major Projects (Flood Mitigation)
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Maranoa Regional Council term 2012 - 2016 Cr. R S Loughnan Mayor Cr. W S Wilson Deputy Mayor Cr. J L Chambers Cr. R J Denton Cr. P J Flynn Cr. W M Newman Cr. C J O'Neil Cr. M L Price Cr. D J Scheffe Cr. D J Scheffe	Maranoa Regional Council term 2016 - 2020 Cr. T D Gelder Mayor Cr. J L Chambers Deputy Mayor Cr. P Chandler Cr. P J Flynn Cr. G B McKullen Cr. W M Newman Cr. C J O'Neil Cr. D J Scheffe Cr. J M Stafford
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This project was proudly funded by the Australian Government, Queensland Government and Maranoa Regional Council.

FLOOD MITIGATION FUNDING ACQUIRED



MULTI-PURPOSE FACILITY TENDER AND CONTRACT



FUNDING SECURED FOR THE BIG RIG



FINANCIAL PLANNING - FINANCIAL PLANNING - FINANCIAL PLANNING - FINANCIAL PLANNING - FINANCIAL PLANNING - FINANCIAL PLANNING

2.1

We plan for our region's financial future by preparing and updating documents required by legislation and other documents that assist in financial management.



Our year at a glance

2.1 Financial planning



Budget of **\$139.2 million** adopted for 2018/19.



Long term forecasts demonstrated Council's capacity to service the 2018/19 borrowings of \$4.5 million - reviewed and approved by the Queensland Government.



Water **asset management plan** reviewed.



Grants, subsidies, contributions and donations secured:

- **\$30.007 million** for capital works (highest in 3 years)
- **\$21.657 million** towards operations (higher than last year)

FINANCIAL PLANNING HIGHLIGHTS

Financial sustainability

The budget ultimately adopted on 26 July 2018 laid the groundwork for the best financial sustainability results since the new measures were introduced by the State Government in 2012/13.

Grant income

Capital grant income secured was the highest in three years. Grants, subsidies and contributions towards operating projects surpassed last year's total.

FINANCIAL PLANNING CHALLENGES

Budget preparations

For the second year, two legislatively compliant versions of the Maranoa Regional Council budget had to be prepared - One for the Mayor reflecting his personal views, and one reflecting the majority view of Council.

Legislative change by the State Government was foreshadowed to address this issue, but was not in place in time for this year's budget.

What we do

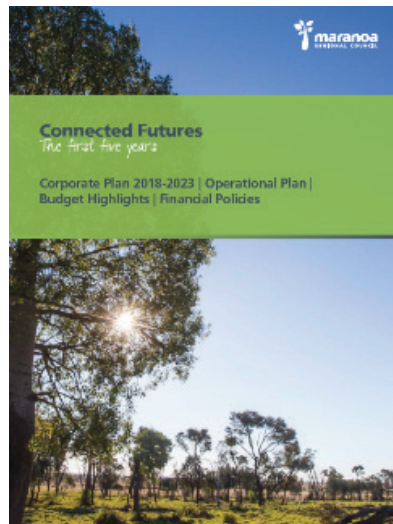
We prepare for Council the 5 key financial documents that are required to form part of a local government's system of financial management (Section 104 of the *Local Government Act 2009*):

- 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) (v))

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.



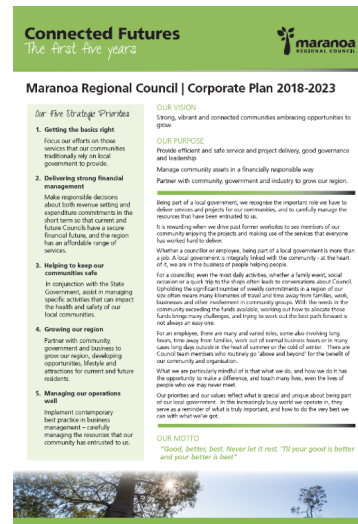
Why we do it

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.



Did you know

Since 2013/14, **\$408.324 million** of grants, subsidies, contributions and donations have been secured to assist in funding services and projects for our region (Recurrent - \$145.081 million and Capital - \$263.243 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.



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
Grants, subsidies, contributions and donations - operating (recurrent)	\$30.614	\$26.146	\$18.711	\$29.027	\$18.926	\$21.657
- capital	\$66.132	\$72.176	\$50.224	\$19.794	\$24.91	\$30.007
Size of Council operations						
- Operating revenue	\$115.271	\$94.351	\$75.694	\$82.5	\$73.531	\$81.562
- Expenditure (operating expenses excluding depreciation + capital expenditure and loan repayments)	\$183.047	\$160.488	\$118.756	\$104.6	\$100.1	\$106.796

This year's highlights

Budget handed down for 2018/19

In July 2018, Council handed down the Budget for the 2018/19 financial year. Totalling \$139.2 million, the budget delivered a strong financial plan for the Maranoa, providing service delivery and asset management for the region, while ensuring sustainability for the future.

Following is an overview of the income and expenditure for the year.

Rates

Out of a budget worth \$139.2 million, Council aimed to receive \$33.4 million (approximately 24%) in rates, levies and charges.

Rates and utility charges revenue increased 4.77% overall; however it was identified that there would be swings against the trend within the categories dependent on valuations, capping, minimums and banding.

For residential (categories A, B, C and D) general rates, the rate in the dollar increased by 1.89%.

For a typical household (Residential A property) on the minimum general rate, the homeowner paid an extra \$26 per year, or 50 cents each week, on average.

With the valuations in the rural sector seeing an average increase of 59% (set by the State Government Department of Natural Resources, Mines and Energy), Council capped the general rates for this category to a 5% increase.

The prompt payment discount on general rates was set at 5%, for those ratepayers who pay all their rates and charges within the discount period.

Rural Roads

With a rural road network of 5,646 kilometres, Council once again made a significant commitment to rural roads with \$15.271 million committed in the Budget. As always, road works were prioritised for the financial year; highlights included gravel renewal works for Bollon Road (\$1.06 million), Mt Moffatt Road (\$580,000), Thomby Road (\$504,480), and Redford Road (\$550,000).

Water

Council's water services received a much needed \$1.655 million for one-off, renewals, upgrades and new projects. Highlights included water main renewals (\$835,000); upgrade of chlorination at Roma water tower (\$250,000); and fire flow augmentation at Tiffin Street, Roma (\$320,000).

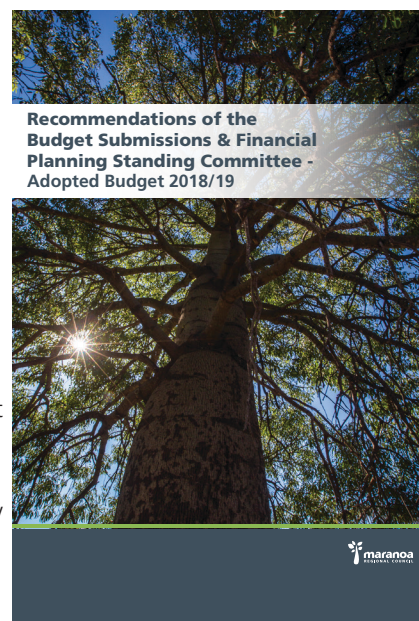
Sewerage

Another essential service for our community is sewerage. Council committed \$4.05 million to one-off, renewals and new projects. This included the 2018/19 sewer relining program (\$3.6 million). Council also invested in a Supervisory Control and Data Acquisition (SCADA) system (\$400,000); and analysis and condition assessment of wastewater (sewer) mains (\$50,000).

Tourism

To encourage our visitors to stay longer and spend more dollars in our region, a number of tourism projects and initiatives featured within this year's budget. Highlights included the master plan and business case for the Big Rig Upgrade (\$80,000); Oil and Gas Museum historical exhibition for Roma (\$20,000); tourism enhancement at the Roma Airport (\$20,000); and refurbishment of the display tanks at the Cobb & Co Changing Station (\$72,540).

The budget ultimately adopted on 26 July 2018 laid the groundwork for the best financial sustainability results since the new measures were introduced by the State Government in 2012/13.



Recommendations of the
Budget Submissions & Financial
Planning Standing Committee -
Adopted Budget 2018/19

maranoa
REGIONAL COUNCIL

2.1 FINANCIAL PLANNING

Services - what we achieved this year

What we do	What we aim for	What we achieved this year
Short-term		
Business cases and use of decision making tools	Development and implementation of outline and detailed business cases.	Business cases were submitted for grant applications.
Grant and subsidy applications	Review of funding rounds as announced, ensuring alignment with Council plans. Financial benefits of grants pursued and secured published quarterly and annually.	Grants, subsidies, contributions and donations secured: <ul style="list-style-type: none"> \$30.007 million for capital works; \$21.657 million towards operations.
Operational plan	Initial plan adopted on 12 June 2018; updated by end of Quarter 1 with projects carried over from 2017/18. Project schedule included in the updated plan.	An initial draft of the Operational plan was prepared in conjunction with the annual budget. However, given it incorporated a major review of content and format, it was subsequently considered by Council in parts. Part 1 (24 October 2018) - Council resolution: GM/10.2018/106 Parts 2 - 5 (14 November 2018) - Council resolution: GM/11.2018/69 Update (28 November 2018) - Council resolution: GM/11.2018/127 Update (12 December 2018) - Council resolution: GM/12.2018/05
Annual budget (12 month financial plan)	Adoption on 12 June 2018.	Adopted on 26 July 2018.
Medium and long-term		
Asset management plans (10 year forward works programs)	Minimum annual review as plans are developed.	Annual review completed: <ul style="list-style-type: none"> Water Network Revision 2 was adopted by Council on 27 March 2019 (Council resolution: GM/03.2019/65) Outstanding annual reviews: <ul style="list-style-type: none"> Roads and drainage (Rural and Urban) Sewerage network Gas network
Local government infrastructure plan (LGIP)	No mandatory review for 2018/19 (Minimum is every 2 years).	The LGIP was adopted by Council at the Council meeting held 27 June 2018 (Council resolution: GM/06.2018/112). To date there has been no significant change in circumstances warranting a review of the LGIP.
Long-term forecasts (10 year financial plan)	Adoption with the annual budget.	The Queensland Treasury Corporation (QTC) reviewed the Long Term Forecasts as required under the loan borrowing program. The long term forecasts were adopted with the annual budget on 26 July 2018.
All timeframes		
Policies	Initial development as the need is identified and then minimum annual review.	Policies reviewed and adopted: <ul style="list-style-type: none"> Revenue Policy 2018/19 adopted at the annual budget meeting held 26 July 2018 (Council resolution: SM/07.2018/19). Updated Revenue Policy 2019/20 adopted at the Council meeting held 27 February 2019 (Council resolution: GM/02.2019/72). Refer section 193(3) of the <i>Local Government Regulation 2012 - A local government must review its revenue policy annually and in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year.</i> Updated Debt (Borrowings) Policy adopted at the annual budget meeting held 26 July 2018 (Council resolution: SMB/07.2018/07). Updated Community Organisations Rates & Charges Rebates and Concessions Policy adopted at the Council meeting held 26 September 2018 (Council resolution: GM/09.2018/102). Updated Corporate Credit Card Policy endorsed at the Council meeting held 28 November 2018 (Council resolution: GM/11.2018/128).
Council decisions	Financial implications included in all agenda reports where applicable.	Agenda report template updated to separately identify financial implications for the current year and also future years.

Highlights for the coming year - financial planning



OUR SERVICES AND PROJECTS

- Deliver annual services with quarterly reporting on progress including:
 - Short-term financial planning
 - Project lifecycle financial planning;
 - Grant and subsidy applications;
 - Alignment of budget with operational plan and corporate plan (annual and periodic reviews);
 - Budget (12 month financial plan);
 - Medium and long-term financial planning
 - Asset management plans (10 year forward works programs);
 - Local government infrastructure plan (LGIP);
 - Long-term forecasts (10 year financial plan);
 - All timeframes
 - Policies;
 - Council decisions.

Note: The **financial planning** function is funded in conjunction with the accounting and human resources and leadership functions (no separate budget to be managed).



OUR KEY PRIORITIES

- **Annual budget** - Adoption on or before the due date of 1 August 2019 and development of additional communication initiatives including regional and local highlights.
- **Asset management plans** - Adoption of new plans for Facilities and Plant/Fleet, review of Water, Sewerage and Gas plans and commencement of the Airports' plan.
- **Financial modelling** - Design and implementation of modelling by function.
- **Projects** - Continued development of the project management framework with a focus on the links to Council's financial planning (and reporting).

For more information: *Our Plan for 2019/20* document - Pages 76 to 79.



New look annual plan giving increased transparency and an inside look at our region's local government

A new look plan for the year will provide the community with an unprecedented insight into Council's plans for the coming year complete with budget highlights.

REVENUE COLLECTION - REVENUE COLLECTION - REVENUE COLLECTION - REVENUE COLLECTION - REVENUE COLLECTION - REVENUE COLLECTION - REVENUE COLLECTION - REVENUE COLLECTION - REVENUE COLLECTION - REVENUE COLLECTION -

2.2

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



2.2 Revenue collection



The number of accounts (assessments) managed as at 30 June 2019 were:

- General rates – **6,874**
- Water charges – **5,638**
- Sewerage charges – **4,879**
- Waste charges – **4,679**
- Gas charges – **615** (active).



2 (half yearly) issues of rates notices.



Administration of rate remissions and concessions - the value for 2018/19 was:

- General rates - **21** concessions for community groups totalling **\$12,782.53**.
- Water access infrastructure charge - **29** concessions totalling **\$45,969.45**.
- Pensioner remission - **579 remissions for pensioners** totalling **\$169,791.33**.



Active management of the region's investment portfolio (**\$82,899,980** at 30 June 2019).

REVENUE COLLECTION HIGHLIGHTS

Project completion

A new utility billing software module was implemented.

My Maranoa Business initiative

Commencing in April 2019 industrial and commercial businesses have the option for monthly gas billing to assist with their cash flow management.

Debt recovery

There has been a downward trend in outstanding rates and charges after reaching a five year high in 2016/17.

A review, and consistent application, of Council's rates recovery policy and processes is delivering results.

State land valuation changes

From February to June 2019, Council received over 1,000 valuation changes.

Due to the extraordinary effort of the Lead Rates Officer, all changes were processed in time for the end of financial year. This also enabled Council to have the most up to date data upon which to perform its rates modelling for the new budget year.

Investment and interest revenue

2018/19's final figures came in ahead of the previous year's figures and ahead of this year's estimate. Interest earned assists in meeting the cost of service and project delivery, easing the impact on ratepayers.

REVENUE COLLECTION CHALLENGES

State land valuation changes

The timing of receipt of the valuation changes, at the commencement of the new budget preparations, resulted in a massive workload for the officers involved, at an already busy time of the year.

Outstanding rates and charges

Whilst there has been a downward trend over the last 3 years, rate arrears of 7% remains high compared to local government benchmarks. The ongoing drought conditions are no doubt a contributing factor, together with the quieter economic activity in some sectors.

The value of rates outstanding at 30 June 2019 was \$2.586 million.

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 2019, rates and charges accounted for 41.59% of Council's operating revenue, while fees and charges accounted for 3.06%.

Utilities Billing Module implementation



Business Systems Administrator Adam Scarce and Rates and Utilities Billing Officer Linda Acutt.

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 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.



How we are trending - revenue collection

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M
General rates	13.206	14.907	17.706	20.495	21.550	23.049	23.438	24.585
Utility charges:								
Water access	2.019	2.444	2.628	2.836	2.949	3.081	3.199	3.317
Other water (including usage)	1.547	3.021	2.067	2.003	1.601	1.807	2.007	2.323
Sewerage	1.878	2.039	2.168	2.265	2.361	2.459	2.499	2.701
Waste	2.925	1.658	1.105	1.167	1.233	1.394	1.457	1.542
Special rates	0.573	0.524	0.563	0.579	0.584	0.678	0.748	0.749
Discount for prompt payment	(1.032)	(1.346)	(1.543)	(1.849)	(1.916)	(1.842)	(1.935)	(1,007)
Pensioner remission	(0.268)	(0.241)	(0.279)	(0.264)	(0.272)	(0.279)	(0.287)	(0.287)
Net rates and charges	20.847	23.006	24.416	27.232	28.090	30.347	31.126	33.923
Outstanding rates and charges at year end	2.667	1.487	1.287	1.869	2.737	3.681	3.092	2.586
Rate arrears percentage	11.5%	4.1%	5%	6.6%	9.1%	11.1%	8.9%	7%
Gas sales	5.149	1.224	0.843	0.945	0.809	0.921	0.859	0.888
Fees and charges	1.900	2.423	4.677	5.469	2.682	2.038	2.212	2.499

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 has occurred over the last 3 years. Further information is included in this year's highlights article over the page - *Follow up of outstanding rates and charges*.

“ SHARE-A-THANKS

Implementation of the new Utility Billing software module

Congratulations to the Rates and Accounts Processing and ICT Solutions teams for the successful installation of the Utility Billing module in Authority.

It has taken 12 months for the implementation to 'Go Live'. Well done everyone involved - an excellent outcome has been achieved. The improvements to the Natural Gas billing process will definitely provide better service to Council's natural gas consumers.

Manager, Dale W.



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2.2 REVENUE COLLECTION

This year's highlights

Follow up of outstanding rates and charges

Council's Rate Recovery Policy includes the following steps:

- Council sending reminder letters 14 days after the close of the discount period.
- If rates are still unpaid 14 days after reminder letters have been sent, the debt is referred to the Debt Recovery Agency and a Final Demand letter is issued.
- If rates are still unpaid 14 days after the Final Demand is sent, Council may decide to send people to the next step which is being served a Statement of Liquidated Claim.

In August 2018, Council commenced Sale of Land proceedings for some ratepayers with three or more years of rates in arrears, with auctions held in January 2019.

Council's second round of Sale of Land proceedings commenced in February 2019 with auctions to be held in July 2019.

The table below outlines the downward trend of outstanding rates.

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.

Valuation adjustments

From February to June 2019, Council received over 1,000 valuation changes from the Department of Natural Resources Mines and Energy. The valuation adjustments occurred due to:

- Objections to valuations from the landowners;
- Sales of one or more lots of land that were valued with others;
- Amalgamation of properties in accordance with the *Land Valuation Act 2010*;
- New / cancelled leases, licences or permits to occupy;
- Correction of the Department's data (relativity).

When these adjusted valuations were received, Council had to enter the amended valuations into the system as the valuation data has to balance with the Department's.

As a result, rates then needed to be adjusted (i.e. issue of a supplementary rates notice and/or credit to the rates account). Some of these valuation adjustments were backdated four financial years.

It took Council staff four months to enter in the data, change rating records and calculate adjustments. In total, with all the credit and debit adjustments, Council received additional income of approximately \$92,000. This value, however, may change again as the Department has advised that some landholders have been in touch with them to request their properties be de-amalgamated.



Council's Lead Rates & Utilities Billing Officer / Systems Administrator Dana processing the valuation adjustments.

Services - what we achieved this year

What we do	What we aim for	What we achieved this year
Rate levies and invoicing		
Notices	<p>Half yearly rates notices issued in August/September and February/March each financial year.</p> <p>Quarterly gas notices.</p> <p>Sundry invoices within 2 working days of initial request.</p>	<p>The first levy was issued on 19 September 2018 with the due date for payment and last day for discount on 19 October 2018.</p> <p>The second levy was issued on 13 March 2019 with the due date for payment and last day for discount on 12 April 2019.</p> <p>Gas meters were read and accounts issued quarterly.</p> <p>Note: From April 2019 industrial and commercial businesses were given the option for monthly gas billing. At the end of the year twelve (12) businesses had opted for monthly meter reads and billings.</p> <p>Sundry invoices were issued as required.</p>
<p>Maintenance / updates of valuations on advice from the Department of Natural Resources, Mines & Energy.</p> <p>Processing of new or changed water, sewerage and waste services.</p> <p>Issuing of supplementary rate notices.</p>	As required throughout the year.	<p>Council received from the Department 1,702 revaluations. Of these 459 assessments were amalgamated into 141 assessments.</p> <p>New or changed water, sewerage and waste services are processed as required.</p> <p>Supplementary rate notices were issued as required throughout the year.</p>
Revenue collection on behalf of others		
Emergency management	<p>Determination of levy category, collection twice a year through the rate notices and payment to the state government.</p> <p>Returns lodged three times yearly.</p>	<p>The determination of the levy categories was completed as required.</p> <p>The emergency management levy was collected twice; within the September and March rates notices.</p> <p>Returns were lodged with the state government and payment made:</p> <ul style="list-style-type: none"> 1 April to 30 June 2018: Prepared and lodged on 6 July 2018; 1 July 2018 to 30 September 2018: Prepared and lodged on 4 October 2018; 1 October to 31 March 2019: Prepared and lodged on 9 April 2019.
Rural fire brigades	Collection and remittance of special charges for Amby, Mungallala, Yuleba and Orange Hill twice yearly (after each rates levy).	<p>Rural fire remittances were sent to the rural services twice after each rates levy:</p> <ul style="list-style-type: none"> First levy remitted 23 October 2018; Second levy remitted 8 April 2019.

2.2 REVENUE COLLECTION

What we do	What we aim for	What we achieved this year
Discounts, remissions and concessions' administration		
Discount	Allowed before the end of the discount period and in accordance with Council's Revenue Statement.	<p>The value of discount taken was \$1.007 million.</p> <p>79.71% of ratepayers took advantage of the discount.</p> <ul style="list-style-type: none"> • First levy - 79.79% of ratepayers took advantage of the discount. • Second levy - 79.63% of ratepayers took advantage of the discount.
Council pensioner remission	Administered in accordance with Council's Pensioner Rate Concession Policy.	Council pensioner remissions totalling \$169,791.33 were granted to 579 eligible pensioners.
State Government pensioner remission	Invoiced to the Queensland Concessions Unit after each rates levy and a final claim completed in December and June each year.	<p>State Government pensioner remissions granted to eligible ratepayers were invoiced to the Queensland Concessions Unit as follows:</p> <p>First levy</p> <ul style="list-style-type: none"> • Claim for \$55,922.16 invoiced 11 October 2018 • Final claim for \$255.96 invoiced 12 December 2018 <p>Second levy</p> <ul style="list-style-type: none"> • Claim for \$54,287.26 invoiced 29 March 2019 • Final claim for \$722.38 invoiced 17 June 2019
Community organisations concessions	Administered in accordance with Council's Community Organisations - Rates and Charges Rebates and Concessions Policy.	<p>General rates: 21 concessions were granted for community groups totalling \$12,782.53.</p> <p>Water access infrastructure charge: 29 concessions were granted totalling \$45,969.45.</p>
Other concessions	Considered by Council on a case by case basis.	One (1) hardship concession was granted with a value of \$54,504.56.
Fees and charges		
Register	<p>Collated and reported to Council through the annual budget process. Assistance provided to departments and indexation applied where appropriate.</p> <p>Council meeting decisions monitored during the year and register updated as required.</p> <p>Online register maintained.</p>	<p>At the Council meeting held on 12 June 2019, Council resolved to adopt the Register of General Cost-Recovery Fees and Commercial Charges 2019/20 (Council resolution GM/06.2019/10).</p> <p>Council meeting decisions were monitored during the year and the register was updated as follows:</p> <ul style="list-style-type: none"> • 22 August 2018 Avdata Access Fees (Council resolution: GM/08.2018/88). <p>The 2018/19 online fees and charges register was maintained on SharePoint.</p>
Debt recovery		
Follow up of outstanding debts	<p>In accordance with Council's debt recovery policy.</p> <p>Payment arrangements processed upon request / report to Council if the requested term extends beyond the financial year.</p>	<p>Rates and charges:</p> <p>With Council following our debt recovery process the rate debt has decreased dramatically.</p> <p>At 30 June 2019 outstanding rates and charges totalled \$2.586 million, with 684 assessments in arrears.</p> <p>Sundry revenue:</p> <p>As per Council's Debt Recovery Policy:</p> <ul style="list-style-type: none"> • 156 Reminder Letters - \$2,007,710.82 • 43 Demand Letters - \$419,712.71 • 11 Final Demand Letters - \$50,511.22 • 1 Default Letter - \$440.00 <p>Avdata – 2 accounts at Legal Status - \$2,191.93. Housing – 2 accounts at Legal Status – \$3,879.00 (one on a payment arrangement).</p> <p>Approximately 293 payment arrangements have been made for the 2018/19 year.</p>

Highlights for the coming year - revenue collection



OUR SERVICES AND PROJECTS

- Manage the **revenue collection** function within a total budget for the team of **\$309,808**.
Note: The function will also administer general revenue on behalf of the whole organisation of **\$44,419,531**.
- Deliver annual services with quarterly reporting on progress including:
 - Rate levies and invoicing
 - Revenue collection on behalf of others (State Government's Emergency Management Levy and Rural Fire Brigades special charge)
 - Discounts, remissions and concessions' administration
 - Fees and charges register
 - Debt recovery.



OUR KEY PRIORITIES

- **Rating strategy** - Development of a 10 year strategy to help ratepayers predict how rates may change in the longer term.
- **Rate concessions** - Policy development for the granting of all concessions in accordance with the Local Government Regulation criteria.
- **New state government waste levy** - Implementation of required changes from a revenue collection perspective (e.g. inclusion of rate notice statement).
- **Policy reviews** applicable to revenue collection.
- **Community information** - Preparation of frequently asked questions and answers.
- **Continual review** initiatives for rates and charges data.
- **Receipting projects** - This includes preparation for the new payments on-line facility.
- **Grants, subsidies and contributions** - Additional initiatives to identify potential grant opportunities and actions required for grants secured.
- **Investments** - Active management of Council's investment portfolio to maximise interest earnings on cash holdings.

For more information: *Our Plan for 2019/20 document - Pages 80 to 87.*



Collection of outstanding rates and charges continues to be a priority

One of the keys to a business's good financial management is to ensure it is collecting its debts. A business that doesn't do this will, over time, develop liquidity issues - in short, money would be going out the door but not coming in. A local government is no different to any other business.

Investment earnings ease pressure on ratepayers

Final figures for 30 June 2019 have recorded \$1.772 million in investment earnings for the financial year. Amounts earned through careful investment means that Council can deliver more, with less impact on the region's ratepayers.

ACCOUNTING - ACCOUNTING - ACCOUNTING - ACCOUNTING - ACCOUNTING - ACCOUNTING - ACCOUNTING - ACCOUNTING - ACCOUNTING - ACCOUNTING

2.3

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

2.3 Accounting



Processed:
3,957 debtor invoices,
19,840 creditor invoices
21,616 timesheets.



Reconciled:
19,619 cash transactions (in) valued at **\$91,313,216**.

Reconciled **46,841** cash transactions (out) valued at **\$152,316,836**.



GST (collected **\$4.24m**, paid **\$6.11m**, refunded **\$1.87m**)

PAYG: **\$6.7m**

Investment income: **\$1.77m**

Borrowings: **\$4.5m**

ACCOUNTING HIGHLIGHTS

Clean bill of health achieved for financial statements

In 2018/19 Council once again achieved an unmodified audit opinion, or 'clean bill of health', for its financial statements and associated financial records for a fourth year in a row. This could not have been achieved without sound financial / accounting records.

Fuel tax review

A specialist consultant was engaged to undertake a review of past claims, which resulted in additional fuel tax credits totalling \$1,064,080.

Investment portfolio goes high tech

Software was implemented to assist in the management and reporting on our Investments.

ACCOUNTING CHALLENGES

Predictability of Financial Assistance Grant payments

Council is advocating for predictability of financial assistance grants from the federal government, to remove the uncertainty surrounding prepayments in June each year.

If the prepayment approach is not adopted consistently each year, it has the potential to significantly distort year end results.

Landfill restoration

This year's accounting records included recognition of a new liability (refuse restoration provision), with the initial recognition valued at \$24.876 million.

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.

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.



Council's Accounts Processing Team Members - Creditors and Debtors.

Did you know

In 2018/19, our team members processed and reconciled:

Transaction type	Number	Value
Cash out	19,619	\$91,313,216
Cash in	46,841	\$152,316,836



How we are trending - accounting

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

When a Council only has \$33.923m net rates and charges, \$9m is a significant value.

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

Recognition of refuse restoration provisions for the first time in 2018/19

This year's accounting records included recognition of a new liability, with the initial recognition valued at \$24.876 million.

Each Council that operates a landfill or has closed a landfill site has an obligation to rehabilitate those sites under environmental legislation. The Environmental Authority issued by the Department of Environment and Science (DES) contains the conditions with which Council must comply. Rehabilitation, post closure monitoring and aftercare are obligations of each DES licence holder.

Council determined that it had a requirement under legislative, accounting and community obligations to assess the conditions contained in the Environmental Authority issued by DES with regards to rehabilitation, post closure and aftercare obligations including:

- Identification of all open and closed landfill sites that Council operates;
- Determination of costs associated with aftercare management (ongoing monitoring);
- Determination of costs associated with rehabilitation.

The landfill rehabilitation provision for Council of \$24.876 million includes all aftercare and rehabilitation costs for our landfill sites.

This year's highlights

Clean bill of health achieved for financial statements

In 2018/19 Council once again achieved an unmodified audit opinion, or 'clean bill of health', for its financial statements and associated financial records for a fourth year in a row.

Achieving this trend has not been without its challenges.

In 2012, the relatively new Maranoa Regional Council was reeling from financial impacts of the major flood restoration efforts, and the unprecedented demand on Council services through the coal seam gas boom period. With that came construction activity of a scale not ordinarily faced by a Council of our size.

This all created an extraordinary volume of transactions and challenges for systems and processes not equipped for that level of activity.

Through hard work, perseverance and the right skills, our small team has overcome those early challenges. Today, Council is proud to say that our financial records are in great order, enabling our financial reporting to go from strength to strength.



Corporate, Community & Commercial Services Director Sharon Frank with Financial Accountant / Team Coordinator, Deelea Sullivan.

Fuel tax review reaps rewards

The claiming of fuel tax credits is complex and subject to change both legislatively and administratively. An analysis of the significant volume of diesel purchased compared to our claims history indicated that there may be eligible diesel yet to be claimed.

As a result, a specialist consultant was engaged to review past fuel tax credit claims. The objective of this review was to achieve the maximum credit that Council was entitled to claim, improve staff knowledge of the current legislative and administrative basis for claims and improve Council's processes for calculating claims.

This review resulted in additional credits of \$1,064,080 to be claimed for the reporting periods from 1 July 2015 to 31 August 2018.

The major contributing factor towards the deficiency in past claims was bulk fuel costed directly to major projects and issued to hired plant. The majority of the recommendations have now been implemented. Progressive checks will continue to be undertaken, and the remaining recommendations will be implemented.

Investment portfolio goes high tech

Software was implemented to assist in the management and reporting on our investments.

This software allows us to manage our investments within our investment policy and frameworks ensuring compliance and also allows us to maximise returns (interest earned), while mitigating financial risks.

Services - what we achieved this year

What we do	What we aim for	What we achieved this year
Taxation (Goods and Services Tax and Fringe Benefits Tax)	<p>Monthly by statutory due date (21st of the following month).</p> <p>Annually by the statutory due date (21 May each year).</p>	<p>Business activity statements for each month were completed and lodged by the statutory due date of the 21st of the following month with the exception of July (lodged 23 August 2018) and October (lodged 22 November 2018).</p> <p>Total GST collected: \$4,236,624. Total GST paid: \$6,110,281. Total GST refunded: \$1,873,657. Total capital purchases: \$30,672,097.</p> <p>Council ceased providing fringe benefits in March 2017. The Fringe Benefit Tax return in 2018 was nil. No further reporting is required while no fringe benefits are provided.</p>
<p>Borrowings</p> <p>- Reconciliation to general ledger (repayments, interest and administration fees)</p> <p>- New borrowings (policy, long-term forecast and applications)</p>	<p>Monthly</p> <p>Policy and long-term forecast reviewed in conjunction with the annual budget.</p> <p>Applications submitted to the Department of Local Government by the due date.</p>	<p>Borrowings were reconciled monthly (Queensland Treasury Corporation statements for each loan were reconciled to the general ledger including repayments, interest and administration fees).</p> <p>Policy and long-term forecasts were reviewed in conjunction with the annual budget. The Debt (Borrowings) Policy was adopted with the annual budget on 26 July 2018 (Council resolution: SMB/07.2018/07).</p> <p>In accordance with Council's adopted policy, there were \$4.5 million in new borrowings.</p> <p>The borrowing application was submitted to the Department on the 15 October 2018, before the due date on 30 October 2018.</p> <ul style="list-style-type: none"> New Loan - Energy Upgrades Facilities (drawn down 26 June 2019) - \$1,500,000; New Loan - Sewer Reline (drawn down 26 June 2019) - \$3,000,000; Payout - Saleyard Land Precinct (paid out 25 June 2019) - \$2,197,765; Refinanced Loan - Saleyard Land Precinct (drawn down 25 June 2019) - \$2,197,765.
Investments	<p>Active management daily.</p> <p>Reconciliation of investment register monthly.</p>	<p>Investments were reconciled monthly and actively managed to ensure the highest interest return was achieved based on cash flow requirements.</p> <p>Cash investments at 30 June 2019: \$82,899,980.58 with twenty-two (22) different institutions, made up of 32 individual investments (including deposits at call and short term deposits).</p> <ul style="list-style-type: none"> 2018/19 Budgeted investment income: \$1,650,000; 2018/19 Actual investment income: \$1,772,324; Investment income received exceeded budget by \$122,324 (7.4%).
<p>Financial assets register</p> <p>- Maintenance of Financial Asset Register and processing of asset transactions</p> <p>- Reconciliation to general ledger</p> <p>- Revaluation of asset classes</p>	<p>Depreciation monthly, other transactions as required.</p> <p>Monthly</p> <p>Desktop valuation - Roads, Drainage and Bridge network and Airport 30 June 2019.</p> <p>Comprehensive valuation of land, buildings, water, sewerage, other infrastructure by 30 June 2019.</p>	<p>The financial assets register was maintained and all asset transactions were processed through the register and reconciled to the general ledger on a monthly basis.</p> <p>The asset classes of land, buildings, water, sewerage and other infrastructure were comprehensively revalued. The asset classes roads, drainage and bridges network and airport were revalued by desktop.</p> <p>Completion dates:</p> <ul style="list-style-type: none"> Roads, Drainage and Bridge network and Airport - 27 May 2019; Water, Sewerage and Gas - 3 June 2019; Land, Buildings and Other Structures - Just following year end (2 July 2019). <p>The valuation date for all asset classes was 30 June 2019.</p>

2.3 ACCOUNTING

Services - what we achieved this year

What we do	What we aim for	What we achieved this year														
Payroll Tax - Office of State Revenue (OSR)	Monthly by statutory due date (7th day of the following month).	State Payroll Tax was remitted for each month by the statutory due date except for June 2019 (on 17 July 2019). The total amount of payroll tax paid: \$175,893.85.														
Bank reconciliation	Reconciled daily	Council's bank accounts (operating and trust) were reconciled (bank statements and general ledger) on a daily basis.														
Internal advice and support	As required	Internal support and advice was provided as follows: <table border="1"> <thead> <tr> <th>Service</th> <th>Total 2018/19</th> </tr> </thead> <tbody> <tr> <td>General enquiries</td> <td>77</td> </tr> <tr> <td>General ledger and work order adjustment</td> <td>561</td> </tr> <tr> <td>New supplier / changes to existing supplier</td> <td>199</td> </tr> <tr> <td>Trust refund / retention</td> <td>57</td> </tr> <tr> <td>Work order creation</td> <td>107</td> </tr> <tr> <td>Capital project finalisation</td> <td>26</td> </tr> </tbody> </table>	Service	Total 2018/19	General enquiries	77	General ledger and work order adjustment	561	New supplier / changes to existing supplier	199	Trust refund / retention	57	Work order creation	107	Capital project finalisation	26
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New supplier / changes to existing supplier	199															
Trust refund / retention	57															
Work order creation	107															
Capital project finalisation	26															
Trust register	Reconciled monthly	The trust register was reconciled on a monthly basis. The amount held in trust at 30 June 2019: \$532,077.41.														
Payroll	Fortnightly	Payments were made in accordance with Council's industrial agreements (certified agreements, contracts) and approved timesheets. Total number of timesheets processed: 21,616 Total number of employees paid during the year: 359														
Accounts processing - creditors	Weekly payment runs (as standard).	Payments were approved by delegated officers. 19,840 invoices were processed for 2018/19.														
Accounts processing - debtors	Daily as required Monthly (1st day)	Invoices were raised as required. 3,957 invoices were processed for 2018/19. Statements were issued where requested by the customer.														
General ledger reconciliations	Daily	Daily data integrity checks were maintained during the year.														
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)		The trial balance, unbalanced transactions report and Module Balance Check were run daily and any issues were reported and resolved.														
Other reconciliations	Monthly	All other reconciliations were completed monthly as required.														
Queensland Local Government Grants Commission	Annual return completed by the due date.	The Consolidated Data Collection was completed on 15 November 2018 and was submitted on the due date of 16 November 2018.														
Australian Bureau of Statistics (ABS) - statistics	Quarterly	The Australian Bureau of Statistics report was completed each quarter and lodged with the ABS. Q1 – 17 October 2018; Q2 – 24 January 2019; Q3 – 5 April 2019; Q4 – 9 July 2019.														
Fuel rebate claims	Monthly	Fuel rebate claims were calculated and lodged monthly. A review of past claims was conducted by a specialist consultant, which resulted in additional fuel tax credits totalling \$1,064,080.														
National competition policy business activity review	Report to Council each year.	The Significant Business Activity Assessment resolution was undertaken as part of this year's special budget meeting (Council resolution: SMB/07.2018/20). A code of competitive conduct review was undertaken and presented to Council at its meeting on 23 January 2019 (Council resolution: GM/01.2019/55). It was resolved not to apply the Code of Competitive Conduct for 2018/19 to business activities.														

Highlights for the coming year - accounting



OUR SERVICES AND PROJECTS

- Manage the **accounting** function within a budget for the team of **\$963,168**. The function will also manage corporate expenses and recoveries from other functions of **\$9,212,790**.
- Deliver annual services with quarterly reporting on progress including:
 - Taxation (Goods and Services Tax and Fringe Benefits Tax where applicable);
 - Borrowings;
 - Investments;
 - Financial asset registers;
 - Payroll tax - Office of State Revenue (OSR);
 - Internal advice and support;
 - Trust register;
 - General ledger reconciliations;
 - Queensland Local Government Grants Commission;
 - Australian Bureau of Statistics (ABS) reporting;
 - Fuel rebate claims;
 - National competition policy business activity review.



OUR KEY PRIORITIES

- **Queensland Local Government Grants Commission (QLGGC) Return** - Completion of the annual return with a particular focus on review and verification of road information.
- **Asset valuations** - Desktop valuations for the following asset classes - Roads, Drainage & Bridge network, Airport, Land, Buildings & Other Structures, Water, Sewerage & Gas.
- **Cash flow management** - Introduction of cashflow monitoring using the Queensland Treasury Corporation (QTC) cash management tool.
- **Policies** - Reviews of 4 policies pertaining to Non-current Asset Accounting, Related Party Disclosure, Investment and Borrowing.
- **General ledger** - Completion of the general ledger structure review for Roma (to enable local area reporting on Roma & Surrounds). All other areas have been set up.
- **Work order ledger** - Health check of the work order structure by the software provider in preparation for the planning and testing of the scheduled maintenance module.
- **Project reporting** - Investigation/development/implementation of project finalisation reporting to Council (to close the accountability loop - comparing the end result with what was approved by Council).
- **Payroll** - Implementation of changes to the system to support the new certified agreement, and development of new processes and testing for online timesheets.

For more information: Our Plan for 2019/20 document - Pages 88 to 93.



Positive trend in financial information set to continue

In 2019/20 Council aims to continue the 5 year trend of unmodified audit opinions ('clean bill of health') for its financial statements and associated financial records.

PROCUREMENT & COST CONTROL - PROCUREMENT & COST CONTROL - PROCUREMENT & COST CONTROL - PROCUREMENT & COST CONTROL - PROCUREMENT & COST CONTROL

2.4

We undertake initiatives to achieve value for money for our region’s ratepayers, comply with our legislative obligations and reduce annual operating expenses.

Council’s My Maranoa Business initiative provides additional support to competitive local business and industry as part of Council’s procurement of goods and services.



Our year at a glance

2.4 Procurement and cost control



- **27** public tenders
- **16,810** purchase requisitions with a total value of **\$89,863,520**
- **37** contracts awarded
- **821** procurement requests
- **\$1.945 million** in inventory managed with **14,001** store issues.



Total operating expenses reduced for the **6th consecutive year**.



158 businesses now registered with the My Maranoa Business initiative.
136 businesses visited.

PROCUREMENT & COST CONTROL HIGHLIGHTS

Operating (recurrent) expenses

Total operating expenses have reduced for the 6th consecutive year.

Contract register

The module within Council's business software has been implemented using 3 tenders as the trial:

- Tender 19006 – Sewer Relining in Roma 2018/19
- Tender 19005 – Construction of the Multi-Purpose Facility at Roma Saleyards
- Tender 19010 – Design & Construct – Roma Saleyards Interpretive Centre

The register is a much awaited additional internal control for audit purposes on high value expenditure items.

My Maranoa Business

136 face to face visits to local businesses were conducted by Council representatives to raise awareness of the My Maranoa Business initiative which includes:

- 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 & COST CONTROL CHALLENGES

Tender calendar

With the number of major projects during 2018/19 and associated volume of procurement required, the team struggled to maintain the tender calendar for panels of pre-qualified suppliers. This has been identified as a priority area for the draft Operational Plan for next year.

Fuel tax review

Council's consultant, engaged to provide advice and review of fuel tax processes, identified a number of recommendations which cross over into procurement activities including:

- Mobile tanks;
- Fuel issue sheets;
- Monthly stocktakes;
- Hired equipment and vehicles.

These recommendations will be implemented during 2019/20.

2.4 PROCUREMENT & COST CONTROL

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 petrol 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) that forms part of the Construction Department and outsourced (contract) works are managed by the Contract Management Office (CMO).

Why we do it

The framework for local government procurement is established in the *Local Government Act 2009*. This includes the 5 sound contracting principles:

- (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.

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.



Did you know

About the My Maranoa Business initiative

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 2018/19, 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 and cost control

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Operating expenses including depreciation	122.1	99.1	89.6	79.3	78.1	77.5
Operating expenses (reduction) / increase from previous year	(16.9)	(23)	(9.5)	(10.3)	(1.2)	(0.6)
Value of employee costs - operating	29.8	32.0	33.1	29.9	28.9	27.6
Operating expenses excluding depreciation	92.3	73.8	64.6	59.2	57.4	57.7
Depreciation expense for all assets	24.3	25.3	25	20.2	20.7	19.8
Net operating result (deficit) / surplus	(6.8)	(4.7)	(13.9)	3.2	(4.5)	4.0
Requisitions - Number - Value						16,810 \$89,863,519.52
Tenders						27

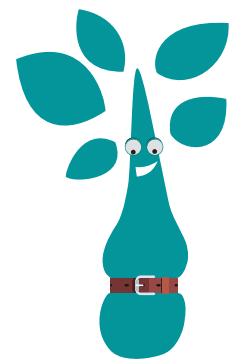
More about the numbers

Each year, Council has made a great effort to significantly shrink its operating costs.

This year was no different with another \$600,000 reduced from 2018/19's recurrent expenses, following the downward trend of the last six year's audits.

- 2013/14 - \$122.1 million
- 2014/15 - \$99.1 million
- 2015/16 - \$89.6 million
- 2016/17 - \$79.3 million
- 2017/18 - \$78.1 million
- 2018/19 - \$77.5 million.

As the numbers get lower, the challenge to come in under budget each year without impacting services, is becoming increasingly more difficult. In the new financial year, a renewed focus will be placed on Tightening the Belt, which challenges all teams to achieve a 10% reduction in their operating costs (excluding depreciation).



“ SHARE-A-THANKS

Outstanding work by Procurement




I would like to share a thanks to Ryan G. for his outstanding negotiation skills, lateral thinking and cool head in the tender process which ultimately allowed this project to proceed. Thanks Ryan!

Rural Land Services & Funding Officer, Kent



2.4 PROCUREMENT & COST CONTROL

Projects - what we achieved this year

Completed	In progress	Not started
		
<ul style="list-style-type: none"> Acquisition of electric forklift Mitchell depot 	-	-

This year's highlights

Roma's flood mitigation Stage 2A works support local businesses

Since the commencement of Roma's Flood Mitigation Stage 2A works in May 2018, Maranoa businesses have received approximately 74.45% of the total external expenditure for work completed on site.

The delivery model chosen by Council for the project was to oversee and directly manage the works.

By doing this it not only enabled control of the scope and budget of the project but also ensured that local spend was maximised where possible.

Funding for this project has been provided by the Australian Government under the Commonwealth National Insurance Affordability Initiative (\$4.98 million), the Queensland Government under the Building our Regions program (\$3.09 million) and Maranoa Regional Council (\$666,000).

Local businesses play a vital part in the Saleyards projects

During Small Business Week Councillors David Scheffe, Cameron O'Neil and Peter Flynn visited WestWet Plumbing at the Roma Saleyards to see first-hand the vital contribution small businesses make to the Maranoa community.

WestWet Plumbing Owner and Director Greg Gibson was pleased to be selected to undertake works on this milestone project.

Roma Home Improvement supplied the majority of the plumbing supplies and did a superb job working within the schedule to ensure the materials needed were on site at the appropriate time.

Another local business, Allwood Building Services was also appointed to the Saleyards project for the concrete placing and finishing of the facility.



Deputy Mayor, Cr Jan Chambers, Portfolio Chair of Local Business, David Scheffe, and Nat Stapleton (Stapleton Carpentry and Concreting Pty Ltd) - a 5 Star Local Business that contributed to the Stage 2A flood mitigation project.



Loren and Greg Gibson from WestWet Plumbing with Cr Peter Flynn, Cr Cameron O'Neil and Cr David Scheffe.

Local spend by category of business	2017/18		2018/19	
5 Star	13,489,985	39.9%	15,936,247	41.0%
4 Star	57,239	0.2%	73,516	0.2%
3 Star	1,591,624	4.7%	2,559,945	6.6%
2 Star	507,207	1.5%	724,535	1.9%
1 Star	3,861,337	11.4%	3,417,088	8.8%
Local presence / rating not yet known	5,729,847	16.9%	6,352,708	16.3%
Subtotal - Spend with businesses with a known local presence	\$25,237,239	74.6%	\$29,064,039	74.8%
Businesses external to the region or unknown local presence	\$8,593,511	25.4%	\$9,794,364	25.2%
Total spend (excluding government and utility providers and other goods/services that are not available locally)	\$33,830,750	100%	\$38,858,403	100%

Services - what we achieved this year

What we do	What we aim for	What we achieved this year
Procurement		
Release and evaluation of quotation requests for small and medium-sized contracts (up to \$200,000): <ul style="list-style-type: none"> • Invite quotes via direct request or vendor panel; • Evaluate submissions; • Raise requisition; • Notify suppliers of outcome. 	Each working day.	Number of requisitions raised - 16,810 Total value of requisitions raised - \$89,863,519.52 Tenders released - 27
Release and evaluation of public tenders for large-sized contractual arrangements (\$200,000 +): <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 LG Tender Box; • Evaluate submissions through an evaluation panel including officers accountable for the project; • Table the panel's evaluation report for Council's consideration; • Notify tenderers of the outcome; • Raise requisition and/or draft contract for execution. 	As required.	Contracts approved by Council at General Meetings - 37 Internal procurement requests (recording commenced 5 September) - 821
Release and evaluation of public tenders for preferred and pre-qualified supplier panels (\$200,000 + expenditure per year): <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 LG Tender Box; • Evaluate submissions through an evaluation panel including accountable officers for the relevant services; • Table the panel's evaluation report for Council's consideration; • Notify tenderers of the outcome; • Draft deed of agreement. 	Pre-qualified / preferred supplier panels renewed annually, throughout the year.	
Facilitate creditor payments, through verification of invoices etc.	As required.	During the year there were 19,840 invoices, up from 18,796 in the previous year. This was the highest volume of invoices in 3 years.
Procurement policy review	Annually.	The Procurement Policy was reviewed and updated to reflect My Maranoa Business initiatives. It was subsequently adopted at the Council meeting on 12 September 2018 (Council resolution: GM/09.2018/06).
Contracts		
Implement and maintain a contract register to record details of tender processes, contract registrations, and commitments for expenditure across multiple years (e.g. long-term contracts)	Reconciled monthly.	The Authority (business software) Contract Register was operational in Q3. Three contracts have been entered: <ul style="list-style-type: none"> • Tender 19006 – Sewer Relining in Roma 2018/19 • Tender 19005 – Construction of Multi-Purpose Facility at Roma Saleyards • Tender 19010 – Design & Construct – Roma Saleyards Interpretive Centre The processing of payment certificates, progress payments and variations is being trialled with these three contracts prior to uploading more contracts. The register is a much awaited additional internal control for audit purposes for high value expenditure items.
Draft contracts / lease documents	As required. Ensuring project/contract manager lead, and legal review for high risk items.	Draft contracts and lease documents were prepared as required, with legal review where necessary.
Provision of advice related to legislative compliance and procurement matters	As required.	Ongoing throughout the year.

2.4 PROCUREMENT & COST CONTROL

What we do	What we aim for	What we achieved this year																								
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 	Ongoing	<p>Stock issues by location:</p> <p>Roma - 7,189 Mitchell - 5,039 Yuleba - 669 Surat - 906 Injune - 198</p> <p>Total number of store issues: 14,001</p> <p>The value of inventory held at 30 June 2019 was \$1.945 million - up from last year's figure of \$1.789 million.</p>																								
Reconciliation of fuel use and assignment of expenditure to relevant cost centres (Work order/ General ledger)	Weekly	<p>Reconciliation of fuel use and assignment of expenditure was undertaken weekly and stocktakes were monthly.</p> <p>However, the Fuel Tax Credit Review identified a number of recommendations which are being implemented in these key areas:</p>																								
Undertake scheduled stocktakes	Monthly	<ul style="list-style-type: none"> Fixed fuel tank reconciliations / DataFuel system reporting; Mobile tanks; Fuel issue sheets; Monthly stocktakes; Hired equipment and vehicles; Fuel issued under work order. 																								
Maintain yards and depots (e.g. mowing, brush cutting, weed control etc.)	As required	Yards and depots were maintained as required.																								
My Maranoa Business																										
Point of contact for current and prospective suppliers (providing information and answering questions)	Ongoing	<p>Across the year, Council representatives visited businesses located in Wallumbilla, Yuleba, Roma, Injune and Mitchell, to promote the My Maranoa Business initiative (Local Business Star Rating, Local Business Purchasing Card etc.).</p> <p>Number of businesses consulted (face-to-face) by town and now registered:</p> <table border="1"> <thead> <tr> <th>Town</th> <th>Town number of businesses consulted (face-to-face)</th> <th>Number of suppliers registered</th> </tr> </thead> <tbody> <tr> <td>Surat</td> <td>11</td> <td>8</td> </tr> <tr> <td>Injune</td> <td>13</td> <td>7</td> </tr> <tr> <td>Mitchell</td> <td>8</td> <td>2</td> </tr> <tr> <td>Wallumbilla</td> <td>7</td> <td>1</td> </tr> <tr> <td>Yuleba</td> <td>4</td> <td>0</td> </tr> <tr> <td>Roma</td> <td>93</td> <td>29</td> </tr> <tr> <td>Total</td> <td>136</td> <td>47</td> </tr> </tbody> </table> <p>An additional 111 suppliers have registered by way of quote/tender submissions and have been issued with their My Maranoa Business Number and Local Star Rating.</p> <p>Businesses in Roma, Injune and Surat can now display the decals on their shopfronts and/or vehicles.</p> <p>Total number of businesses registered with My Maranoa Business - 158.</p>	Town	Town number of businesses consulted (face-to-face)	Number of suppliers registered	Surat	11	8	Injune	13	7	Mitchell	8	2	Wallumbilla	7	1	Yuleba	4	0	Roma	93	29	Total	136	47
Town	Town number of businesses consulted (face-to-face)	Number of suppliers registered																								
Surat	11	8																								
Injune	13	7																								
Mitchell	8	2																								
Wallumbilla	7	1																								
Yuleba	4	0																								
Roma	93	29																								
Total	136	47																								
Verification of businesses' Local Star Ratings	Ongoing	<p>When businesses register as a My Maranoa Business or register by way of quote/tender submission, their local star rating is verified. The rating is assessed using criteria relating to:</p> <ul style="list-style-type: none"> Where the company's head office is; The percentage of Directors that live within the region; The percentage of employees that live within the region. 																								

Highlights for the coming year - procurement and cost control



OUR SERVICES AND PROJECTS

- Manage the **procurement and cost control** function within a budget of **\$1,246,961**.
- Deliver annual services with quarterly reporting on progress including:

Procurement

- Quotation requests for small and medium-sized contracts (up to \$200,000);
- Public tenders for large-sized contractual arrangements (\$200,000 +);
- Public tenders for preferred and pre-qualified supplier panels (\$200,000);
- Facilitation of creditor payments, through verification of invoices;
- Advice related to the development of scope of work / specification documents;
- Procurement Policy and reviews;
- Financial delegations for procurement activities;

Contracts

- Contract register;
- Assistance with the drafting of contracts / lease documents;
- Advice on legislative compliance and procurement matters;

Stores / Inventory

- Operation of internal stores / stockholding of standardised goods and parts;
- Fuel reconciliation and assignment to cost centres;
- Scheduled stocktakes;
- Yards/depot maintenance and stores' 'housekeeping'.



OUR KEY PRIORITIES

- **Supplier compliance system** - Progressive roll out of a new compliance management process and system for contractor groups, and relevant updates to the tender process.
- **Supplier registration** - Review of the existing supplier registration processes and quote/tender portals.
- **Process review and delegations** - Full review of delegations by Directorate and Department and implement new processes for 'handing back' responsibility for low to medium value procurement to work areas.
- **Panels of pre-qualified suppliers** - Refresh of panels and reinitiation of the tender calendar.
- **Employee training and audit** - Continued rollout of training for employees with financial / procurement delegations, compliance monitoring, internal and external audit and implementation of recommendations.
- **Fuel supply contract and management system** - Implementation of remaining fuel tax recommendations, calibration of fuel tanks, and review of fuel contract and fuel management system.
- **Expenditure review** - Expenditure analysis to identify potential savings, contribution to projects that will reduce operating costs and continued focus on *Tightening the Belt* with the challenge of 10% reduction in operating budgets without impacting services.
- **Contract variation management** - Development and implementation of a new governance and budget framework in consultation with Council's auditors.

For more information: *Our Plan for 2019/20 document - Pages 94 to 99.*



Cost control a continued focus

Council has been working hard each year to reduce its operating (recurrent) expenses and will continue in the 2019/20 financial year. A new working group will be established to undertake a detailed review of all functions' costs to identify additional opportunities to deliver quality services at a lower cost.

FINANCIAL & PERFORMANCE REPORTING - FINANCIAL & PERFORMANCE REPORTING - FINANCIAL & PERFORMANCE REPORTING - FINANCIAL & PERFORMANCE REPORTING

2.5

We measure and report on our finances through audited general purpose 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

2.5 Financial and performance reporting



'Clean bill of health' from our auditors for the 2018/19 financial statements (unmodified audit opinion)
Maranoa has achieved an 'Unmodified' Audit Opinion for 5 consecutive years.



Preparation of our legislative reporting including benchmarking our annual report against the **Australasian Reporting Awards** criteria.
Maranoa has achieved 'Gold' for 4 consecutive years.



Preparation of **special purpose financial reports** and facilitation of audits to acquit Council's use of external funding.

FINANCIAL & PERFORMANCE REPORTING HIGHLIGHTS

Green lights for Maranoa's financial sustainability

For the first time since the State Government's introduction of the current year sustainability statement as a special purpose statement in 2012/13, all three of the State Government's specified sustainability ratios are within their target range for 2018/19.

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

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

By entering the Australasian Reporting Awards, Council is able to benchmark our reporting against other government, private and public sector organisations in Australia and internationally and obtain constructive feedback and expert advice to help improve the next report.

FINANCIAL & PERFORMANCE REPORTING CHALLENGES

Quarterly reporting

With the adoption of a new Corporate Plan, 2018/19 was the first year with a new Operational Plan and new format for quarterly reporting.

Having completed a full cycle of reporting, there have been some learnings identified for how the efficiency of reporting processes can be improved. These will be implemented in 2019/20.

2.5 FINANCIAL AND PERFORMANCE 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 Federal or State Governments or other organisations.

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*.

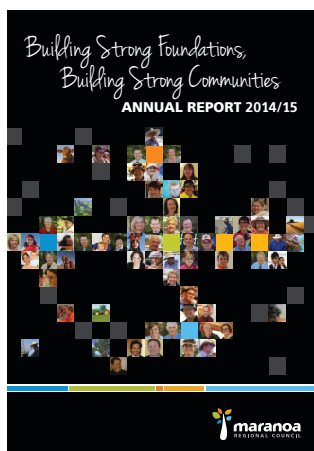
The four key financial accountability documents required to be prepared are:

- 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's gold Annual Reports.



Did you know

At the most recent audit (30 June 2019), the net value of community assets managed by Council was **\$823.361 million**.



How we are trending - financial and performance reporting

Financial ratios	Formula	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Target
Current ratio	Current assets divided by current liabilities	3.21	5.00	5.38	5.99	5.29	4.96	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%	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	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	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%	Higher the per cent = greater independence*
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%	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%	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%	Less than 60%

More about the numbers

For the first time since the State Government's introduction of the current year sustainability statement as a special purpose statement in 2012/13, all three of the State Government's specified sustainability ratios are within their target range for 2018/19. (Full story over the page in this year's highlights).

Council has also adopted more ratios (financial measures) than are currently reported by the State Government to measure local governments' financial sustainability. The full set used by Council are shown in the table above. The ratio that has seen increased focus in recent years is the Operating surplus ratio. Council finished 2018/19 with an operating surplus (achieving that result now for two of the last three years). 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.

* It is also interesting to note that the percentage of Council controlled (non grant) operating revenue has been maintained for the last 2 years above 70%. This is a measure of Council's financial independence, and compares favourably to the 3 year averages published in *Forecasting long-term sustainability of local government - Report 2: 2016-17 (Queensland Audit Office)*.

- South East Queensland Councils - 78.92%
- Coastal Councils - 73.03%
- Rural / Regional Councils - 63.51%
- Resource Councils - 58.79%
- Rural / Remote Councils - 50.1%
- Indigenous Councils - 41.65%

This year's highlights

Council achieved Gold standard for the fourth year at Australasian Reporting Awards

Council secured its fourth consecutive Gold Award at this year's Australasian Reporting Awards (ARA).

Having achieved a Gold award for the 2016/17, 2015/16 and 2014/15 annual reports, and a Bronze Award for the 2013/14 annual report, Council has successfully maintained a high standard of reporting, addressing the ARA criteria and demonstrating overall excellence for its 2017/18 Annual Report.

Summarising the year's highs and lows, in a transparent, accountable and balanced format is the goal when collating the Annual Report.

By entering into the Australasian Reporting Awards, Council is able to benchmark against other government, private and public sector organisations in Australia and internationally and obtain constructive feedback and expert advice to help improve the next report.



Cr Wendy Newman, Corporate, Community & Commercial Director Sharon Frank, Lead Corporate Communications & Design Officer Jane Frith and Deputy Mayor Jan Chambers at the Australasian Reporting Awards.

Green lights for Maranoa's financial sustainability

For the first time since the State Government's introduction of the current year sustainability statement as a special purpose statement in 2012/13, all three sustainability ratios are 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 measures 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 4.95%.
- **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 205.94%.
- **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 -42.68%.

This means that Council's financial management is on the right track. 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. Some of these strategies have included 'What's my 5%' (reducing our expenditure by 5%), Tightening the Belt (an increased focus on operating costs), reviewing asset valuation / depreciation assumptions and methodologies, active management of investments, budgeting for capital works based on Asset Management Plans and actively seeking grant funding opportunities.

Whilst we are proud of this achievement in 2018/19, Council must remain vigilant and continue to actively implement financial management strategies that will continue to strengthen our financial sustainability for current and future generations.

Services - what we achieved this year

What we do	What we aim for	What we achieved
Year end financial reporting (statutory)	Completed by 31 October 2018 (Minimum). Unmodified audit opinion. Reporting to Council on close-out of audit matters.	2017/18 financial statements were completed and signed on 16 October 2018. Unmodified audit opinion achieved. Minutes of the audit committee meeting to consider close-out of audit matters were reported to Council on 12 December 2018.
Grants and subsidies	Compliance with funding bodies' reporting milestones.	In a couple of instances, an extension was sought for milestone reporting of 1-2 weeks. Some projects, where the progress to date has affected the milestone payments/reporting, an official project variation was sought which has extended the timelines for the project as a whole.
Audit (external - independent)	Timeframes agreed with the External Auditor (Queensland Audit Office delegate) (independent accounting firm).	The timeframe was agreed with the External Auditor on 29 March 2019.
Financial sustainability reporting	Completed by 31 October 2018 (Minimum).	This was completed on 16 October 2018.
Benchmarking of financial performance	Minimum annual review post finalisation of the year end audit. Report to the Budget Submissions and Financial Planning Standing Committee on any emerging issues.	A review was provided in the preliminary budget briefing to the Budget Submissions and Financial Planning Standing Committee on 20 March 2019 (Committee resolution: BUD/03.2019/04).
Financial reports to Council	2nd meeting of the month.	Monthly Financial Reports Actual vs Budget were presented to the 2nd meeting of the month, with the exception of: <ul style="list-style-type: none"> July - presented 12 September 2018; November - presented 23 January 2019; April presented - 12 June 2019.
Operational plan and budget reviews	2nd meeting in October 2018 (Quarter 1). January 2019 meeting (Quarter 2). 2nd meeting in April 2019 (Quarter 3). 2nd meeting in July 2019 (Preliminary Quarter 4 - prior to finalisation of Audit).	The Quarter 1 report was presented at the Council meeting held on 14 November 2018 - Council resolution: GM/11.2018/65. The Quarter 2 report was presented at the Council meeting held on 23 January 2019 - Council resolution: GM/01.2019/25. The Quarter 3 report was presented at the Council meeting was held on 10 April 2019 - Council resolution: GM/04.2019/35. The Quarter 4 report - was presented at the Council meeting held on 28 August 2019 - Council resolution: GM/08.2019/105.
Annual report	Adoption within 1 month of receipt of the Auditor-General's audit report. On website within 2 weeks of adoption. Benchmarking with Australasian Reporting Best Practice Criteria.	Auditor-General's audit report was received 26 November 2018 and the Annual Report 2017/18 was adopted within 1 month and on Council's website within the two weeks (9 January 2019). Council was awarded a Gold for its Annual Report 2017/18 at the Australasian Reporting Awards in June.



Bottle Tree, Maranoa region.

Highlights for the coming year - financial and performance reporting



OUR SERVICES AND PROJECTS

- Manage the **financial and performance reporting** function within a total budget of **\$199,000**.

Note: This function will also be resourced and supported by the following functions:

- Accounting
 - Human resources and leadership
 - Business planning, governance and reporting.
- Deliver annual services with quarterly reporting on progress including:
 - Year end financial reporting;
 - Grants and subsidies;
 - Audit (external - independent);
 - Financial sustainability reporting;
 - Benchmarking of financial performance;
 - Financial reports to Council;
 - Budget reviews;
 - Annual report incorporating community financial report and financial statements;
 - Internal audit;
 - Audit committee;
 - Accounts for South West Regional Economic Development (SWRED).



OUR KEY PRIORITIES

- **Financial statements** - Preparation and audit to enable sign-off of statements on or before 1 October 2019 with an unmodified audit opinion.
Implementation of new accounting standards that come into effect 1 July 2019 (AASB9 Financial Instruments, AASB15 Revenue from Contracts with Customers and AASB1058 Income of Not for Profit Entities).
- **Annual report** - Adoption on or before 31 October 2019 or within 1 month after the day of the Auditor-General's report - benchmarking our financial reporting with the Australasian Reporting Awards criteria.
- **Reporting** - Review and streamlining of the monthly financial reporting template, by new Corporate Plan function, by financial statement and by Directorate (one page).
- **Audit committee** - Review of audit committee operations and scheduling of 4 committee meetings to align with financial statement and audit milestones.
- **Financial risks** - A comprehensive review of risks and the control measures to manage financial risks.

For more information: *Our Plan for 2019/20 document - Pages 100 to 105.*



High standard of reporting to remain a priority

Having secured its fourth Gold in a row at the Australasian Reporting Awards (ARA) in Melbourne for Council's 2017/18 annual report, Council will once again aim to achieve this standard for this report.