



Banana Shire Council
62 Valentine Plains Road, Biloela
PO Box 412,
Biloela QLD 4715
Ph 07 4992 9500 : Fax 07 4992 3493
Email enquires@banana.qld.gov.au : Website www.banana.qld.gov.au
BSC-CA-04-005 Document Version: 19 March 2019

MINUTES

SPECIAL MEETING

Meeting Date: Tuesday 17 November 2020
Venue: Council Chambers, 62 Valentine Plains Road, Biloela
Time: 8.30 am

1.0 Opening of Meeting

"Council recognises that this meeting is held on the Land of the Gaangalu Nation and that the Banana Shire also includes land of the Iman People, Wulli Wulli People, Wadja People, Wakka Wakka People and Darumbal People."

2.0 Attendance including Apologies & Leave of Absence

3.0 Reception and Consideration of Officer's Reports

- 3.1 Banana Shire Council Audit Committee Report
- 3.2 2019-2020 Annual Report and 2020 Audit Closing Report

4.0 Close of Meeting

1.0 Opening of Meeting

The meeting commenced at 8.33am.

2.0 Attendance including Apologies & Leave of Absence

Councillors – Mayor Nev Ferrier and Crs Semple, Pender, Casey, Leo, Boyce & Ramsey
Officers - Chief Executive Officer, Director Corporate & Community Services, Finance Manager

3.0 Reception and Consideration of Officer's Reports

3.1 BANANA SHIRE COUNCIL AUDIT COMMITTEE MEETING REPORT

Date: 13 November 2020
Author: Peter Rudder - Manager Financial Services
File No:
Letter No:
Attachment: 1592202 – Minutes of Audit Committee Meeting held 12 November 2020
Minute No: SM001094

Resolution:

That the report of the Banana Shire Council Audit Committee meeting held on 12 November 2020 be received.

Moved: Cr Leo

Seconded: Cr Pender

Carried

Report

The report of the Banana Shire Council Audit Committee meeting held on 12 November 2020 is to be presented to Council.

Refer to Document Number 1592202 for the minutes of the Audit Committee meeting.

Considerations

1. Corporate Plan

This matter has direct reference to Corporate Plan Strategy 1.1 (a), (k) and (l).

2. Policy and Legal Implications

The internal audit function is required under the *Local Government Act 2009* and *Local Government Regulation 2012*.

3. Financial and Resource Implications

N/A

4. Risk Assessment

No apparent risks.

3.2 2019-2020 ANNUAL REPORT AND 2020 AUDIT CLOSING REPORT

Date: 8 November 2020
Author: Tom Upton – Chief Executive Officer
File ID:
Letter ID:
Attachment: 2019-2020 Annual Report
Banana Shire Council 2020 Audit Closing Report
Minute No: SM001095

Cr Boyce attended the meeting at 8.40am.

Resolution:

That Council:

- 1. Adopts the 2019-2020 Annual Report as tabled; and***
- 2. Receives and notes the Banana Shire Council 2020 Audit Closing Report from the Queensland Audit Office.***

Moved: Cr Pender

Seconded: Cr Ramsay

Carried

Report

Under section 182 of the *Local Government Regulation 2012*, a local government is required to adopt its Annual Report within one month after the day the Auditor-General gives the Auditor-General's Audit Report about the local government's financial statements for the financial year to the local government.

As well as information on the local government's financial position, sections 183 to 190 of the *Local Government Regulation 2012* and section 201 of the *Local Government Act 2009* detail other information that must be included in the annual report.

The report includes the Council's Audited Financial Statements and the Community Financial Report which gives an overview of the Council's financial position and performance. It also provides an explanation of the key Financial Performance Indicators. Council received an unqualified 2019-2020 Audit Report.

A copy of the Annual Report is presented to Council for adoption before being published on the Council's website.

2019-2020 Financial Report

The Community Financial Report contains details of Council's 2019-2020 financial operations. Some points to note are:

1. Council recorded an operating deficit of \$4,441,249 as per the Statement of Comprehensive Income (excluding capital revenue and expenses) compared with a deficit of \$3,718,401 recorded in 2018-2019. Council had budgeted for a deficit of \$602,788. The primary reason for the increased deficit was expenses increased by 6.99% driven mainly due to non-cash expenditure like depreciation.

2. The net result for Council (after capital revenue and expenses) was a deficit of \$69,584 compared with a deficit of \$5,981,915 recorded in 2018-2019. The improved position in the net result was due to an increase in Capital Grants (\$1.55 million), and a decrease in other Capital expenses of capital assets (\$5.08 million) and the rehabilitation cost (\$4.83 million).
3. Cash held at report date rose from \$26.4 million (2018-2019) to \$28.8 million (2019-2020). At 30 June 2020, driven by more than budgeted external grants.
4. The Financial Sustainability Indicators required by Council under legislation to report for the year are as follows:

Ratio	Target	Actual
Operating Surplus Ratio	0 – 10%	-7.18%
Asset Sustainability Ratio	>90%	83.39%
Net Financial Liabilities Ratio	<60%	-8.41%

These indicators should be viewed as long-term signposts of Councils financial sustainability. The indicators for Banana Shire Council over a ten-year period (2019-2020 year until 2028-2029) show consistent figures within the financial sustainability target ranges.

5. After appropriations to and from reserves and the capital account, Council has a retained surplus of \$2.26 million in the 2019-2020 Financial Year.

Further analysis of the Financial Statements is contained in the Community Financial Report.

Banana Shire Council 2020 Closing Report from the Queensland Audit Office

The Closing Report from the Queensland Audit Office (QAO) documents the audit of QAO at the Banana Shire Council for the year ended 30 June 2020 including how QAO have responded to the significant financial reporting risks

The key findings are:

- An unmodified opinion on the financial statements.
- The financial statement preparation process meets the timelines, however the year-end process is ineffective- Council had significant resource issues due to vacancies in the key finance roles and with the appointment of the key staff this issue will be resolved.
- The internal control environment is effective.

The report also provides an overview of the financial statement, financial sustainability assessment , update on emerging risks and Audit issues and conclusions.

A representative of QAO attended the Audit Committee meeting held on 12 November and provided their appreciation for Council to complete the statements timely.

Council continues to work to improve financial sustainability and will have a plan in place to reduce the operating deficit.

4.0 Close of Meeting

The meeting closed at 8.42am.

To be confirmed 25 November 2020 Ordinary Meeting.

MAYOR

CHIEF EXECUTIVE OFFICER
