

# Model Financial Report and Budget



Local  
Government  
Victoria



Environment,  
Land, Water  
and Planning

## Today's agenda

- Introduction
- Where to find the documents
- High level overview of changes
  - 2020-21 Model budget
  - 2019-20 Model financial report
- Upcoming webinar
- 2020 Roadshows
- Questions (in networking time)

## Introduction

- The preparation of the model budget and model financial report is greatly assisted by the input of the working groups:

### Model Accounts working group members:

- Kristy Stephens (Bass Coast Shire Council)
- Mark Montague (Yarra City Council)
- Tony Rocca (Maroondah City Council)
- Ram Subramanian (CPA Australia)
- Jonathan Kyvelidis / Sanchu Chummar / Anh Ha (VAGO)

### Model Budget working group members:

- Kristy Stephens (Bass Coast Shire Council)
- Mark Montague (Yarra City Council)
- Binda Gokhale (Wyndham City Council)
- Michael Gummery (HLB Mann Judd)

Where are they?

<https://www.localgovernment.vic.gov.au/strengthening-councils/sector-guidance-planning-and-reporting>

.....or just search 'lgv model budget' or 'lgv model financial report'

## Background

- + New legislation coming
- + Accounting standard changes
- = Minimise change for current release.

.....that said, probably more changes in the current documents than last few years.....

## Model Budget – key changes

- Leases
  - Comprehensive income statement
  - Balance Sheet
  - Statement of changes in Equity
  - Cashflow statement
  - Depreciation/Amortisation notes (4)
  - Right of use note
- Example schedule of fees and charges
- Due diligence checklist

## Model Budget – key changes

- Example schedule of fees and charges

### G17 6. Schedule of Fees and Charges

This appendix presents the fees and charges of a statutory/non-statutory nature which will be charged in respect to various goods and services during the FY 2020/21.

Fees and charges are based on information available at the time of publishing and may vary during the financial year subject to any changes in Council's policy or legislation.

Description of Fees and Charges	Unit of Measure	GST Status	2019/20	2020/21	Fee	Fee	Basis of Fee
			Fee Inc GST	Fee Inc GST	Increase / Decrease	Increase / Decrease	
			\$	\$	\$	%	
<b><i>Freedom of Information</i></b>							
Application fee	Per Application	Non -Taxable	\$ -	\$ -	\$ -	%	Statutory
Photocopying fee - black & white	Per A4 page	Taxable	\$ -	\$ -	\$ -	%	Statutory
Search fees	Per Application	Taxable	\$ -	\$ -	\$ -	%	Statutory
Supervision of inspection	Per Application	Taxable	\$ -	\$ -	\$ -	%	Statutory
Use this space to provide any additional information on the type of fees and charges. For statutory charges, include reference to relevant legislation in the description.							
<b><i>Halls and meeting rooms</i></b>							
<b>Main Hall - General</b>							
Monday to Thursday	Per Hour	Taxable	\$ -	\$ -	\$ -	%	Non-statutory
Friday to Sunday	Per Hour	Taxable	\$ -	\$ -	\$ -	%	Non-statutory
<b>Main Hall - Commercial</b>							
Monday to Thursday	Per Hour	Taxable	\$ -	\$ -	\$ -	%	Non-statutory
Friday to Sunday	Per Hour	Taxable	\$ -	\$ -	\$ -	%	Non-statutory
<b>Main Hall - Not for Profit organisations</b>							
Monday to Thursday	Per Hour	Taxable	\$ -	\$ -	\$ -	%	Non-statutory
Friday to Sunday	Per Hour	Taxable	\$ -	\$ -	\$ -	%	Non-statutory

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## Model Budget – key changes

- Compliance checklist

### Compliance Checklist

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This section lists the items that must be included in the budget in order for it to comply with the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*. It is recommended that the compliance checklist be used at the end of budget preparation to ensure compliance with legislative disclosure requirements. ¶

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¶	Requirements¶	Acts & regs¶	Model Budget¶	Yes/No¶	¶
1.¶	Financial statements (income statement, balance sheet, changes in equity, cash flows, capital works) in the form set out in the Local Government Model Financial Report¶	Section 127(2)(a)¶ Regulation 9¶	Sec 3¶	¶	¶
2.¶	Services and initiatives to be funded in the budget¶	Section 127(2)(b)¶	Sec 2¶	¶	¶
3.¶	Statement as to how the services and initiatives will contribute to achieving the strategic objectives specified in the Council Plan¶	Section 127(2)(c)¶	Sec 2¶	¶	¶
4.¶	Major initiatives, being initiatives identified by the Council as priorities, to be undertaken during the financial year¶	Section 127(2)(d)¶	Sec 2¶	¶	¶
5.¶	For services to be funded in the budget, the prescribed indicators of service performance that are required to be reported against in the performance statement, and the prescribed measures relating to those indicators¶	Section 127(2)-(da)-(db)¶	Sec 2¶	¶	¶
6.¶	Details of the rates to be declared¶	Section 158(1)¶	Sec 4¶	¶	¶
7.¶	Details of differential rates¶	Section 127(3)(b) and (c) and Section 161(2)¶	Sec 4¶	¶	¶
8.¶	A detailed list of capital works expenditure in relation to non-current assets classified in accordance with the model statement	Regulation 10(1)(a)¶	¶	¶	¶



## Model Financial Report – Key Changes

- Major changes for new standards, as per Model Budget
  - Detailed leases disclosures (Note 5.8 and 10)
  - Note 3 – Unspent grants split between Capital and Operating
  - Unearned income (5.3) – Grants disclosure
  - KMP
    - post employment benefits
    - Senior officer remuneration
  - Potential contingency (MAV Workcare) – for consistency
  - Pending accounting standards (note 8.2)

## **Model Financial report – Better Practice Guide**

- Guidance on certification clarified (two councilors)
- Several updates to reflect change in accounting standards
- Clarified guidance on fire service levy
- Updated guidance for grants schedule based on impacts of changes in standards
- Updated guidance on finance costs
- Clarified cash holdings subject to external restrictions
- Additional guidance of KMP and senior officers:
  - Post employment benefits
  - Accrual measurement required
  - Determining numbers

## Coming Up

### Webinar

- 2 hour webinar to go through detail of changes
- Monday March 2, 12.00-2.00
- Register at:  
<https://attendee.gotowebinar.com/register/4592669270321895437>
- Webinar will be recorded and available for later viewing

### Roadshows

- Yet to be finalised but planning similar format to 2019 – opportunity for you to raise areas for coverage now.

**Questions – we will be available in the networking session**