

FinPro Member Update – Edition 23, 2021

Good morning,

Wasn't it fantastic to be able to welcome in Spring this week with a touch of warm weather! It was just brilliant to be able to get out and enjoy the sunshine.

For me, the last couple of weeks have been the mixture of emotions. I'm on three weeks annual leave which looks a little different from what I had originally planned! I had booked to go to Western Australia..... then Regional Victoria.... and now I find myself just relaxing and catching up on jobs at home. Though I'm probably not the best at 'sitting around and doing very little', I now realise that after an extremely busy roller-coaster over the last 18 months it has actually been fantastic to really relax and recharge the batteries.

The increasing numbers and extension of our Lockdown has been difficult news to hear for everyone. This is a really difficult time for everyone, and I encourage each and every FinPro Member to take some time to connect with family and friends and to support each other so that we can get to the 'other side' of the situation we are in.

For FinPro it has meant that we have had to make some decisions about our Leadership Program and Conference. The Leadership Program has been postponed to November and the Conference, to February 2022. Thanks to the participants, speakers and corporate partners who have been able to reschedule their calendars to accommodate these changes.

Whilst this is not the news we were hoping for, we do hope that the revised dates will work out and that by moving the conference to 2022 we might be able to open it up to more people that we had planned.

Meanwhile, plenty of work continues behind the scenes at FinPro with the development of key template policies for our members, meeting with representatives of LGV to continue our advocacy and putting in place some online PD for the last quarter of the year.

Please, look after yourself, and for all the fathers out there, Happy Father's Day!

Bradley

Bradley Thomas
President – FinPro
CEO Hepburn Shire

A graphic with the text '#KEEPINGMYCOMMUNITYSAFE' at the top, 'GET THE JAB DONE!' in large blue letters in the middle, and 'VACCINATE AGAINST COVID-19' at the bottom. A pink virus icon is integrated into the letter 'O' in 'DONE!'.

Upcoming events (noting revised dates for your diary)

14 – 17 November 2021 – Leadership Program at Country Place Kalorama (moved from 5 – 8 September 2021)

3 December 2021 – FinPro End of Year Lunch and AGM – Leonda by the Yarra

23 – 25 February 2022 – FinPro Annual Conference at RACV Cape Schanck (moved from 20 – 22 October 2021)

Member Welcome

We welcome two new members this week:

Andrew Dart who has joined the team at the City of Ballarat at Management Accountant, and **Tom Francis** who has joined the team at the City of Greater Bendigo.

2021 FinPro Mentoring Program

Thank-you to the Senior (by experience, not age!) FinPro members who volunteered to participate in this year's Mentoring Program. Applications closed last Friday, and we received more mentors than required at this stage. We are in the process of 'pairing' mentors with mentees and will contact each person who volunteered directly.

It was heartening to see that so many of our members are ready, willing, and able to assist in helping others within the sector. Thank-you.

If you have any questions about the program, please do not hesitate to contact FinPro's Executive Officer, Gab Gordon on 0400 114 015 or via email gabrielle@finpro.org.au

FinPro Leadership Program 2021 – Rising to the Challenge



The dates for our leadership Program workshop have been changed to 14 – 17 November, however the group of 12 are still commencing their year long program on Monday. Though the session will look a little different, it is still great that the group can commence their leadership journey with us.

We wish the group well and look forward to hearing how the program goes over the coming 12 months.

Thanks in particular to Belinda Johnson, Finance Manager at Southern Grampians and FinPro Executive member who is facilitating the program this year.

Local Government Act Implementation Update

The new Local Government Act 2020 is the most ambitious reform to the local government sector in over 30 years. The Act will improve local government democracy, accountability, and service delivery for all Victorians. Copies of relevant information is available on the [LGV website](#)

Important Dates in relation to the LG Act:

September 2021

- [2020-21 Annual Report – by 30 September 2021](#)

October 2021

- [Financial Plan – 31 October 2021](#)
- [Council Plan – 31 October 2021](#)
- [Community Vision – 31 October 2021](#)

December 2021

- Chief Executive Officer Employment and Remuneration Policy – 31 December
- Workforce Plan – 31 December
- Recruitment Policy – 31 December
- Staff Code of Conduct – 31 December
- Complaints Policy – 31 December
- Procurement Policy – 31 December

2022

- [Asset Plan – 30 June 2022](#)

ESC – Annual Compliance Information Reminder

Compliance submissions in relation to the rate cap for 2021–22 is due 30 September 2021.

Building Stronger Council Culture For Everyone's Benefit

Last Friday the Victorian Government announced that they had commissioned a wide-ranging review into what influences culture in Victorian Councils.

[Read more here.](#)

Update from VAGO

The following information was distributed to councils earlier this week and is included here for member information:

I hope you are safe and well. VAGO performance audit and other integrity bodies – August 2021 update [attached](#) for your reference.

Local Roads and Community Infrastructure (LRCI) Program and acquittal requirements:

- *We contacted Commonwealth Department of Infrastructure, Transport, Regional Development and Communications (DITRDC) to understand LRCI acquittal requirements. Based on the response received from DITRDC, acquittal process for LRCI will be similar to other federally funded infrastructure programs for local governments, such as Roads to Recovery grants.*
- *Internally, we are working through resourcing and other requirements to complete this additional work for 2020-21 financial year— additional audit fees, engagement letter, audit report template etc.,*
- *We will be informing our ASPs of LRCI acquittal requirements to enable them plan for this additional work in October 2021.*
- *At this stage, deadline to submit this acquittal with DITRDC is 31 October 2021 (similar timeline to R2R grant acquittal).*

Grant revenue accounting:

- *Councils are deferring (operating) grant revenue under AASB 15 Revenue from Contracts with Customers and recording it as liability as at 30 June 2021 on the basis that performance obligations have not been delivered. In some instances, we are noting that performance obligations are not sufficiently specific enough for AASB 15 to apply, and accordingly revenue should be recognised upon receipt under AASB 1058 Income of Not-for-Profit Entities.*
- *Milestone payments, acquittal requirements, ‘matching principle’ etc., do not necessarily mean performance obligations. Please ensure accounting treatment for these grants are based on the specifics of the underlying grant and are in compliance with requirements of relevant AASBs.*
- *Working with Victoria Fund — As highlighted in my August 2020 sector update (last year), based on review of this funding arrangement with DJPR, our position is for recipient to account for this receipt under AASB 1058 Income of not-for-profit entities. This position is unchanged for 2020-21.*

Subsequent events /post balance date events:

- With Victoria continuing lockdown 6.0, subsequent events / post balance sheet event disclosure will be a key disclosure for most entities in their financial report.

Welfare of accounts team and audit team:

- I understand remote working, home schooling duties, continuing lockdown 6.0 in Victoria, State border closures etc., takes a toll on your accounts team's ability to complete year-end close process and get ready for an audit. Similarly, audit teams are also under tremendous pressure to complete year-end audit program within allocated timelines to meet your reporting deadlines. Welfare of our teams during this challenging period should be a critical focus and if there any changes to timelines, ability to deliver etc., needed, please reach out to us / your auditors early to consider various options available.

Other matters:

Vision Super VBI index

- The Vested Benefit Index [for the June 2021 quarter is 109.7%.](#)

LGV Bulletin on updates to 2020-21 LG model financial report:

- Earlier this month, LGV issued two updates to 2020-21 LG model financial report. ([Refer page 5 of the following link to the last edition of the FinPro Member Update.](#))

If you have any queries, please feel free to reach out. Stay safe and well. Kind regards, Sanchu

Sanchu Chummar

Acting Sector Director, Local Government, Victorian Auditor-General's Office

0472 838 905 | (03) 8601 1636 | sanchu.chummar@audit.vic.gov.au

Vision Super VBI update

As mentioned in the VAGO Update, Vision Super released the details of the Local Authorities Superannuation Fund Defined Benefit Plan (LASF DB) Bested Benefit Index (FBI) update last Friday. A copy is included her for your information:

Since our 31 March 2021 update on 28 May 2021, equity markets continued to improve and finished the financial year in a stronger position relative to the prior financial year end.

The 30 June 2021 VBI results have been finalised by the Fund Actuary as follows:

| As at | 30 Jun 2020 (actual) | 30 Sep 2020 (est.) | 31 Dec 2020 (est.) | 31 Mar 2021 (est.) | 30 Jun 2021 (actual) |
|------------|-------------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| LASF DB | 104.6% | 104.5% | 109.6% | 111.5% | 109.7% |

The 30 June 2021 VBI has decreased marginally compared to that at 31 March 2021.

The net investment performance (including tax) during the June 2021 quarter of 5.69% was strong compared to the net investment return assumption of 1.45% for the quarter. On a stand-alone basis, this would have increased the 30 June 2021 VBI.

However, there has been some changes to the financial assumptions used to calculate VBI at 30 June 2021 – the key one being the net investment return assumption. This assumption has changed following a review of the strategic asset allocation of the underlying portfolio supporting the LASF DB sub-plan and the future economic outlook. As a result of this review, the net investment return assumption has been reduced from 5.6%pa to 4.8%pa and this reduction was the primary driver of the decrease in the 30 June 2021 VBI.

The VBI of 109.7% as at 30 June 2021 satisfies APRA's Superannuation Prudential Standard 160 (SPS 160).

Vision Super is closely monitoring the investment markets to identify potential threats/opportunities that we may be able to avoid/take advantage of to improve the funding position of the sub-plan.

Shortfall limit

Under the superannuation prudential standards, VBIs must generally be kept above a fund's nominated shortfall threshold, currently 97%. When an actuarial review/investigation is in progress, a fund's VBI must be at least 100%. The 30 June 2021 VBI calculation of 109.7% was an actuarial review and exceeded the applicable 100% shortfall limit.

In the event the VBI falls below the shortfall threshold, the fund's Trustee is required under the superannuation prudential standards (SPS 160) to formulate a restoration plan to restore the VBI to 100% within three years.

The 2021 sample employer superannuation notes

As indicated above, the Fund Actuary has changed the financial assumptions used for his 30 June 2021 VBI calculations. We have updated our 2021 sample notes to reflect the changes. These sample notes can be found at www.visionsuper.com.au/employers/db/ under the heading "Sample employer superannuation notes for financial statements".

Next update

The next VBI review is scheduled as at 30 September 2021, with results expected to be distributed to employers around mid-November 2021.

Vision Super will continue to monitor the sub-plan's VBI at least quarterly and daily during periods of high market volatility.

Action required (if any)

At this stage, no action is required by you.

We're here to help

If you want to know more about the VBI or LASF DB, in addition to the quarterly updates, we encourage you to get in touch. We understand that defined benefit plans can be complicated, and our dedicated team can answer your questions and provide you with information for both member and employer related queries.

If you have any queries or need assistance, please contact the Employer Services team on 1300 304 947 or employerservices@visionsuper.com.au.

Stephen Rowe
Chief Executive Officer

10 ways to take care of yourself during coronavirus

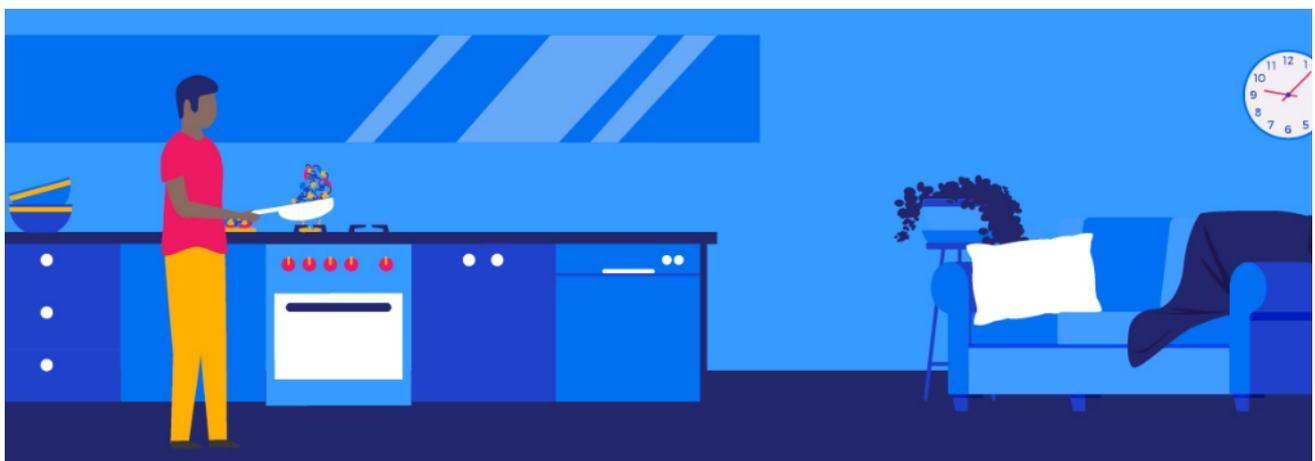
Just about everyone seems to be struggling a little right now in dealing with COVID and all that is associated with it.

We thought we would share a recent article published online by Beyond Blue that might assist right now.

These strategies can help you navigate life and cope with the impact of COVID-19

The world is pretty topsy-turvy right now, because of the global panic around coronavirus (COVID-19). If you're feeling overwhelmed or stressed by it all, be reassured that this is a very normal response. However, it's important to go easy on yourself and to take time for self-care. We've put together this list of self-care activities that you can do from home. They'll help you feel a little better and give you a sense of control during a very uncertain time.

[Read more here.](#)



Current positions advertised on the [FinPro Website](#)

- **Contracts and Procurement Manager**
 - West Wimmera Shire
 - www.westwimmera.vic.gov.au/Council?Employment/Contracts-and-Procurement-Manager
 - Contact Janet Watt, Human Resource Manager on 0418 858 0413 for more information.
 - Applications close 3 September 2021 at 5.00pm

- **Rates & Valuations Coordinator**
 - Glen Eira City Council
 - www.gleneira.vic.gov.au/about-council/careers/explore-our-jobs/job/4782
 - Please contact John Vastianos (CFO) on 9524 3434 for further information
 - Applications close 16 September 2021 at 11.59pm

- **Director of Corporate and Community Services**
 - West Wimmera Shire Council
 - <https://www.westwimmera.vic.gov.au/Council/Employment/Director-of-Corporate-and-Community-Services>
 - For further details about the position and application process please contact Janet Watt, Human Resource Manager on 0418 858 043 or hr@westwimmera.vic.gov.au
 - Applications close 24 September 2021

- **Revenue and Valuations Coordinator**
 - Bayside City Council
 - https://hcm616.peoplestreme.net/baysidecitycouncil/erec_external.asp
 - For further information please contact Bill Shanahan, Manager Finance at bshanahan@bayside.vic.gov.au
 - Applications close 15 September 2021

- **Database Administrator – Full Time Position**
 - Mildura Rural City Council
 - <https://www.mildura.vic.gov.au/Jobs-Listing/Database-Administrator-Full-Time-Position>
 - For further enquiries please contact Human Resources at MRCC on 03 5018 8197 or humanresources@mildura.vic.gov.au
 - Applications close 16 September 2021 at 4.00pm

- **Coordinator Rates and Valuations**
 - Knox City Council
 - <https://careers.knox.vic.gov.au/en/job/493587/coordinator-rates-and-valuations>
 - For further information please contact Navec Lorkin on 9298 8206
 - Applications close on 9 September 2021 at 11.59pm

FinPro Executive Team 2021

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| President | Bradley Thomas (Hepburn SC) |
| Vice-President – Chair Professional Development | Binda Gokhale (Wyndham CC) |
| PD Committee Members | Alan Wilson (Melbourne CC) Belinda Johnson (Southern Grampians SC) Charles Nganga (Casey CC) Melissa Baker (South Gippsland SC) |
| Vice-President – Chair Technical | Tony Rocca (Maroondah CC) |
| Technical Committee Members | Danny Wain (Monash CC) Fiona Rae (Golden Plains SC) Mark Montague (Whittlesea CC) Nathan Morsillo (Greater Bendigo CC) Simone Wickes (Frankston CC) Wei Chen (Yarra CC) |
| Secretary / Treasurer | Gabrielle Gordon |

Thank-you to our 2021 Corporate Partners

- | | |
|------------------------------------|----------------------|
| * APV Valuers and Asset Management | * LG Solutions |
| * Commonwealth Bank | * Maia Financial |
| * CT Management | * New Era Management |
| * .id informed decisions | * VOTAR Partners |
| * Ibis Information Systems | * Vision Super |
| * MAGIQ Software | * Westpac |

FinPro Contact Details

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