

FinPro Member Update May 2020 (Edition 3)

Presidents Message

Isn't a week a long time....

We started the week with announcements from Premier Dan Andrews about our next stages, with eased restrictions, and today we are likely to hear new announcements from the AFL, and national cabinet. I know for one, I'm looking forward to being able to see my parents this weekend.

We have provided an update on implementation of the Local Government Act; this is the biggest change in the way LG operates in 30 years (well... actually, maybe COVID is) so please take the opportunity to familiarise yourself with the impending changes.

We would be really interested to include in our members updates some stories from you, our members. If you have a picture, or a quick story about how you and your teams have adjusted, been able to develop new processes, or respond over the last few months and would like to share this we would be very pleased to include – please email or chat to Gab.

Look after yourselves.

Cheers, Bradley



Bradley Thomas - FinPro President
Director Community and Corporate Services – Hepburn Shire

Upcoming FinPro Events - Dates for your diary

FinPro Seminar – An online update from LGV and VAGO will be provided online on Wednesday 27 May, with a follow up Q&A on Friday 29 May 2020 – further details in this issue.

FinPro Conference - Wednesday 21 – Friday 23 October 2020
RACV Cape Schanck

Membership News

We congratulate the following members on their new roles and welcome new members:

- **Angela Zivkovic** is the Coordinator of Funding and Advocacy at Maribyrnong City Council and has become a new member of FinPro.

If you have any news to share with the FinPro membership please forward this to [Gab](#).

FinPro Technical Committee News / Updates

General Information

The LGV website provides a host of information: [LGV - COVID19 Information](#)

Local Government Act 2020 – Update

The Local Government Act 2020 has now received Royal Assent and information is available at www.localgovernment.vic.gov.au. This website is the centralised point of information. The website will have links to:

- Important dates;
- Guidance material; and
- Engagement opportunities.

FinPro recently distributed an [Update of the Implementation of the Local Government Act 2020](#) – a copy is available on the FinPro Website.

LGV advised this week that they have created a 'pathway of documentation' which will be of great assistance to everyone.

Local Government Act 2020 implementation continues, and FinPro is working closely with LGV and other sector partners on the Project Control Board to assist in this transition phase. We understand that the implementation of virtual Council meetings would have taken a lot of the focus of Governance staff over the last couple of weeks.

Implementation Approach

In response to feedback received from the sector, including FinPro, LGV have adjusted their approach by adapting their implementation plans. The key objective of the implementation process is to support the sector with the opportunity to lead the implementation and determine (through co-design processes) the products and materials that best meet our needs. However, LGV needs to ensure that this support is provided to councils to achieve the requirements due for implementation by 1 September 2020. As such, in addition to the co-design work, LGV will be running a parallel process to support this.

LGV have created small, working groups (around 3, senior local government staff) to prepare materials that will assist councils find a pathway to achieve the requirements due for implementation by 1 September 2020 include:

- governance rules
- expense policy
- delegated committee and asset committees
- audit and risk committee and charter
- public transparency policy.

FinPro is getting the opportunity to feedback to the draft of the guidance materials, prior to final review by LGV before it is released to the sector. We can't give you exact timing but it would be expected that the assistance will start appearing in about a week or so, and each

part will be released as soon as it is available. On some of the topics we are also having direct input to the working group, with Tony Rocca (FinPro Vice President Technical) sitting on the Audit and Risk Committee/Charter development.

We will be seeking advice and feedback from our members on the various topics of the Act, so please watch out for this opportunity over the coming weeks. FinPro is thrilled with this change in implementation approach as it will ensure our members are getting information earlier, while still allow the benefits of co-design.

Consultation Timeframe

A timetable will shortly be made available from LGV on the key dates of the co-design process, and we will share this with you as soon as available. It is likely that the co-design process for Stage 3B, being the Integrated Planning, including Community Vision, Council Plan, Financial Plan, Revenue and Rating, Asset Planning would be expected in mid-June.

Access to information

It is important that members regularly review the two websites that are providing updates.

LGV - <https://www.localgovernment.vic.gov.au/our-programs/local-government-act-2020> - Provides the guidance materials when launched, and information on the review process.

EngageVictoria - <https://engage.vic.gov.au/local-government-act-2020> - website to collaborative, ask questions and provide feedback. This is the key website to provide input to the documents under development.

Update from VAGO

The following information was distributed to council yesterday (Thursday 14 May 2020) and is shared here too in case some members missed this important update.

VAGO audit arrangements in COVID 19 environment:

- We continue to work flexibly with councils to deliver 2019-20 audit program remotely. Interim testing phase is complete and we are gearing up for hard close and final audit visits. We are scheduling these final phases of 2019-20 audit process with the **assumption that substantial part of the remaining audit visit will be done remotely.**
- Our office remains closed to all visitors and staff. VAGO staff are not allowed to visit client sites and hold face to face meetings without prior approval the Auditor-General or Deputy Auditor-General.
- VAGO recently conducted a survey to understand impact of the extension provided by the State government on 2019-20 audit timelines. Results:
 - VAGO survey went out to CFOs of 106 LG entities and got 92 responses.
 - 9 (all ASP audited councils) advised that they expected changes on their previously expected timelines. No changes proposed by remaining 83 entities.

Details around the expected changes, detailed comments etc., received from each entity will be forwarded to the relevant ASPs separately. We will also be sharing the results with LGV and FinPro.

Resources to assess COVID-19 impact on financial reporting and audit process:

- Find attached 'COVID 19 impact assessment' document that provides guidance on financial report implications. *Examples provided in the document are not meant to be exhaustive.*
- The AUASB developed and released a publication with the AASB ([AASB-AUASB Joint FAQ](#)) which provides high level guidance for financial report preparers and auditors on the risks arising as a result of COVID-19. AUASB has also published a series of additional COVID-19 related Frequently Asked Questions (FAQs) on their website. [Link here](#). These FAQs are intended to provide more in-depth guidance on specific scenarios which auditors, boards, audit committee members, chief financial officers and other stakeholders may face when evaluating and responding to the audit implications arising as a result of the pandemic.

Shell accounts (financial report and performance statement):

- I encourage all councils and other entities to prepare shell accounts as it provides an early opportunity to review draft disclosures by senior management, audit committees and auditors. Given significant additional disclosures from adoption of new accounting standards are expected, it is important to have these completed and reviewed prior to 30 June 2020.
- The provision of COVID-19 disclosures in shell accounts will also assist auditors to work through any concerns early. These disclosures will need to be tailored to ensure that it is sufficiently specific to the entity circumstances. As COVID-19 matters continue to rapidly evolve, post balance date notes may also require updating if circumstances change between the initial drafting and the date of signing of the financial report.

VAGO performance audit and other integrity bodies update

- May 2020 audit update was attached to the original document.

Other matters

- Audit fee letters for 2019-20 audit cycle are now finalised. Pleased to announce that there are no fees increases for 2019-20 audits in response to COVID-19 crisis.
- Anh Ha was successful in securing a two-year secondment to the VAGO Finance team as CFO and moved across on 4 May 2020.
- Kevin Chan returned to Local Government team from secondment to our Data Analytics team on 4 May 2020 as an audit senior manager.
- VAGO is organising a "Live stream" event with our ASPs on 15 May 2020 to cover the COVID-19 impacts on audit delivery.

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

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

Rating and land tax assessments

The following information was distributed to councils a couple of weeks ago however we didn't include it in our member update – here it is in case you missed it!

Coronavirus (COVID-19) and valuations

Valuer-General Victoria confirms that no changes have been made to requirements under the Valuation Best Practice Specifications Guidelines as a result of the coronavirus (COVID-19).

The 2020 general valuation has a relevant date of 1 January 2020 and is therefore based on market conditions at, and immediately before, that date. There is no basis under the Valuation of Land Act 1960 (the Act) for valuers to consider coronavirus (COVID-19) impacts when assessing statutory values for the purposes of the 2020 general valuation.

Objections based on coronavirus (COVID-19) will not be considered for assessment notices with a valuation date of 1 January 2020 (or earlier).

Level of value in rates assessment notices

This means that rates assessment notices for 2020-21, to be issued from July to September 2020, will be based on

valuations prior to the pandemic. Any market changes occurring now, or in the future, due to coronavirus (COVID-19) will be applicable to future revaluation cycles and reflected in subsequent rates assessment notices.

Level of value in land tax assessment notices

Recently issued 2020 land tax assessments were based on a 1 January 2019 valuation date. The next round of land tax assessments, to be issued in February 2021, will be based on a 1 January 2020 valuation date. Both these valuation dates will not reflect any market changes that may occur due to coronavirus (COVID-19).

Future valuation cycles

Work begins on the next (2021) general valuation cycle in July 2020, covering market conditions that have occurred since the 1 January 2020 valuation date. Market changes that are observed during this period will be reflected in the return of that valuation cycle (representing a valuation date of 1 January 2021). These valuations will be used in rates assessments for the 2021-22 financial year, anticipated to be issued from July to September 2021, and in land tax assessment notices for 2022, anticipated to be issued from February 2022.

Update on the Local Government Rating System Review

The Review Panel submitted its report to the Minister by the due date of 31 March 2020. The report is now with the Minister for consideration of the government response, which will typically take up six months, and likely to be longer given COVID-19. The Government response and release of the report can be expected towards the end of this year.

FinPro Professional Development Committee Update

May Professional Development Day – (online)

In lieu of the one-day Professional Development Day we had planned for Friday 29 May (pre-COVID_19), we will now be running an on-line webinar, focusing on the following key issues:

- **General update from LGV** – provided by Hannah Duncan-Jones, Director Policy and Strategy – Director responsible for Local Government Act 2020 Implementation | Local Government Victoria
- **Update and Implementation of the Local Government Act 2020** – provided by Hannah Duncan-Jones (and to be followed up with a Q&A with Bradley Thomas (President FinPro) and Sharon Redmond (Project Manager, LGV)
- **Update and focus from VAGO for the year end audit process** – provided by Sanchu Chummar, Acting Sector Director, Local Government, VAGO.

Recordings of the above updates will be distributed to ALL FINPRO MEMBERS via email on **Wednesday 27 May 2020**. Members will have until **Friday morning, 29 May 2020** to watch these recordings.

A live Q&A will then be run at **10am, Friday 29 May 2020** via online means. All members can join in on this conversation and either submit questions in advance of the Q&A (which is preferred) or ask them online during the session. Registrations for the Q&A will be sent out next week. In the meantime we encourage all members to put this date in their diary.

Panelists for the Q&A will be:

- Bradley Thomas – President FinPro, Director Corporate & Community, Hepburn Shire and Panel member, Local Government Act Implementation Project Control Board
- Sharon Redmond – Project Manager, Legislation Implementation, LGV
- Sanchu Chummar – Acting Sector Director, Local Government, VAGO

If you have any thoughts on this please feed them through to either [Binda Gokhale](#), Chairperson of the FinPro PD Committee or [Gab](#).

Some free online PD sessions that might be of interest:

Creative Thinking and Brainstorming

- This is a 40-minute webinar presented by Yvonne Adele.

How to cope with Change

- This is a 45-minute webinar presented by Nick Bowditch.

A message from our sponsor, Imperium Markets

Imperium Markets: business continuity through COVID-19 and beyond

The on-going pandemic has presented an unprecedented challenge for Local Government in Victoria. Everyone's needed to adapt to a new normal and in particular, the challenge of working from home. This isn't easy, particularly if like me, you have school age children and need to juggle work and home-schooling responsibilities.

As most of you are aware, Imperium Markets operate a completely digital ASIC Licensed Market for Term Deposits and we provide an online platform for Investment Management and Reporting. For those Councils in Victoria already using Imperium Markets, the platform has underpinned business continuity and work-from-home arrangements. And when trying to juggle work and other responsibilities from home, it's saving them an awful lot of valuable time!

We've been completely overwhelmed by the support that Imperium Markets have received from Local Councils in Victoria through this pandemic. To make it easier for you to get an introduction to Imperium Markets, we've produced a short-video which can be found on our website <https://imperium.markets/>. But the real story comes from users themselves and we've been pleased to welcome Bendigo City Council and Latrobe City Council as new users just in the last few weeks since the pandemic began.

The words from Matthew Rogers, Finance Manager at Latrobe City Council say a lot:

"We had made a decision to proceed with Imperium Markets well before the recent tragic outbreak of the COVID-19 virus. But with a potentially prolonged period of work-from-home arrangements, the urgency to move to a fully online platform in my view has become even greater.

By using the platform and transacting via the electronic ASIC Licensed Market, all investment functions can continue uninterrupted. Reporting is automated, all transactions are time & date stamped and a full segregation of duties can be remotely enforced. I'm comfortable that with regard to these functions within our finance team, we are really well placed from a business continuity perspective."

I invite you to contact me by direct email glen.giffen@imperium.markets or feel free to give me a call on 0414 381-977.

Glen Giffen, Imperium Markets

FinPro Resource Library

FinPro would like to share information and resources that make life 'easier' for Finance Staff. As such, information such as the following is provided as a resource to FinPro members.

- [COVID-19 Financial Hardship Policy – Example from Moreland CC March 2020](#)
- [COVID 19 – Council Support Options \(Port Phillip City Council\) March 2020](#) and also [COVID 19 – Council Support Options \(attachment\) Port Phillip City Council\) March 2020](#)

Thank-you to all who have shared their documents. If you have any other documents to share please send them through to [Gab](#).

FinPro Yammer Forum

Never has it been more important than now to reach out to other FinPro Members and be a part of the FinPro Yammer Forum. This online discussion platform gives an opportunity for members to raise topics for discussion, ask questions, seek out policies and also find out what is going on in the sector.

Some of the conversations on our yammer forum this week have been around:

- Procurement
- Expenditure delegations
- Dashboard / Management Reports
- FBT Returns

If you are not already a member of the forum, please contact FinPro and we can join you up – email gab at gabrielle@finpro.org.au

If you are a member, we encourage you to get online and seek the assistance of your fellow LG Finance Peers.

Regional Finance Groups

Whilst FinPro offers training and networking opportunities for all finance professionals working in the Victorian Local Government sector, our regional groups also provide additional opportunities for training and networking. These are more informal sessions which really benefit from input and support from the Council's in each area. Please get in touch if you think there are issues or opportunities which can be brought up at these groups.

There are 6 regional groups in Victoria, which together, cover all of the state. They are:

- Central Victoria – Contact: [Nathan Morsillo](#), Greater Bendigo City Council
- South West Victoria – Contacts: [John Brockway](#) (Surf Coast Shire) and [Belinda Johnson](#) (Southern Grampians Shire)
- South East Victoria – Contact: [Kim Jaensch](#), Frankston City Council
- Metropolitan – Contact: [Tony Rocca](#), Maroondah City Council
- Western Metropolitan – Contact: [Wei Chen](#), Wyndham City Council
- Northern Metropolitan – Contact: [Tania O'Reilly](#), Banyule City Council

Job Vacancies

FinPro is happy to place advertisements on our website for any finance related positions our members councils are advertising. Please send the following details through to [Gab](#)

The following position is currently advertised on our website:

- Management Accountant – Permanent Full Time
- Wellington Shire Council
- <https://wellington.applynow.net.au/jobs/WSC2800-management-accountant>
- closes Midnight Sunday 31 May 2020
- For further information please contact Cheryl Hicks – Coordinator Accounting and Payroll – Cherylh@wellington.vic.gov.au

FinPro Executive Members

President – Bradley Thomas (Hepburn Shire Council)

Executive Officer – Gab Gordon

Vice-President: Chair Technical Committee – Tony Rocca (Maroondah City Council)

Technical Committee members:

- Danny Wain (Monash City Council)
- Kristy Stephens (Bass Coast Shire)
- Liz Rowland (Moreland City Council)
- Mark Montague (Yarra City Council)
- Nathan Morsillo (Greater Bendigo City Council)
- Vishantri Perera (Yarra Ranges Shire Council)

Vice-President: Chair Professional Development committee – Binda Gokhale (Wyndham CC)

Professional Development Committee members:

- Belinda Johnson (Southern Grampians Shire)
- Charles Nganga (Casey City Council)
- John Brockway (Surf Coast Shire) – also leads the FinPro Mentoring Program
- Kim Jaensch (Frankston City Council) – also leads the FinPro Leadership Program

Thank-you to our 2019 Conference sponsors:

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Conference App: [Imperium Markets](#)

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