



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.



## 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.

### What we must do

#### Australian and Queensland Government

##### Legislation

- Local Government Act 2009
- Local Government Regulation 2012
- Statutory Bodies Financial Arrangements Act 1982
- Statutory Bodies Financial Arrangements Regulation 2007
- Public Sector Ethics Act 1994

##### Australian Accounting Standards

##### Funding Guidelines

##### Asset Management Plans

##### Asset Management Policy.

### 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.

### Did you know

In 2019/20, our team members processed and reconciled:

Transaction type	Number	Value
Cash out	19,992	\$107,211,847
Cash in	48,336	\$153,405,818



## 2.3 ACCOUNTING

### Corporate Plan 2018-2023 and Operational Plan 2021/22

Corporate Plan (What we aim to do)	Operational Plan 2021/22
<p><b>2.3.1</b> Provide timely, accurate and complete financial information for:</p> <ul style="list-style-type: none"> <li>• Council to make decisions;</li> <li>• Our teams to manage maintenance, operational and project costs;</li> <li>• Reports to the community and other stakeholders;</li> <li>• Financial returns and claims to the Australian and Queensland governments;</li> <li>• Our employees' payroll records.</li> </ul>	<p>Annual service</p> <p>Queensland Local Government Grants Commission (QLGGC) Return.</p> <p>Desktop asset valuations for:</p> <ul style="list-style-type: none"> <li>- Roads, Drainage &amp; Bridge Network</li> <li>- Airports.</li> </ul> <p>Comprehensive asset valuations for:</p> <ul style="list-style-type: none"> <li>- Land, Buildings &amp; Other Structures</li> <li>- Water, Sewerage &amp; Gas.</li> </ul> <p>Development of new payroll processes and testing for online timesheets.</p>
<p><b>2.3.2</b> Manage and administer all investments and borrowings, consistent with Council policies.</p>	Annual service
<p><b>2.3.3</b> Manage Council's cash requirements for accounts and payroll processing.</p>	Annual service
<p><b>2.3.4</b> Prepare and review policies (minimum frequency - annually) that underpin the preparation of Council's accounts.</p>	Policy reviews applicable to accounting services.
<p><b>2.3.5</b> Implement effective internal controls.</p>	Annual service
<p><b>2.3.6</b> Rebuild our financial systems for the implementation of the new organisational structure including but not limited to:</p> <ul style="list-style-type: none"> <li>• Payroll (new departments).</li> <li>• General ledger / work order structure.</li> <li>• Responsible officers for work orders.</li> </ul>	New structure from 1 September 2021.
<p><b>2.3.7</b> Collate information prior to transition (pre and post amalgamation) and operating locally.</p>	Prepare, publish and monitor key metrics, indicators, baseline and comparative financial information for the region.
<p><b>2.3.8</b> Undertake benchmarking with other Councils.</p>	<p>Benchmarking of various indicators with other councils including but not limited to:</p> <ul style="list-style-type: none"> <li>• Category 2 councils and Category 3 councils with similar challenges</li> <li>• Councils with similar population</li> </ul>

## Annual services

What we do	Corporate plan reference	Target service levels
Taxation (Goods and Services Tax and Fringe Benefits Tax)	2.3.1	Monthly by statutory due date (21st of the following month).  Annually by the statutory due date (21 May each year).
Borrowings - Reconciliation to general ledger (repayments, interest and administration fees)  - New borrowings (policy, long-term forecast and applications)	2.3.2	Monthly  Policy and long-term forecast reviewed in conjunction with the annual budget.  Applications submitted to the Department of Local Government by the due date.
Investments	2.3.2	Active management daily. Reconciliation of investment register monthly.
Financial assets register - Maintenance of Financial Asset Register and processing of asset transactions  - Reconciliation to general ledger  - Revaluation of asset classes	2.3.1	Depreciation monthly, other transactions as required.  Monthly  Desktop valuation - Roads, Drainage and Bridge network, Airport, Land, Buildings, Water, Sewerage and Other Infrastructure 30 June 2020.
Payroll Tax - Office of State Revenue (OSR)	2.3.1	Monthly by statutory due date (7th day of the following month).
Bank reconciliation	2.3.3	Reconciled daily
Internal advice and support	2.3.1	As required
Trust register	2.3.1	Reconciled monthly
Payroll	2.3.1	Fortnightly
Accounts processing - creditors	2.3.1	Weekly payment runs (as standard).
Accounts processing - debtors	2.3.1	Daily as required Monthly (1st day)

## 2.3 ACCOUNTING

### Annual services

What we do	Corporate plan reference	Target service levels
General ledger reconciliations	2.3.1	Daily
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)	2.3.1	
Other reconciliations	2.3.1	Monthly
Queensland Local Government Grants Commission	2.3.1	Annual return completed by the due date.
Australian Bureau of Statistics (ABS) - statistics	2.3.1	Quarterly
Fuel rebate claims	2.3.1	Monthly
National competition policy business activity review	2.3.1	Report to Council each year.

## Our business partners, stakeholders and customers



Community  
Ratepayers  
External auditors  
Queensland Audit Office  
Queensland Treasury Corporation  
Queensland Government  
Australian Accounting Standards Board  
Internal Audit  
Audit Committee  
Australian Taxation Office  
Queensland Local Government Grants Commission  
Local Government Mutual Liability (LGM Queensland)  
Local Government Workcare

Local Government Association of Queensland  
LGIA Super  
External valuers  
Suppliers to Council  
Local Government Financial Professionals  
Australian Bureau of Statistics  
Banking institutions  
Civica Pty Ltd – Authority - Council's Business System  
Remserv – Remuneration Services (QLD) Pty Ltd  
Rural Fire Brigades (Amby, Mungallala, Yuleba and Orange Hill)  
Department of Resources  
Office of State Revenue

## How we are managing the key operational risks

Risk	Actions underway / planned
<ul style="list-style-type: none"> <li><b>Non-compliance with Accounting Standards and legislative changes</b></li> </ul> <p>There is continual improvement across the local government finance sector having regard to:</p> <ul style="list-style-type: none"> <li>Recommendations from the Auditor-General in his report to parliament following each year's audits of local governments;</li> <li>Recommendations from Council's auditors;</li> <li>Changes in accounting standards;</li> <li>Industry learnings;</li> <li>Changes in legislation and areas of focus for the State Government.</li> </ul> <p>All of these affect Council's accounting services, and what is currently considered industry best practice. Non-compliance also has the potential to materially mistate figures within Council's accounts and therefore impact indicators of financial sustainability.</p>	<ul style="list-style-type: none"> <li>Inclusion of accounting resources in the adopted Organisational Structure;</li> <li>Employment of qualified key personnel and engagement of accountants through Council's Accounting and Audit Services panel;</li> <li>Attendance of accountant at industry specific information sessions to ensure knowledge remains current, and experience is shared;</li> <li>Engagement of specialist valuers to undertake comprehensive valuations of Council's infrastructure assets;</li> <li>Expansion of the Internal Audit function which will provide additional oversight to ensure Council's systems are compliant with accounting standards and relevant legislation.</li> </ul>
<ul style="list-style-type: none"> <li><b>Issues with the performance of the financial software (failure, bug at this site or in the system)</b></li> </ul> <p>Local governments rely on software providers to ensure licensed software is able to achieve compliance with legislative requirements, and also able to process transactions in an efficient and accurate way. Council uses Civica's Authority software which incorporates (but is not limited to) key financial modules for:</p> <ul style="list-style-type: none"> <li>Accounts receivable</li> <li>Accounts payable</li> <li>Asset register</li> <li>Bank reconciliation</li> <li>Business information system (BIS)</li> <li>Capital value register</li> <li>Debt recovery</li> <li>General ledger</li> <li>Gas billing</li> <li>Inventory control</li> <li>Loans</li> <li>Payroll</li> <li>Purchasing</li> <li>Rates</li> <li>Trust register</li> <li>Water billing</li> <li>Work orders and project costing</li> </ul>	<p>Controls are implemented on a regular basis, including:</p> <ul style="list-style-type: none"> <li>Daily data integrity checks to ensure that the Trial Balance remains in balance, and postings of sub-systems/modules are working correctly;</li> <li>Monthly reconciliations of sub-systems to the general ledger on the first day following the end of month;</li> <li>Payroll reconciliations after the pay run and before the bank upload occurs.</li> </ul> <p>As the software is integral to many parts of Council's operations, one officer within the Information and Communications Technology (ICT) Solutions team focusses on Level 1 and Level 2 support for the software and manages the close out of escalated issues with the software provider.</p> <ul style="list-style-type: none"> <li>Third party review of the payroll system has been undertaken.</li> </ul>

## 2.3 ACCOUNTING

### Our finances - Accounting

Operations	2018/19 \$	2019/20 \$	2020/21 Quarter 4 review \$	2021/22 Cost and funding estimates \$	2021/22 Reduced budget \$
<b>Operating revenue</b>	-	<b>\$515,059</b>	<b>\$3,000</b>	<b>\$5,000</b>	<b>\$5,000</b>
Other revenue	-	515,059	3,000	5,000	5,000
<b>Operating expenses</b>	<b>\$1,458,834</b>	<b>\$1,032,333</b>	<b>\$1,097,960</b>	<b>\$1,144,325</b>	<b>\$1,138,909</b>
Employee costs	824,177	893,417	897,760	1,073,025	1,073,025
Materials and services	634,657	172,705	170,200	41,300	35,884
One-off initiatives (operating projects)	-	1,290	-	-	-
Finance costs	-	(35,079)	30,000	30,000	30,000
<b>Depreciation expense</b>	-	<b>\$236</b>	-	-	-
<b>Operating result / (deficit) - Contribution required from general revenue</b>	<b>(\$1,458,834)</b>	<b>(\$517,510)</b>	<b>(\$1,094,960)</b>	<b>(\$1,139,325)</b>	<b>(\$1,133,909)</b>

### Our finances - Corporate expenses

Operations	2018/19 \$	2019/20 \$	2020/21 Quarter 4 review \$	2021/22 Cost and funding estimates \$	2021/22 Reduced budget \$
<b>Operating expenses</b>	<b>\$1,418,915</b>	<b>\$1,942,584</b>	<b>\$107,000</b>	<b>\$105,000</b>	<b>\$105,000</b>
Payroll oncosts	8,626,798	9,227,550	9,129,790	8,050,000	8,050,000
Corporate expenses	6,007	106,565	107,000	105,000	105,000
Payroll and Accounts Payable oncosts recovery	(7,213,890)	(7,391,531)	(9,129,790)	(8,050,000)	(8,050,000)
<b>Operating result / (deficit) - Contribution required from general revenue</b>	<b>(\$1,418,915)</b>	<b>(\$1,942,584)</b>	<b>(\$107,000)</b>	<b>(\$105,000)</b>	<b>(\$105,000)</b>



