
4 ADOPTION OF THE 2022/23 FINANCIAL STATEMENTS

Report prepared by: Financial Controller

File No.: GRP/24/36 - BP24/139

REPORT SUMMARY

The purpose of this report is to present the audited FY22/23 Financial Statements, together with the Auditor's Reports in accordance with Section 419 (1) of the Local Government Act 1993.

Public notice was provided to the community that the FY22/23 Financial Statements will be presented to Council on 26th March 2024. At the time of writing this report, there have been no public submissions received by Council.

In accordance with Section 420 of the *Local Government Act 1993*, submissions relating to the Financial Statements will be received up to 2nd April 2024, being seven days after the 26th March 2024 Ordinary Council meeting. Any submissions received will be referred to the auditor in accordance with the Act.

RECOMMENDATION:

- (a) That in accordance with Section 419 (1) of the *Local Government Act 1993*, Council receive and note the Auditor's Reports on the 2022/23 Annual Financial Statements for the year ended 30 June 2023.
- (b) That any public submissions about the FY22/23 Financial Statements be referred to the Auditor in accordance with Section 420 of the *Local Government Act 1993*.

ATTACHMENTS

- 1 City of Ryde Annual Financial Statements 2022-23 – CIRCULATED UNDER SEPARATE COVER

Report Prepared By:

Sacha Thirimanne
Financial Controller

Report Approved By:

Aneesh Zahra
Chief Financial Officer

ITEM 4 (continued)

Discussion

Council's Financial Statements, which includes the Auditor's Reports for 2022/23 have been completed and is provided for in **ATTACHMENT 1 - CIRCULATED UNDER SEPARATE COVER**.

The FY22/23 Financial Statements are now formally presented as required by Section 419 of the *Local Government Act 1993*.

Council, at its meeting of 27 February 2024, resolved to endorse the Draft FY22/23 Financial Statements for the year ended 30 June 2023. The Audit Office of NSW have since provided Council with their Auditor's Reports which are now included in the FY22/23 Financial Statements. These were submitted to the Office of Local Government (OLG) on 28 February 2024, meeting the revised deadline granted by the OLG of 29 February 2024.

Whilst Council had provided all the information required by the auditors and completed the FY22/23 Financial Statements within normal deadlines, delays in this year's audit was a result of the NSW Audit Office requiring additional time to understand and seek their own advice from the Crown Solicitor regarding the improper movements of Council's Externally Restricted Reserves, particularly in relation to the Ryde Central Project that should have never occurred in the FY20/21 Financial Year.

In the Auditor's Reports issued to Council., the NSW Audit Office have stated "*In consideration of Council's most recent legal advice and the Crown Solicitor's advice, we support the transfers of the funds back to externally restricted reserves in 2022–23.*" In consideration of this, the NSW Audit Office have issued an '**unqualified audit opinion**' in the Audit Report.

At the completion of an audit, a *Management Letter* is often issued by the external auditors to highlight any material findings, concerns, or recommendations for improvements in financial controls that have arisen during the audit. It is important to note for the FY22/23 Financial Statements due to prudent financial management, **Council did not receive a Management Letter**. This is an outstanding achievement for Council considering that it is quite rare for any Council to not receive a management letter and despite the financial management practices in the past, Council's Executive Team have acted quickly and decisively to implement corrective measures to ensure that that these actions do not occur again. It is also important to note that we are not aware of any prior years' audits whereby City of Ryde Council were not issued a management letter.

The Financial Statements have been placed on public exhibition since 13th March 2024 and are currently open for public comment (submissions). In accordance with Section 420 of the *Local Government Act 1993*, submissions relating to the Financial Statements will be received up to 2nd April 2024, being seven days after the 26th March 2024 Ordinary Council meeting.

ITEM 4 (continued)

All submissions will be considered by Council and referred to its external auditors in accordance with the *Local Government Act 1993*. No public submissions had been received at the time of writing this report.

Financial Implications

Adoption of the recommendation will have no financial impact.