

## **6.2. MEETING WITH QUEENSLAND TREASURY CORPORATION AND QUEENSLAND AUDIT OFFICE**

**COUNCILLOR:** Cr Terry Melchert

### **NOTICE OF MOTION:**

I hereby give Notice of my intention to move the following Motion at the Council meeting scheduled for Tuesday 3 November 2015:-

**"that Council arrange, as soon as practicable, a meeting with officers of the Queensland Treasury Corporation and the Queensland Audit Office to allow all Councillors and relevant staff to receive advice from these organisations on their views on Council's financial position based on the first full year financial statements and the budget forward estimates."**

### **BACKGROUND:**

Given Council's Financial Statements for the first full year of its operations have now been completed it is timely Council receive information from the Government appointed reviewing agencies on Council's current financial position and future opportunities and challenges.

### **CHIEF EXECUTIVE OFFICER'S COMMENT:**

The Queensland Audit Office (QAO) will be reporting on the results of its 2014/15 local government audits to Parliament during the first half of 2016. The report will use a traffic light system to assess such factors as timeliness and quality of each council's financial statements and to assess the effectiveness of internal controls. It will also present comparative information on financial sustainability ratios and use the traffic light system to provide an assessment of each council's overall financial sustainability as at 30 June 2015.

The QAO provided a preliminary assessment of the above matters in their closing report to the Audit Committee on 23 September 2015 and also stated the following:

- *Our assessment of financial sustainability risk factors does not take into account council's long term forecasts or credit assessments undertaken by Queensland Treasury Corporation.*
- *QAO's responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's future sustainability.*

Clarification has been sought from the QAO regarding the above information and they have confirmed that they are not the appropriate government agency to provide the advice being requested in the notice of motion and that the Queensland Treasury Corporation (QTC) would be the appropriate agency for this purpose.

Staff are supportive of Councillors and relevant staff receiving the advice from the QTC and would recommend that this occur after the QAO has provided its report to Parliament on the results of the 2014/15 audit.