



Council Meeting 13 December 2023

Presentation of Queanbeyan-Palerang Regional Council's Financial Report 2023

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Annual Work Program 2023-26

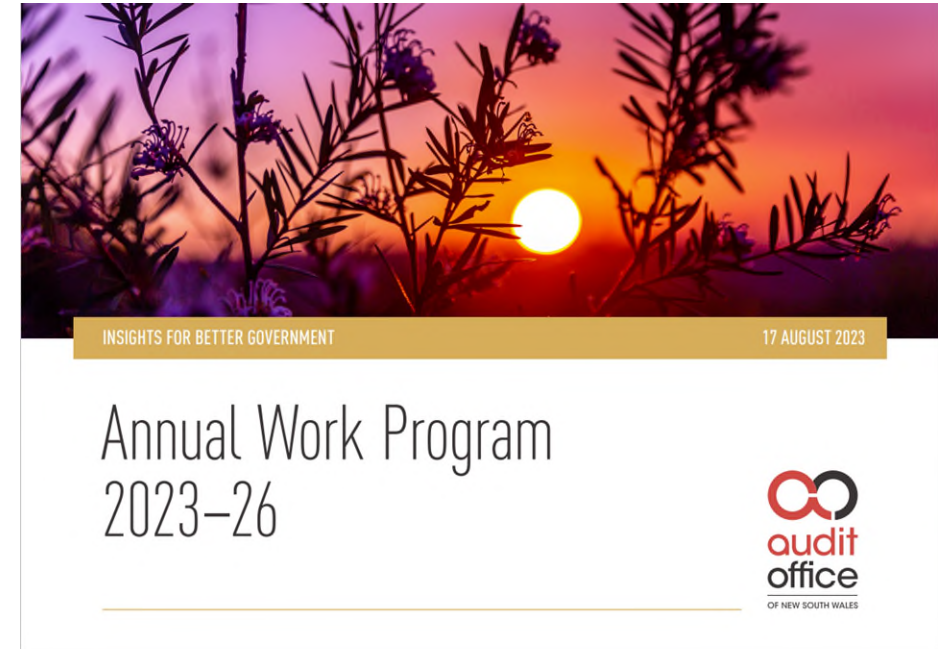
Planned audits and reports - Local Government

Performance audits 2023-24

- Cyber security in local government
- Road asset management
- Coastal management reforms
- ParknPay

Planned performance audits 2024 to 2026

- Managing climate risk to assets and services
- Western Sydney Aerotropolis
- Performance management and monitoring
- Audit of governance issues within a particular council
- Amalgamated councils



Areas of focus in 2022-23 for next year's Local Government Sector Report to Parliament

- Audit results
- Key audit findings
 - Management letter themes
 - Follow up on prior year recommendations
- In Focus
 - Cyber Security
 - IT General Controls
 - Asset management/valuations



Report on the Conduct of the Audit



Result of the audit of QPRC

Year ended 30 June 2023

Audit Results

The General Purpose Financial Statements	Qualified Audit Opinion due to the financial statements are misstated as rural fire-fighting equipment was not recorded.
The Special Purpose Financial Statements	Unmodified Audit Opinion
The Special Schedule – Permissible Income	Unmodified Audit Opinion



Significant matter

Title	Description
Rural fire-fighting equipment not recognised in the financial statements	<ul style="list-style-type: none">• Rural fire fighting equipment (equipment) is controlled by the Council• The financial statements are misstated as rural fire-fighting equipment is not recorded.• As the Council has not provided evidence to confirm the completeness, accuracy, existence or condition of these assets, there is a limitation on the scope of my audit and we issued a qualified audit opinion.

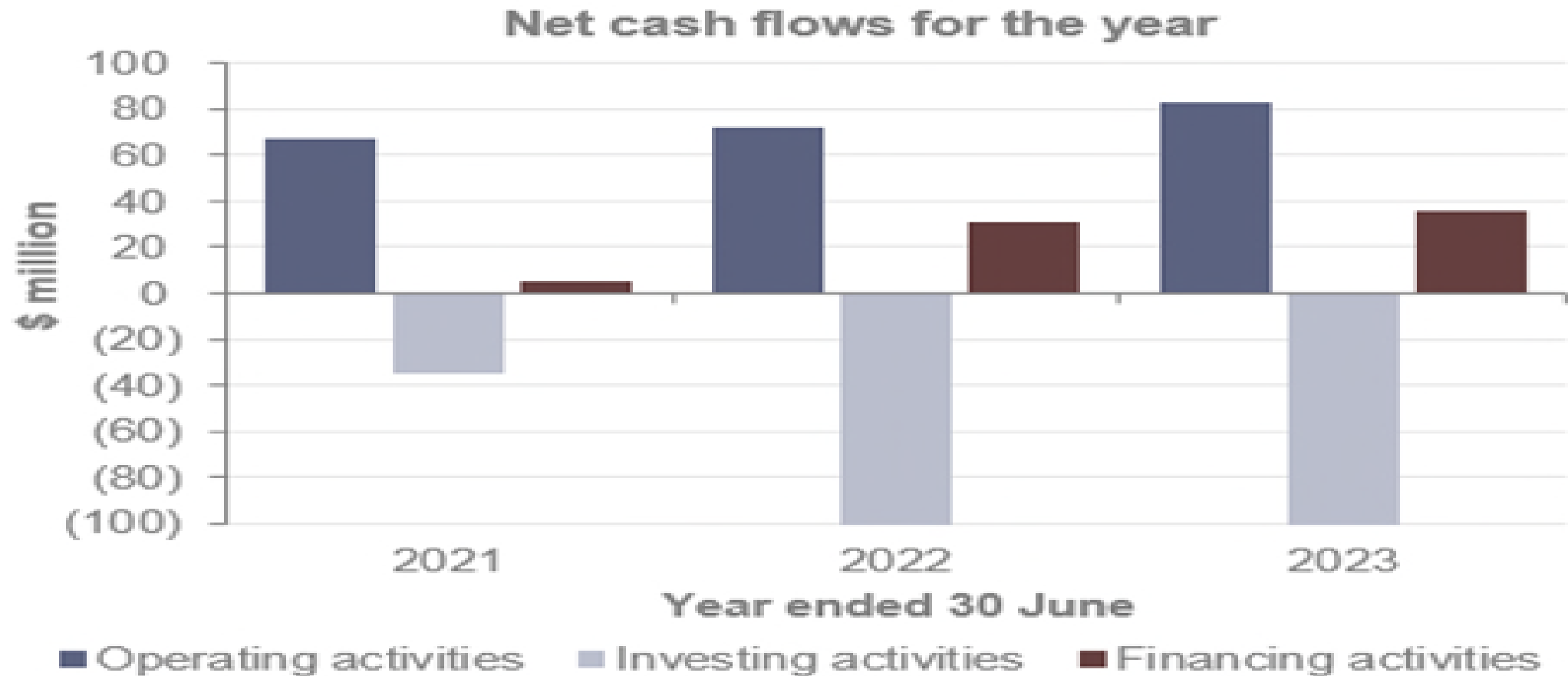
Income Statement

	2023	2022*	Variance
	\$m	\$m	%
Rates and annual charges revenue	84.4	78.1	↑ 8.1
Grants and contributions revenue	98.0	136.8	↓ 28.4
Operating result from continuing operations	79.4	103.1	↓ 23.0
Net operating result before capital grants and contributions	11.2	-0.0	↑ -

* The 2022 comparatives have been restated to correct a prior period error. Note G4-1 of the financial statements provides details of the prior period error.



Statement of cash flows



Cash and Investments

Cash and investments	2023	2022
	\$m	\$m
Total cash, cash equivalents and investments	233.3	213.2
Restricted and allocated cash, cash equivalents and investments:		
• External restrictions	203.7	200.2
• Internal allocations	29.3	12.8
• Unrestricted	0.2	0.2

Cash and Cash Equivalents

1. Externally restricted cash and cash equivalents have increased by \$3.5 million, primarily due to:

- Increase in water fund of \$4.0 million
- Increase in sewer fund of \$9.2 million
- Increase in developer contributions - water fund of \$2.3 million
- Increase in domestic waste and stormwater management of \$1.1 million
- Decrease in developer contributions - general fund of \$4.8 million
- Decrease in specific purpose unexpended loans - general fund of \$8.6 million.

2. Internally restricted cash and cash equivalents have increased by \$16.5 million, primarily due to an increase in:

- Finance assistance grant of \$6.1 million
- Department of Education compensation of \$7.7 million.

3. Unrestricted balances provide liquidity for day-to-day operations. The unrestricted balance has increased slightly by \$0.1 million.

Performance Measures Overview

Ratio	2023 (FY23)	2022 (FY22) Restated	Office of Local Government benchmark	Did Council meet or exceed OLG benchmark in FY 23?
Operating Performance	5.6%	-1.72%	> 0%	Yes
Own Source Operating Revenue	58.13%	46.97%	> 60%	No
Unrestricted Current	2.14 (times)	1.42 (times)	>1.5x	Yes
Debt Service Cover	3.87 (times)	3.78 (times)	> 2x	Yes
Rates and Annual Charges Outstanding	7.75%	8.02%	<10%	Yes
Cash Expense Cover	9.50 months	9.31 months	> 3 months	Yes



Questions?

