

Extraordinary Council Meeting

Business Paper

Maclean - 24 February 2023 - 9:00 AM



AGENDA

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01 OPENING OF EXTRAORDINARY MEETING

- Affirmation/Prayer
- Acknowledgement of Country
- Announcement – Recording of Meeting
- Statement of Ethical Obligations

02 APOLOGIES AND APPLICATIONS FOR LEAVE OF ABSENCE

03 DISCLOSURES AND DECLARATIONS OF INTEREST

05 MAYORAL MINUTES

Nil

07 REPORTS

OFFICE OF THE GENERAL MANAGER

Nil

ENVIRONMENT & PLANNING

Nil

CORPORATE & GOVERNANCE

07.23.001 Further Extension to Office of Local Government Financial Reporting Requirements Sought 3

WORKS & CIVIL

Nil

08 CONFIDENTIAL BUSINESS

08.23.001 Proposed Dwelling, 5 Carrington Street Palmers Island - Consideration of Revised Proposed Development - Land and Environment Court S34AA Conciliation Conference and Hearing (Class 1 Appeal of DA2021/0303, LEC Case No. 2022/00390330) 5

10 CLOSE OF EXTRAORDINARY MEETING

5. MAYORAL MINUTES

Nil

7. REPORTS

OFFICE OF THE GENERAL MANAGER

Nil

ENVIRONMENT & PLANNING

Nil

CORPORATE & GOVERNANCE**ITEM 07.23.001 FURTHER EXTENSION TO OFFICE OF LOCAL GOVERNMENT FINANCIAL REPORTING REQUIREMENTS SOUGHT**

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| Meeting | Extraordinary Council | 24 February 2023 |
| Directorate | Corporate & Community | |
| Prepared by | Manager Finance & Systems, Kate Maginnity | |
| Reviewed by | Director - Corporate & Community, Alex Moar | |
| Attachments | Nil | |

SUMMARY

This report requests Council to seek a further extension for lodgement of the 2021/2022 Annual Financial Statements to the Office of Local Government Financial Reporting Requirements following the floods and compounding resourcing challenges of 2022. An initial extension was successfully applied for, which extended the due date to 31 December 2022, and a second extension successfully applied for, which extended the due date to 28 February 2023. However, due to continuing extenuating circumstances, this deadline is unable to be achieved and as such a further extension is requested. The extension request has been sent to the Audit Risk Improvement Committee (ARIC) for endorsement and is supported by Council's Auditor, Thomas Noble Russell (TNR).

OFFICER RECOMMENDATION

That Council submit a request to the Office of Local Government seeking a further extension for lodgement of the 2021/2022 Annual Financial Statements to 31 March 2023.

LINKAGE TO OUR COMMUNITY PLAN

Theme Leadership

Objective We will have a strong, accountable and representative Government

KEY ISSUES

Council was granted an initial extension for the lodgement of Council's Annual Financial Statements 2021/2022 and was approved with an extended due date to 31 December 2022 and then to 28 February 2023.

Due to further extenuating circumstances in accounting for flood impaired assets, this deadline was unable to be achieved and as such it is recommended a further extension to 31 March 2023 be sought.

Asset Impairments - Due to the impact of not only the February Floods but also subsequent floods (May, July, Sept-Oct), Council staff have experienced further challenges with gaining access to assets to complete critical asset condition assessments to inform the required asset accounting for disclosure in our Annual Financial Statements.

Asset Revaluations – Gaining expert advice for the completion of the required asset revaluations for 2022/2023 continues to prove difficult. Our engaged Valuer (AssetVal) experienced resourcing challenges and all valuers that worked on our data effectively left the organization mid-way through completing our asset valuation processes. Ultimately this has continued to caused delays with sample data verification and provision of final re-valued asset data and final reports.

Resourcing – Due to a hard employment market made even more difficult by the February Floods and Covid restrictions, CVC has experienced challenges in resourcing numerous critical skills areas across Council including our works and finance teams. These vacancies have resulted in delays in sourcing critical data for end of financial year reconciliations, collection of asset inspection data to inform asset impairments & conditions, delays in completing financial analysis and ultimately processing end of year accounting entries and finally, difficulty in identifying work / asset/grant completion milestones due to loss of knowledge with long term critical staff terminating their employment with Council.

The extension is also supported by the ARIC as well as Council's Auditor TNR.

BACKGROUND

Under Section 417(5) of the Local Government Act 1993 (NSW) Council must send a copy of the audited financial statements and auditor's reports to the Chief Executive, OLG by 31 October. To achieve the 31 October 2022 timeframe a draft 2022 Client Service Plan (CSP) has been prepared between Council, Council's external auditors, and the NSW Audit Office.

Under Section 416(2) and Section 416(6) of the Local Government Act 1993 (NSW), Council may request an extension of time beyond 31 October for the lodgement of the Annual Financial Statements and Council must notify the auditor of any application for such an extension.

Clarence Valley Council has suffered two catastrophic flood events in a five week period during the current financial year, resulting in the declaration of a natural disaster. There is now a significant body of work required in relation to assessment of impaired assets due to the natural disaster. Completion of this work has not been finalised and will unlikely be completed prior to 30 June. This will cause delay to preparation of the Annual Financial Statements and impact Council's ability to meet the 31 October 2022 deadline for submission to the Chief Executive OLG.

In addition to this, comprehensive revaluations are being undertaken for buildings and structures, recreational assets and operational land and completion may also be delayed by the recent flooding inhibiting access.

As per item 07.22.095, Council sought and were successful in achieving an extension to the lodgement date of the Annual Financial Statements with the new approved lodgement date being 31 December 2022.

A subsequent extension as per item 07.23.001, Council sought and were successful in achieving an extension to the lodgement date of the Annual Financial Statements with the new approved lodgement date being 28 February 2023.

Over the past few months, Council has been working closely with Council's Auditor, Thomas Noble Russell (TNR) to complete as many elements of the Annual Financial Reporting Requirements for 2021/2022.

COUNCIL IMPLICATIONS

Budget/Financial

N/A

Asset Management

Impairment of assets due to natural disaster is the underlying concern for completion of Annual Financial Statements in a timely manner

Policy and Regulation

Section 417(5), 416(2) and 416(6) of the Local Government Act 1993.

Consultation

Consultation has been undertaken with ARIC, TNR as the external auditor and the Audit Office.

Legal and Risk Management

If a further extension is not granted by the OLG then there is a risk that Council will not be complying with the current approved 28 February 2023 deadline for the lodgement of the 2021/2022 Annual Financial Statements.

Climate Change

N/A

WORKS & CIVIL

Nil

8. CONFIDENTIAL BUSINESS**OFFICER RECOMMENDATION**

That Council move into closed session to consider the following items in accordance with the Local Government Act 1993:

1. 08.23.001 Proposed Dwelling, 5 Carrington Street Palmers Island - Consideration of Revised Proposed Development - Land and Environment Court S34AA Conciliation Conference and Hearing (Class 1 Appeal of DA2021/0303, LEC Case No. 2022/00390330) - 10A(2) (g) *The report contains advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege*

ITEM 08.23.001 PROPOSED DWELLING, 5 CARRINGTON STREET PALMERS ISLAND - CONSIDERATION OF REVISED PROPOSED DEVELOPMENT - LAND AND ENVIRONMENT COURT S34AA CONCILIATION CONFERENCE AND HEARING (CLASS 1 APPEAL OF DA2021/0303, LEC CASE NO. 2022/00390330)

Meeting Extraordinary Council 24 February 2023

Directorate Environment & Planning

Prepared by Manager Development & Land Use Planning, Murray Lane

Reviewed by Director Environment & Planning, Adam Cameron

Attachments

- A. Revision I Plans (Confidential)
- B. Statement of Facts and Contentions filed (Confidential)
- C. Revision K Plans (Confidential)
- D. Joint Expert Planning Report filed (Confidential)
- E. Joint Expert Coastal Engineering Report filed (Confidential)
- F. Submission (Separate Cover) (Confidential)
- G. Prospects Advice (Confidential)
- H. Draft Conditions of Consent (Revision K) (Confidential)

CONFIDENTIAL *The General Manager advises that the following matter be dealt with in Closed Session as the matter and information are confidential in accordance with the Local Government Act 1993 Section*

10A(2) (g) The report contains advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege

10. CLOSE OF EXTRAORDINARY MEETING