



New South Wales

Local Government (Financial Management) Amendment Regulation 1997

under the

Local Government Act 1993

His Excellency the Governor, with the advice of the Executive Council, has made the following Regulation under the *Local Government Act 1993*.

E.T. PAGE MP

Minister for Local Government

Explanatory note

The objects of this Regulation are as follows:

- (a) to omit the requirement that a council's authorisation for the expenditure of money is to lapse at the end of the council's term of office (lapsing of such authorisation at the end of the council's financial year is retained) (Schedule 1 [4] and [5]),
- (b) to make clear how often reports, required to be prepared as to details of money invested by a council, are to be presented to the council (Schedule 1 [7])
- (c) to prescribe an additional standard for the preparation of a council's financial reports (Schedule 1 [8]),
- (d) to make it clear that a council's financial statement on its annual financial reports must indicate whether or not those reports have been drawn up in accordance with the *Local Government Act 1993* and the regulations (Schedule 1 [9]),

1997 No 530

Local Government (Financial Management) Amendment Regulation 1997

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- (e) to omit the requirement that councils provide the Director-General of the Department of Local Government and the Australian Statistician with copies of their audited financial reports as section 417 (5) of the *Local Government Act 1993* contains a similar requirement (Schedule 1 [10]),
- (f) to provide that a council's auditor must review the council's operating revenue (rather than the council's income, which includes capital revenue) to specify the council's borrowing limit (Schedule 1 [11]),
- (g) to omit the provision that a council's property can be disposed of only by a resolution of the council as section 377 of the *Local Government Act 1993* has been amended to enable a council to delegate its power to sell items of plant or equipment (Schedule 1 [12]),
- (h) to omit other provisions of the *Local Government (Financial Management) Regulation 1993* that are no longer required (Schedule 1 [1]–[3] and [6]).

This Regulation is made under the *Local Government Act 1993*, including section 748 and Schedule 6 (the provisions containing the general regulation making power).

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1 Name of Regulation

This Regulation is the *Local Government (Financial Management) Amendment Regulation 1997*.

2 Amendment of Local Government (Financial Management) Regulation 1993

The *Local Government (Financial Management) Regulation 1993* is amended as set out in Schedule 1.

3 Notes

The explanatory note does not form part of this Regulation.

Schedule 1 Amendments

(Clause 2)

[1] Clause 6 Requirements as to estimates of income and expenditure

Omit “and by matching estimated income for the year to which the estimate relates with estimated expenditure for that year” from clause 6 (2).

[2] Clause 6 (2) (g)

Omit the paragraph.

[3] Clause 9 Budget review statements and revision of estimates

Omit clause 9 (4).

[4] Clause 17 Authorisation of expenditure

Omit “and whenever the council’s term of office ends” from clause 17 (3).

[5] Clause 17 (3)

Omit “or before the term of office of the council ended”.

[6] Clause 17 (4)

Omit the subclause.

[7] Clause 19 Council to maintain a record of its investments

Omit clause 19 (3) (a). Insert instead:

- (a) must provide the council with a written report (setting out details of all money that the council has invested under section 625 of the Act) to be presented:
 - (i) if only one ordinary meeting of the council is held in a month, at that meeting, or
 - (ii) if more than one such meeting is held in a month, at whichever of those meetings the council by resolution determines, and

[8] Clause 21

Omit the clause. Insert instead:

21 Additional standards for preparation of a council's financial reports

For the purpose of section 41 3 (3) (b) of the Act, the following (published by the Department) are prescribed standards:

- (a) the *Local Government Code of Accounting Practice and Financial Reporting*,
- (b) the *Local Government Asset Accounting Manual*.

[9] Clause 22 Financial statement by a council on its annual reports

Insert after “with:” in clause 22 (2) (a):

- the Act and the regulations, and

[10] Clause 24 Council to provide Director-General and Australian Statistician with audited financial reports

Omit the clause.

[11] Clause 28 Overdraft limits

Omit “income” wherever occurring in clause 28 (2).
Insert instead “operating revenue”.

[12] Clause 31 Disposal of council property

Omit the clause.