



Distribution:

☐	CEO
☐	Deputy CEO
☐	Manager, Corporate Services
☐	Manager, Finance
☐	Accountant

Service Delivery Division

12 June 2009

Ref:10/09

Local Government Bulletin

Financial Reports for Aboriginal Shire Councils 2008-09

Purpose

The purpose of this bulletin is to advise local governments:

- that the format of financial statements for Aboriginal Shire Councils for 2008-09 has been approved;
- that the final version of the Tropical Council Reference Manual for Aboriginal Shire Councils for the year ending 30 June 2009 has been issued; and
- about important disclosures in these 2008-09 Financial Statements.

Background

The Tropical Council Reference Manual for the preparation of annual financial statements (Tropical) is an illustrative set of local government financial statements. Tropical is prepared each year by the Department of Infrastructure and Planning to assist local governments based in Queensland to prepare annual financial statements that comply with statutory requirements.

This year the Department has prepared three sets of Tropical:

- one for Aboriginal Shire Councils governed by the *Local Government (Community Government Areas) Act 2004*;
- one for new councils arising from the local government reform process (covering the period 15 March 2008 to 30 June 2009); and

- another set for continuing councils, that were unaffected by the local government reform process and have a financial year ending 30 June 2009.

As a minimum, Aboriginal Shire Councils must prepare Statements in the form approved under *Section 37 of the Local Government (Community Government Areas) Act 2004* (the Act). The form of the Statements is available at <http://www.localgovernment.qld.gov.au/LocalGovernment/Indigenouscouncils/AnnualFinancialStatements.aspx> and will apply to the Aboriginal Shire Councils of Cherbourg, Doomadgee, Hope Vale, Kowanyama, Lockhart River, Mapoon, Napranum, Palm Island, Pormpuraaw, Woorabinda, Wajul Wajul and Yarrabah.

Tropical for Aboriginal Shire Councils is intended as a guide to complement the form of financial statements approved under the Act. Tropical is illustrative only and there is no obligation for Councils to fully comply with the Tropical format.

How to access Tropical

Tropical for Aboriginal Shire Councils is available on the Department's website at the following address:
<http://www.localgovernment.qld.gov.au/Resources/LocalGovernmentpublications.aspx>

Main issues

The attachment details the main issues in Tropical Council's Financial Report for Aboriginal Shire Councils 2008-09.

Further information

Bulletin 03/2009 also provides information to Indigenous Councils about the new financial reporting requirements for 2008/09.

Councils that employ professionally qualified accountants will have ready access to Australian Accounting Standards. Anyone may access the Australian Accounting Standards free of charge on the website of the Australian Accounting Standards Board at www.aasb.com.au.

The CPA Australia information on the AelFRS may be found on the CPA Australia website at www.cpaaustralia.com.au. The Queensland Audit Office's publications may be found on the QAO's website at www.qao.qld.gov.au. The Queensland Treasury website also contains useful information www.treasury.qld.gov.au

Any further enquiries on this matter should be addressed to Sue Phillips, Principal Project Officer, Service Delivery Division, Phone: 07 3225 8647, Fax:

07 3225 1350, sue.phillips@dip.qld.gov.au. The Department's postal address is PO Box 15031, City East, Queensland 4002.

All recent Local Government Bulletins issued by the Department are available on our website at www.lgp.qld.gov.au/lgbulletins. You can also subscribe free of charge on the Department's website to receive Bulletins by email.

Peta Jamieson
Executive Director
Service Delivery
Local Government and Service Delivery Group

Attachment to LG Bulletin

The following details the more important issues in the 2008-09 Financial Statements for Aboriginal Shire Councils.

1. AASB 1051 *Land Under Roads*

Guidance on accounting for land under roads has recently been provided in Bulletin 06/09. The disclosures in Tropical are consistent with this advice.

2. Comparative figures

Councils may choose not to restate or provide comparative figures, including compliance with the following paragraphs of the relevant Australian Accounting Standards:

- AASB 101 *Presentation of Financial Statements* (December 2007), paragraphs 36-41
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (April 2007), paragraphs 19(b),22-27,50-53

Councils that choose not to provide comparative figures must disclose non compliance with the relevant paragraphs of Australian Accounting Standards and must disclose where a copy of the prior year's financial statements can be obtained.

Where comparative figures are not provided councils do not need to comply with paragraphs 42(a) and 43-47 of *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* (April 2007).

3. Property, Plant and Equipment

Where Property, Plant and Equipment that has been controlled by an Aboriginal Shire Council since a date prior to 30 June 2008, is to be recognised by that Council for the first time in the 2008-2009 financial statements, that council must recognise the relevant Property, Plant and Equipment at fair value as at 30 June 2009 rather than complying with AASB116 *Property, Plant and Equipment* paragraphs 7-15. Non compliance with the relevant paragraphs of this standard in relation to recognising that Property, Plant and Equipment must be disclosed in the notes to the financial statements. The initial recognition of these assets is to be made against retained surplus.