

Circular to Councils

Circular Name	End of Year Reporting Requirements for 2023-24 and Additional Information for 2024-25
Circular Details	24-07 / 29 May 2024 / A895462
Previous Circular	23-10
Who should read this	General Managers / All council staff / Executive Officers / Councillors
Contact	Performance Team / 02 4428 4142 / olg@olg.nsw.gov.au
Action required	Councils & Joint Organisations to Implement / Information

What's new or changing?

- End of year reporting information for the 2023-24 financial year
- Updated Financial Data Return (FDR) 2023-24
- Updated Annual Report checklist for 2023-24
- Calendar of Compliance for 2024-25
- Local Government Grants Commission annual returns

What will this mean for council?

- Councils and Joint Organisations (JOs) need to review the attached end of year reporting information.
- Councils and JOs should familiarise themselves with the reporting timeframes when submitting their 2023-24 financial statements, FDR, and Financial Assistance Grant returns.
- Councils can access and download the FDR 2023-24, Financial Assistance Grant returns, the 2023-24 annual report checklist and the 2024-25 Calendar of Compliance from the Office of Local Government (OLG) website.

- Councils and JOs can use the respective annual report checklists to ensure that the information required under the *Local Government Act 1993* (Act), the Local Government (General) Regulation 2005 and other relevant legislation and guidelines, is included within their annual report and annual performance statement.
- Councils should use the Calendar of Compliance and Reporting Requirements 2024-25 to assist in planning strategic and operational tasks throughout the year.

Key points

- Annexure 1 provides information to assist councils in submitting their 2023-24 financial statements and FDR.
- Annexure 2 provides information to assist JOs in submitting their 2023-24 financial statements and FDR.
- The FDR is available on the OLG Council Portal [here](#) and this circular [here](#).
- The financial statements and FDR are to be sent electronically to OLG by 31 October 2024.
- Under the Act, councils must prepare an annual report and JOs an annual performance statement within 5 months after the end of the financial year. An annual report checklist is available [here](#).
- Councils and JOs must upload a copy of the annual report to their website and provide a copy to the Minister for Local Government and such other persons and bodies as regulations require. Councils and JOs should notify the Minister by providing a URL link to OLG (olg@olg.nsw.gov.au).
- Councils should ensure they report performance against targets, outcomes, efficiency and cost effectiveness over time.
- JOs should ensure they report as to their progress in implementing strategies and plans for delivering strategic regional priorities.
- The Financial Assistance Grants general return is to be submitted by 30 August 2024. The National Local Roads Return is due by 29 November 2024.
- The Calendar of Compliance and Reporting Requirements 2024-25 includes key statutory and other reporting deadlines for councils.
- Councils' statutory and other reporting deadlines are not limited to those included in the Calendar of Compliance and Reporting Requirements 2024-25.
- Councils are required to submit the permissible income working papers following the auditing process (issued 11 April 2024).

- Instructions on where to email the returns are included on the cover sheet of the respective returns.
- Councils are reminded that they must place their Operational Plan, Revenue Policy and Fees and Charges on council's website within 28 days of adoption, with the Community Strategic Plan, Resourcing Strategy and Delivery Program.

Where to go for further information

- The Local Government Code of Accounting Practice and Financial Reporting (the Code) for 2023-24 is available on OLG's website [here](#).
- The 2023-24 annual report checklist is available [here](#).
- The 2024-25 Calendar of Compliance can be accessed at [here](#).
- The FDR, Financial Assistance Grant returns and Permissible Income Workpapers can be sourced from the Council Portal [here](#)



Brett Whitworth
Deputy Secretary, Local Government

Annexure 1: Information to assist councils prepare 2023-24 Financial Statements

Submission of Financial Statements

- The general purpose financial reports, special purpose financial reports, special schedules and the Auditor's Reports are to be formatted into a single PDF document, titled using the format: "Council name – Financial Statements – 2023-24".
- All councils, county councils and joint organisations must lodge their financial statements by **31 October 2024**.
- The financial statements should be sent to finance@olg.nsw.gov.au.
- Statements received after this date will be considered as being submitted late and not in accordance with the *Local Government Act 1993* (the Act).
- Should council require an extension to lodge their financial statements, these should be requested by the general manager prior to 17 October 2024 and are to be forwarded to olg@olg.nsw.gov.au.

The Code – Update 2023-24

- The Code must be used to prepare the annual financial statements in accordance with the Act and the *Local Government (General) Regulation 2021* (Regulation).
- The Code and supporting materials are available on the OLG website [here](#).

Communications during the preparation of financial statements and audit process

- Finance professionals are encouraged to communicate with the Audit Service Providers/Audit Office representatives in relation to any matters that may arise.
- Audit, Risk and Improvement Committees may consider engaging committee members early to review the financial statements, key accounting estimates and accounting issues prior to audit.

FDR

- The 2023-24 FDR will be emailed under separate cover.
- This is to be submitted by **31 October 2024** to fdr@olg.nsw.gov.au in **Excel** format only.
- The FDR should be accurate and align with the audited financial statements. The FDR will be returned to council should there be any errors, discrepancies or worksheets not completed.
- The return can also be accessed via the Council Portal on the OLG website.
- Information/data from the FDR is published in the Time Series Data, Your Council website and for the monitoring of council's performance. Data is also used in the calculation of councils FA grants.

Asset valuations and fair value assessments

- Councils should ensure early commencement and completion of asset revaluations.
- Fair value assessments need to be conducted annually.
- Adequate documentation, including position papers need to be readily available for the auditors, if requested.
- The necessary documentation should be agreed with the auditor prior to year-end.
- Restrictions on asset use, especially for community land and land under roads, should be taken into account when assessing valuation.

- NSW Valuer General's valuations may be used to represent the fair value of community land.
- Councils will then need to separately consider any improvements made to community land in the overall fair value assessment.

Council Borrowings

- The Proposed Borrowing Return should be completed and forwarded to OLG (loans@olg.nsw.gov.au) by 5 July 2024 (to be issued shortly).
- The return can be accessed via the Council Portal/Council survey and data returns on the OLG website.
- Councils must advise the Deputy Secretary, Local Government of amounts borrowed within 7 days when loans are drawn in accordance with section 230 of the Regulation.
- Notification can be emailed to finance@olg.nsw.gov.au.
- Councils are also reminded of the need to complete the capital expenditure review requirements, as per OLG Circular 10/34, prior to the commencement of projects greater than \$1 million or 10% of council rating revenue. Please contact OLG's Performance Team if you have any questions in relation to this review on (02) 4428 4100.

Annexure 2: Information to assist JOs prepare 2023-24 Financial Statements

Submission of Financial Statements

- The general purpose financial reports and the Auditor's Reports are to be formatted into a single PDF document, titled using the format: "JO name – Financial Statements – 2023-24".
- All JOs must lodge their financial statements by **31 October 2024**.
- The financial statements are to be sent to finance@olg.nsw.gov.au.
- Statements received after this date will be considered to be submitted late and not in accordance with the Act.
- Should the JO require an extension to lodge their financial statements, these are to be requested by the Chief Executive Officer prior to 17 October and must be forwarded to olg@olg.nsw.gov.au.

JOs Supplement to Local Government Code of Accounting Practice and Financial Reporting (Supplement)

- The Supplement must be used to prepare the annual financial statements in accordance with the Act and the Regulation.
- The Supplement is available on the OLG's website at [here](#).

JO FDR

- The 2023-24 JO FDR will be emailed under separate cover
- This is to be submitted by **31 October 2024** to jofdr@olg.nsw.gov.au in **Excel** format only.
- The JO FDR should be accurate and align with the audited financial statements. The FDR will be returned to the JO should there be any errors, discrepancies or worksheets not completed.
- The return can also be accessed via the Council Portal on the OLG website.