

South Australia

# **Local Government (Financial Management) Variation Regulations 2013**

under the *Local Government Act 1999*

---

## **Contents**

### **Part 1—Preliminary**

- 1 Short title
- 2 Commencement
- 3 Variation provisions

### **Part 2—Variation of *Local Government (Financial Management) Regulations 2011***

- 4 Variation of regulation 3—Interpretation
  - 5 Variation of regulation 4—Adopted standards etc
  - 6 Variation of regulation 5—Long-term financial plans
  - 7 Variation of regulation 10—Report on financial results
  - 8 Variation of regulation 19—Audit standards
- 

## **Part 1—Preliminary**

### **1—Short title**

These regulations may be cited as the *Local Government (Financial Management) Variation Regulations 2013*.

### **2—Commencement**

These regulations will come into operation on 1 July 2013.

### **3—Variation provisions**

In these regulations, a provision under a heading referring to the variation of specified regulations varies the regulations so specified.

## **Part 2—Variation of *Local Government (Financial Management) Regulations 2011***

### **4—Variation of regulation 3—Interpretation**

- (1) Regulation 3—after the definition of *Australian Accounting Standard* insert:

*Better Practice Model—Internal Financial Controls* means the *Better Practice Model—Internal Financial Controls* referred to in regulation 4(2);

- (2) Regulation 3, definition of *Model Financial Statements*—delete "regulation 4(2)" and substitute:

regulation 4(3)

### **5—Variation of regulation 4—Adopted standards etc**

Regulation 4(2) and (3)—delete subregulations (2) and (3) and substitute:

- (2) For the purposes of the definition of *Better Practice Model—Internal Financial Controls*, the document entitled the *Better Practice Model—Internal Financial Controls* published by the LGA on 26 July 2012, as in force from time to time, is adopted by these regulations pursuant to section 303(4) of the Act.
- (3) For the purposes of the definition of *Model Financial Statements*, the document entitled the *Model Financial Statements* published by the LGA on 23 August 2006, as in force from time to time, is adopted by these regulations pursuant to section 303(4) of the Act.
- (4) An alteration to the *Better Practice Model—Internal Financial Controls* or the *Model Financial Statements* by the LGA has no force or effect for the purposes of subregulation (2) or (3) (as the case requires) unless or until the Minister has provided his or her written approval to the making of the alteration.
- (5) For the purposes of the definitions of *Better Practice Model—Internal Financial Controls* and *Model Financial Statements*—
- (a) the LGA is declared to be a prescribed body under section 303(4) of the Act; and
  - (b) the principal office of the LGA (at 148 Frome Street, Adelaide, 5000 or, if the LGA moves its principal office, at that new address) is specified for the purposes of section 303(7)(c) of the Act.

### **6—Variation of regulation 5—Long-term financial plans**

- (1) Regulation 5(a)—delete paragraph (a)
- (2) Regulation 5(c)—after "estimates" insert:
- and target ranges adopted by the council for each year of the long-term financial plan
- (3) Regulation 5—after its present contents as varied by this regulation (and now to be designated as subregulation (1)) insert:
- (2) A long-term financial plan must be accompanied by a statement which sets out—
- (a) the purpose of the long-term financial plan; and
  - (b) the basis on which it has been prepared; and
  - (c) the key conclusions which may be drawn from the estimates, proposals and other information in the plan.

- (3) A statement under subregulation (2) must be expressed in plain English and must avoid unnecessary technicality and excessive detail.

### **7—Variation of regulation 10—Report on financial results**

- (1) Regulation 10—after "results" first occurring insert:
- of each item shown in the statement of comprehensive income and balance sheet of the budgeted financial statements
- (2) Regulation 10—after its present contents as varied by this regulation (and now to be designated as subregulation (1)) insert:
- (2) A council must also include in a report under subregulation (1) audited financial results for the previous financial year of the council's operating surplus ratio, net financial liabilities ratio and asset sustainability ratio compared with estimates set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled *Financial Indicators*.

### **8—Variation of regulation 19—Audit standards**

- (1) Regulation 19(1)—delete subregulation (1) and substitute:
- (1) An audit of—
- (a) the financial statements of a council, council subsidiary or regional subsidiary must be carried out in accordance with the Auditing Standards and Auditing Guidance Statements published (and amended from time to time) by the Auditing and Assurance Standards Board established under the *Australian Securities and Investments Commission Act 2001* of the Commonwealth; and
- (b) the internal controls of a council referred to in section 129(1)(b) of the Act must be carried out in accordance with the Australian Standards on Assurance Engagements published (and amended from time to time) by the Auditing and Assurance Standards Board established under the *Australian Securities and Investments Commission Act 2001* of the Commonwealth.
- (2) Regulation 19—after subregulation (2) insert:
- (3) In forming an audit opinion for a council under section 129(3)(b) of the Act, the auditor must assess the internal controls of the council referred to in section 129(1)(b) of the Act based on the criteria in the *Better Practice Model—Internal Financial Controls*.

#### **Note—**

As required by section 10AA(2) of the *Subordinate Legislation Act 1978*, the Minister has certified that, in the Minister's opinion, it is necessary or appropriate that these regulations come into operation as set out in these regulations.

**Made by the Governor**

with the advice and consent of the Executive Council  
on 14 June 2013

No 160 of 2013

MSLGR12/013CS