

ANNUAL REPORT 2015/2016

Council **Solutions**[™]

improved outcomes

Council Solutions is a joint initiative of the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully that make up the Constituent Councils.

Established in 2012 as a Regional Authority in accordance with Section 43 of the *Local Government Act 1999*, Council Solutions provides a collaborative and strategic approach to the procurement of goods and services on behalf of its Constituent Councils, including negotiating and managing contracts, and investigating the provision of other shared functions.

This collaborative approach to procurement not only provides significant purchasing power to attain the best value for the community, but it also optimises the financial sustainability of each of the Constituent Councils by reducing administrative costs, the number of tender processes and replicated contract management activities.

The goal of Council Solutions is to improve community prosperity and wellbeing by undertaking local government procurement and collaborative services that:

- ☞ Deliver best value for money
- ☞ Explore innovative ways of delivering infrastructure and services
- ☞ Value partnership between councils and suppliers

Background

Council Solutions provides the legal structure to the G6 Procurement Group formed in 1994 by the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully to address the combined \$415 million annual spend on infrastructure and services by these Constituent Councils.

Ministerial approval was given for Council Solutions Regional Authority to be established by notice in the SA Government Gazette on 20 December 2012. The Gazette states the purpose of the Authority as “*promoting procurement and service delivery amongst the constituent councils.*”

As a South Australian local government body, it is governed by the:

- ☞ *Local Government Act 1999*
- ☞ *Local Government (Financial Management) Regulations 2011*
- ☞ Council Solutions Regional Authority Charter 2012

Council Solutions Regional Authority

25 Pirie St, Adelaide SA 5000
councilsolutions.sa.gov.au

ABN 92 168 067 160

Date prepared 30 September 2016



Foreword from the Chair

Council Solutions, now in its fourth year of operation since being established as a Regional Authority in 2012, has implemented a strong platform to optimise the financial sustainability of Constituent Councils through the benefits of collaborative strategic procurement and contract management, and the provision of other shared functions.

In the past financial year in excess of \$51 million of Council expenditure has been managed under collaborative procurement arrangements. Procurement spend diagnostics software has been utilised across the Constituent Councils to target and schedule further strategic procurement opportunities and support the development of a Regional Forward Procurement Plan.

I would like to acknowledge the efforts of the Board and thank them for their cooperation and support in leveraging the economies of scale across Constituent Councils to maximise the value each Council is able to provide to the community.

I thank our Audit Committee who supports us in achieving the highest standards of accountability, transparency and governance.

I would also like to acknowledge Maggie Dowling for her significant contribution as Chief Executive Officer from December 2013 to January 2016. I also thank Ian Thompson, Acting Chief Executive Officer from February to May 2016 and the Council Solutions team for their commitment, dedication and support.

Finally, I welcome Oliver Barry, who commenced as Chief Executive Officer in May 2016.

A handwritten signature in dark ink, appearing to read 'Catherine Cooper'.

Catherine Cooper
Chair of the Board, Council Solutions Regional Authority



Report from the Chief Executive Officer

Since my commencement on 16 May 2016 it is clear to me that Council Solutions is in a unique position to work in partnership with our Constituent Councils to deliver outstanding outcomes for Councils and ratepayers.

A number of key enabling systems and frameworks have been established such as the Procurement Dashboard software supporting expenditure analysis and the Regional Forward Procurement Plan process. There is a fantastic opportunity to further build upon the achievements of recent years in order to support Constituent Councils in providing improved services to the community.

Over the past 12 months our two highest value contracts comprising a combined annual expenditure in excess of \$34 million have been successfully re-tendered with excellent outcomes achieved.

In addition, Councils Solutions has facilitated the exercise of extension options for 12 existing contract arrangements across 33 suppliers with a combined total value in excess of \$13 million per annum.

I thank the Board for their support and the Council Solutions team: Taryn Alderdice, Clare Couper, Audrey Rangel and Ian Thompson and previous team members Maggie Dowling and Rachel Bell.

I look forward to continuing to work with our key stakeholders across Constituent Councils including the Procurement Leaders Group, Directorate and Chief Executive Officers to achieve optimum collaborative procurement outcomes and explore additional service opportunities that may be delivered jointly to maximise efficiency and effectiveness.

A handwritten signature in black ink, appearing to read 'O. Barry', written in a cursive style.

Oliver Barry
Chief Executive Officer, Council Solutions Regional Authority

Board of Management 2016



Independent Chairperson
Ms Catherine Cooper



Adelaide City Council
Mr Mark Goldstone



City of Charles Sturt
Mr Paul Sutton



City of Marion
Mr Adrian Skull



City of Onkaparinga
Mr Mark Dowd



City of Salisbury
Mr John Harry



City of Tea Tree Gully
Mr John Moyle

Board of Management 2016

Council Solutions is a body corporate, governed by a Board of Management, comprising seven members being the Chief Executive Officer from each Constituent Council: Adelaide City Council and the Cities of Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully, and one person who is not a member or officer of a Constituent Council who holds the position of Chair.

The Board held five formal meetings during the year to consider the strategic direction and financial integrity of the organisation. Attendance at meetings was as follows:

Board Position	Board Member	Meetings Attended
Independent Chairperson	Ms Catherine Cooper	5
Adelaide City Council	Mr Stephen Hains, Acting CEO ¹	1
	Mr Mark Goldstone, CEO ²	3
City of Charles Sturt	Mr Paul Sutton, CEO	5
City of Marion	Mr Geoff Whitbread, Acting CEO ³	1
	Mr Adrian Skull, CEO ⁴	4
City of Onkaparinga	Mr Mark Dowd, CEO	4
City of Salisbury	Mr John Harry, CEO	5
City of Tea Tree Gully	Mr John Moyle, CEO	4

¹ Mr Stephen Hains completed his Acting CEO assignment with Adelaide City Council in August 2015

² Mr Mark Goldstone was appointed CEO of Adelaide City Council in October 2015

³ Mr Geoff Whitbread completed his Acting CEO assignment with the City of Marion in August 2015

⁴ Mr Adrian Skull was appointed CEO of the City of Marion in August 2015

Audit Committee

The Council Solutions Board is supported by one designated committee being the Audit Committee which is formally appointed pursuant to the requirements under the Local Government Act 1999 (the Act) and the Local Government (Financial Management) Regulations 2013.

The function of the Audit Committee includes reviewing annual financial statements to ensure that they present fairly the state of affairs of the Authority and reviewing the adequacy of financial management systems and practices. The Audit Committee is governed by a terms of reference with the work flow controlled by an Audit Committee Work Program. The Audit Committee Work program is updated after each meeting to reflect Committee achievements as well as to include actions arising from the meeting as well as from Board meetings.

Committee Membership and Meetings Attended

The Audit Committee met on 4 occasions during the financial year.

Member	Meetings Attended
Ms Tanya Johnston (Chair) Independent Member	4
Mr David Papa Independent Member	4
Mr Mark Dowd Board Member (Resigned 1 May 2016)	1
Mr John Moyle Board Member (Appointed 2 May 2016)	2
Mr Thornton Harfield (Nominated Proxy)	1

As illustrated in the table above there was a change in membership during the year with Mark Dowd (CEO Onkaparinga) resigning with John Moyle (CEO Tea Tree Gully) replacing him from 2 May 2016.

The Committee thanks Mark for his services and the dedication shown to this Committee since its inception on 14 February 2014.

Governance and Operating Framework

Led by the Chief Executive Officer, Council Solutions works in partnership with its Constituent Councils to deliver value outcomes.

This is supported by the expertise of staff at Constituent Councils, applied through a structured operating management framework providing the oversight, advisory and/or operational input to the Council Solutions administrative team.

The operating framework comprises the following groups:

- ☞ Council Solutions Directorate
- ☞ Procurement Leaders Group
- ☞ Contract Development (and management) Teams
- ☞ Shared Functions Working Groups

This framework enables Council Solutions to:

- ☞ Develop and maintain a strong collaborative culture that is the key to its ongoing success
- ☞ Solicit strategic input, influence and hands-on involvement from its Constituent Councils
- ☞ Provide a service that delivers value to its Constituent Councils

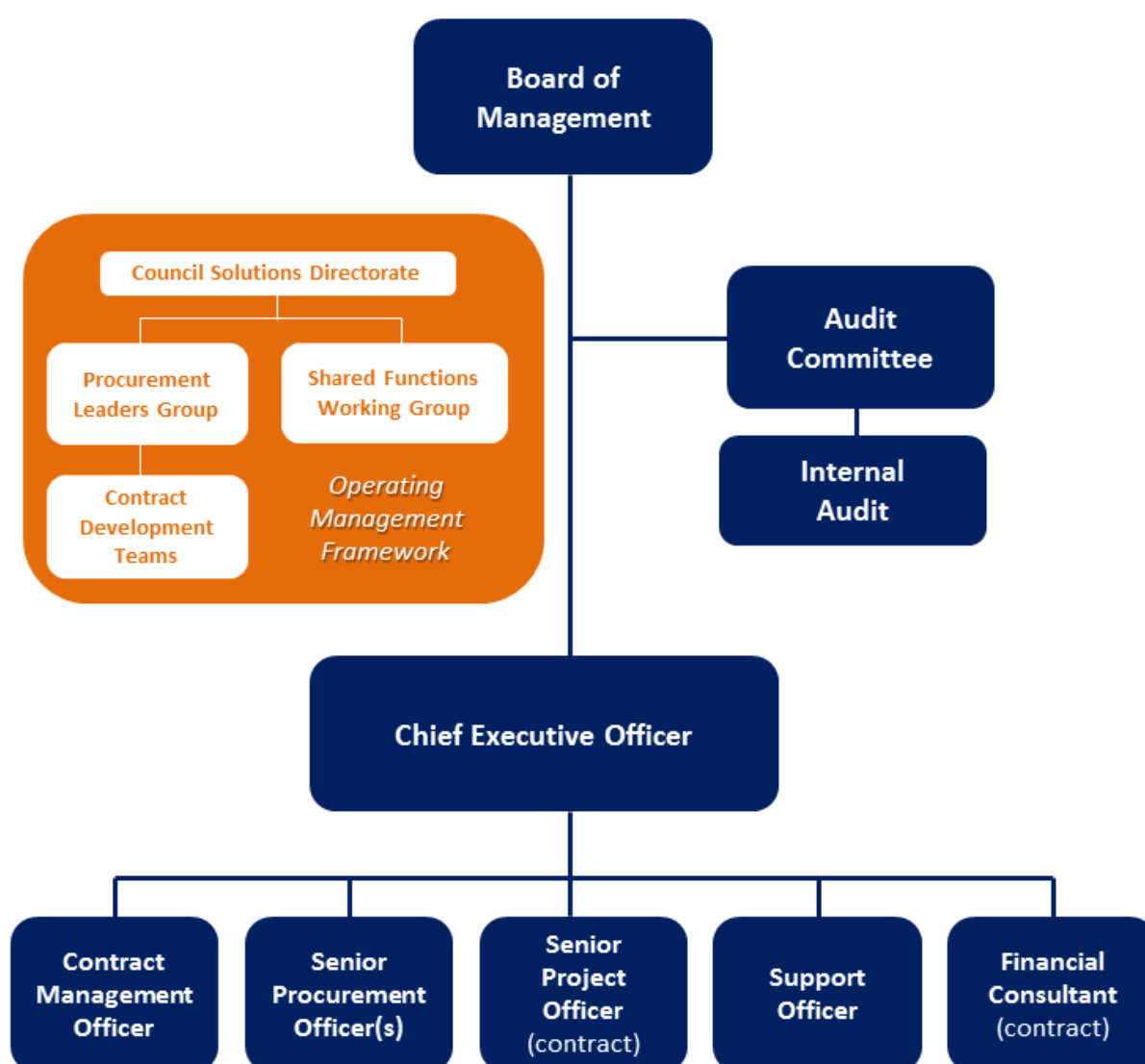
Structure and Staffing

As at 30 June 2016, Council Solutions comprised five staff (4.2 FTE) delivering expertise in management, procurement, contract management, governance and policy and administration. In addition, support has also been provided to the team by two contractors, Tammy Whitehouse, Senior Project Officer and Rex Mooney, Financial Consultant.

The Council Solutions team comprises:

- Chief Executive Officer – Oliver Barry
- Contract Management Officer – Taryn Alderdice
- Senior Procurement Officers – Clare Coupar and Ian Thompson
- Support Officer– Audrey Rangel

Governance and Organisation Structure



Achievements 2015-2016

In 2015/16 the Regional Forward Procurement Plan project commenced. Utilising the spend diagnostics information available via the implementation of the Procurement Dashboard software across Constituent Councils, this project supports targeted opportunity identification and scheduling so as to maximise the combined leverage of procurement expenditure.

Council Solutions also successfully undertook procurement processes to renew the Bituminous Roadworks and Temporary Labour Hire contracts. The annual expenditure by Councils under these two contracts is the highest in the Council Solutions suite.

Bituminous Roadworks

Council Solutions undertook a tender process for Bituminous Works on behalf of the Cities of Charles Sturt, Marion, Onkaparinga, Salisbury and a non-Constituent Council, Mount Barker District Council (Participating Councils). The resulting outcome is a robust four year contract (extendable by another two x two year extension options) that captures the best value outcome for the Participating Councils from a competitive market.

Significant savings have been achieved which will allow the Participating Councils to deliver best value to residents, organisations and businesses in managing the annual programme of works that will be delivered across the road network, comprising approximately 4,085km of local, collector and distributor roads.

Continuous improvement is a strong focus for the Participating Councils and accordingly the contract established will deliver:

- ☞ environmental improvements by further reducing the carbon footprint;
- ☞ improved asset management and asset life;
- ☞ innovation in products and methods of work to enhance the sustainability, serviceability and safety across the road network;
- ☞ opportunities to participate in research and development; and
- ☞ benefit to the South Australian economy through local employment.

Temporary Labour Hire

Council Solutions undertook a tender process on behalf of the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully for Temporary Labour Hire. The resulting outcome is an initial three year term contract (with the option of a further three year extension).

In establishing this contract, the following benefits have been achieved:

- ☞ A convenient 'one stop' sourcing framework for both office and field staff.
- ☞ Online Timesheets for all temporary staff, streamlining approval processes with the ability to utilise a onestep approval for single or multiple timesheets.
- ☞ Real time online reporting providing full transparency of temporary staff usage and costs.
- ☞ The provision of temporary staff calculators to assist in budgeting temporary staff costs.
- ☞ Improved governance through the alignment of rates to appropriate Awards and Enterprise Agreements.
- ☞ Reduced costs to Councils via the provision of job role specific Personal Protective Equipment (PPE) for temporary staff.

Contract Extensions

In addition, over the past 12 months Councils Solutions has facilitated the extension of 12 existing collaborative contract arrangements across 33 suppliers with a combined total value in excess of \$13 million per annum.

Governance

During 2015/16, achievements include:

- ☞ The continued prudent review and assessment undertaken by the Audit Committee.
- ☞ Review and endorsement by the Audit Committee of new policies including Whistleblower Protection and Fraud & Corruption Policies, to be provided to the Board of Management for adoption.
- ☞ Continued assessment of efficient and effective execution of all decisions made by the Board, and management of Council Solutions.

People

Council Solutions is a small and dedicated team comprising expertise in strategic procurement, contract management, legal and data analysis skills.

To address capacity following the departure of a team member and to assist in supporting the Regional Forward Procurement Plan project and other procurement initiatives Ms Tammy Whitehouse, Senior Project Officer was engaged in March 2016 on a temporary contract basis.

Finance

Council Solutions has reported a break even operating result for the financial year ending 30 June 2016. This means in simple terms that the Authority has covered its operating expenses from its available operating revenue.

Whilst management fee revenue has remained consistent with the amount received in the 2014/15 financial year, savings have been generated due to reduced salary costs resulting from unfilled positions at different times throughout the year. Non salary expenditure has also been closely monitored with savings generated in this area as well. Accordingly the Authority has maintained a strong level of cash reserves.

Communications

Effective and efficient stakeholder communication is essential to the effective operation of Council Solutions. In 2015/16 the Council Solutions Members Website was launched to support this.

This portal is a central hub providing supporting information such as meeting dates, agendas and papers to key groups comprising the Council Solutions operating framework including the Board of Management, Council Solutions Directorate and Procurement Leaders Group. The Members Website is also used as a central information and documentation hub to support the management of existing contracts and to assist the project teams delivering new collaborative procurement initiatives.

Procurement and Contract Management

The total combined procurement expenditure by Constituent Councils is approximately \$415 million per annum. This provides a compelling opportunity for collaboration to gain the best value and drive efficiencies for the Constituent Councils.

During the 2015/16 year a total of \$51.2 million of Council expenditure was undertaken utilising collaborative procurement contracts established by Council Solutions. Our existing contracts cover 41 suppliers, across five procurement categories: Finance & Professional Services, Human Resources, Roads Infrastructure, Facilities Management and Parks. Our strong focus on contract management is key to extracting value from the contracts for both Councils and suppliers.

The Regional Forward Procurement Plan initiative that is currently underway will provide the roadmap to further expand the portfolio of collaborative procurement contracts utilised by Constituent Councils.

In 2015/16 Council Solutions undertook procurement processes in the market to renew the two largest contracts; Bituminous Roadworks and Temporary Labour Hire.

Council Solutions has also lodged an application for authorisation from the Australian Competition and Consumer Commission to undertake the Waste Management Services Project, with an expected Determination in November 2016.

In addition, Council Solutions has commenced a review and refresh of tender documentation and contractual documents to ensure that they reflect any legislative changes and contemporary practices.

Council Solutions Contract Management List: as at 30 June 2016

Contract	Contract Value \$ (2015/16 expenditure)
Bituminous Treatments For Various Roadworks	23,070,000
Temporary Labour Hire	11,490,000
Legal Services	3,420,000
Cleaning Services	2,980,000
Supply Or Supply & Install Of Segmental Pavers	2,600,000
Tree Removal, Pruning & Ancillary Services	2,340,000
Leasing Finance of IT Equipment	1,620,000
Supply, Supply & Delivery Of Quarry Materials	1,150,000
Manufacture, Supply & Delivery Of Concrete	1,080,000
Supply & Installation of Irrigation Systems	570,000
Supply, Installation And Repair Of Fencing	430,000
Roadworks – Crack Sealing	378,000
Provision of a Printing and Mailing Service for Rate & Dog Notices	230,000
Arboricultural Consultancy Advice Services	140,000
Design Consultancy of Irrigation Systems	120,000
Maintenance & Repair of Irrigation Systems	24,000
Provision Of Pest Control Services - European Wasps	21,000
Transactional Banking Services	Not Applicable

Financial Summary Report: as at 30 June 2016

Statement of Comprehensive Income	2016 \$'000	2015 \$'000
Income	1053	977
Less: Operating expenses	1059	1097
Operating Surplus (Deficit) for the year	(6)	(120)
Total other comprehensive income	-	-
Comprehensive result for the year	(6)	(120)

Balance Sheet		
Current assets	657	650
Non-current assets	-	-
Total assets	657	650
Current liabilities	55	42
Non-current liabilities	-	-
Total liabilities	55	42
Net assets	602	608
Accumulated surplus	459	465
Share Capital	143	143
Total Equity	602	608

Audited Financial Statements

**General Purpose Financial Reports
for the year ending 30 June 2016**

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Council Solutions Regional Authority
Certification Of Financial Statements
for the year ending 30 June 2016

I have been authorised by the Council Solutions Regional Authority Board to certify the financial statements of the Council Solutions Regional Authority in their final form. In my opinion:

- The accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- The financial statements present a true and fair view of the Council Solutions Regional Authority's financial position at 30 June 2016 and the results of its operations and cash flows for the financial year.
- Internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- The financial statements accurately reflect the Council Solutions Regional Authority's accounting and other records.



.....
Catherine Cooper
Chair Of The Board

Date: 26/8/16

Council Solutions Regional Authority
Statement Of Comprehensive Income
for the year ending 30 June 2016

	Notes	2016 \$'000	2015 \$'000
Income			
Investment Income	2	10	20
Management Fee	2	933	926
Other Income	2	110	31
Total Income	2	1,053	977
Expenses			
Materials, contracts & other expenses	3	1,059	1,097
Total Expenses	3	1,059	1,097
Operating Surplus		(6)	(120)
Net Surplus		(6)	(120)
Total Other Comprehensive Income	2	-	-
Total Comprehensive Income		(6)	(120)

This Statement is to be read in conjunction with the attached Notes.

Council Solutions Regional Authority
Balance Sheet
as at 30 June 2016

	Notes	2016 \$'000	2015 \$'000
Assets			
Current Assets			
Cash and cash equivalents	4	267	446
Receivables	4	390	203
Total Current Assets	4	657	650
Total Assets	4	657	650
Liabilities			
Current Liabilities			
Trade & Other Payables	5	28	21
Other Current Liabilities	5	27	21
Total Current Liabilities	5	55	42
Total Liabilities	5	55	42
Net Assets		602	608
Equity			
Accumulated Surplus		459	465
Share Capital		143	143
Total Equity		602	608

This Statement is to be read in conjunction with the attached Notes.

Council Solutions Regional Authority
Statement of Changes in Equity
as at 30 June 2016

	Initial Contribution by Owners	Accumulated Surplus	Total
	\$'000	\$'000	\$'000
2016			
Opening Balance	143	465	608
Net Surplus for Year	-	(6)	(6)
Balance at end of period	143	459	602

	Initial Contribution by Owners	Accumulated Surplus	Total
	\$'000	\$'000	\$'000
2015			
Opening Balance	143	585	728
Net Surplus for Year	-	(120)	(120)
Balance at end of period	143	465	608

Council Solutions Regional Authority
Cash Flow Statement
for the year ending 30 June 2016

		2016	2015
	Note s	\$'000	\$'000
Cash Flows From Operating Activities			
Receipts			
Operating receipts		856	1,162
Investment Receipts		10	20
Payments			
Operating payments to suppliers & employees		(1,047)	(1,350)
Net Cash provided by (or used in) Operating Activities	6	(179)	(169)
Net Increase (Decrease) in cash held		(179)	(169)
Cash & cash equivalents at beginning of period		446	615
Cash & cash equivalents at end of period	4	267	446

This Statement is to be read in conjunction with the attached Notes

Council Solutions Regional Authority

Notes to and forming part of the Financial Statements

for the year ending 30 June 2016

Note 1 - Significant Accounting Policies

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

Council Solutions Regional Authority is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils and their respective share of equity are as follows:

Constituent Council	Equity Share
Adelaide City Council	16.67%
City of Charles Sturt	16.67%
City of Marion	16.67%
City of Onkaparinga	16.67%
City of Salisbury	16.67%
City of Tea Tree Gully	16.67%

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 1 May 2011.

1 Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs. All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 Income recognition

Management Fee Income is recognised when the Constituent Councils enter into the purchase of a good or service from a Supplier contracted to provide the Authority (or in the case of some prior contracts that were created jointly between the six constituent Council) with a Management Fee.

3 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition.

4 Infrastructure, Property, Plant & Equipment

The Authority did not procure any non-current assets during the reporting period and does not hold any non-current assets as at the reporting date.

5 Employee Benefits

All employees are employed through Adelaide City Council, one of the Constituent Councils. Those employees are then contracted to the Authority.

Council Solutions Regional Authority
Notes to and forming part of the Financial Statements
for the year ending 30 June 2016

6 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax":

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

7 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards.

8 Critical Accounting Estimates and Judgements

The Authority evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the authority.

Accounts receivable are reviewed at each reporting date to establish the collectability.

9 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2016 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 124	Related Party Disclosures

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 14-10, AASB 15-1, AASB 15-2, AASB 15-3, AASB 15-4, AASB 15-5 and AASB 2015-6.

(Standards not affecting local government have been excluded from the above list.)

The Authority is of the view that none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

The Australian Accounting Standards Board is currently reviewing AASB 1004 Contributions. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

Council Solutions Regional Authority
Notes to and forming part of the Financial Statements
for the year ending 30 June 2016

Note 2 - Income

	2016	2015
	\$'000	\$'000
Investments		
Interest Income	10	20
	10	20
Management Fee		
Management Fee	933	926
	933	926
Other Income		
Reimbursements	110	31
	110	31

Note 3 - Expenses

	2016	2015
	\$'000	\$'000
Materials, Contracts & Other Expenses		
Advertising	11	10
Audit Fees	4	6
Catering	3	4
Contractors	73	45
Consultant Fees	199	204
Entertainment Costs	1	1
Fringe Benefits Tax	8	10
Insurance	26	25
IT Expenses	3	3
Legal Fees	75	145
Membership Fees & Subscriptions	1	5
Motor Vehicle	17	18
Recruitment	15	11
Reimbursements - Salary & Wages	541	533
Rent	24	24
Sitting Fees	25	26
Sundry	29	23
Telephone	1	3
Training and Development	3	3
	1,059	1,097

Council Solutions Regional Authority
Notes to and forming part of the Financial Statements
for the year ending 30 June 2016

Note 4 - Current Assets

	2016 \$'000	2015 \$'000
Cash & Cash Equivalents		
Cash at Bank	267	446
	<u>267</u>	<u>446</u>
Receivables		
Accounts Receivables	282	132
Accrued Income	106	71
Prepaid Expenses	2	-
	<u>390</u>	<u>203</u>
Total Current Assets	<u>657</u>	<u>650</u>

Note 5 - Liabilities

	2016 \$'000	2015 \$'000
Trade & Other Payables		
Creditors	24	10
Accruals	4	11
	<u>28</u>	<u>21</u>
Other Current Liabilities		
Payable to Adelaide City Council	27	21
	<u>27</u>	<u>21</u>
Total Liabilities	<u>55</u>	<u>42</u>

Council Solutions Regional Authority
Notes to and forming part of the Financial Statements
for the year ending 30 June 2016

Note 6 - Reconciliation To Cash Flow Statement

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet.

	2016	2015
	\$'000	\$'000
Cash at Bank	267	446
Balances per Cash Flow Statement	267	446

**(b) Reconciliation of Change in Net Assets to Cash
from Operating Activities**

Net Surplus	(6)	(120)
Net (increase)/decrease in Receivables	(185)	205
Net increase/(decrease) in Current Liabilities	12	(253)
Net Cash provided by (or used in) operations	(179)	(169)

Council Solutions Regional Authority
Notes to and forming part of the Financial Statements
for the year ending 30 June 2016

Note 7 - Financial Instruments

(a) Interest Rate Risk

The Authority's exposure to interest rate risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on those applicable financial assets and liabilities is as follows;

2016	Weighted Average Interest Rate	Fair Value of Variable Interest Rate Instrument s	Fair Value of Fixed Interest rate instruments maturing within One Year	Fair Value of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs	Fair Value of Fixed Interest rate instruments maturing Due > 5 Yrs	Fair Value of Non-Interest Bearing Instruments
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:						
Cash	1.8%	267	-	-	-	-
Receivables		-	-	-	-	390
Total Financial Assets		267	-	-	-	390
Financial Liabilities:						
Creditors and Provisions	0.0%	-	-	-	-	55
Total Financial Liabilities		-	-	-	-	55
2015						
	Weighted Average Interest Rate	Fair Value of Variable Interest Rate Instrument	Fair Value of Fixed Interest rate instruments maturing within One Year	Fair Value of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs	Fair Value of Fixed Interest rate instruments maturing Due > 5 Yrs	Fair Value of Non-Interest Bearing Instruments
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:						
Cash	1.9%	446	-	-	-	-
Receivables		-	-	-	-	203
Total Financial Assets		446	-	-	-	203
Financial Liabilities:						
Creditors and Provisions	0.0%	-	-	-	-	42
Total Financial Liabilities		-	-	-	-	42

(b) Credit Risk

Credit Risk represents the loss that would be recognised if other entities failed to perform as contracted.

The Authority's exposure to credit risk is limited to receivables - the Authority's maximum exposure is disclosed in the financial statements net of any provision for doubtful debts

(c) Net Fair Value

The net fair value of a financial instrument is defined as its value net of all costs to settle the asset and liability.

The financial assets and liabilities as stated or referred to in notes (a) and (b) above, are stated at their face value (less provision for doubtful debts if applicable).

Due to the nature of financial instruments held in the Authority, the cost associated with their settlement would not be material and have not been considered.

Council Solutions Regional Authority

Certification Of Auditor Independence

for the year ending 30 June 2016

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Council Solutions Regional Authority for the year ended 30 June 2016, the Council's Auditor, Ian G McDonald, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) (b) Local Government (Financial Management) Regulations 2011.



Catherine Cooper
CHAIR

Date: 24-8-2016



Tanya Johnston
PRESIDING MEMBER OF AUDIT COMMITTEE

Date: 26/08/16



Mark Dowd
CHIEF EXECUTIVE OFFICER
City of Onkaparinga

Date: 23/8/16



Mark Goldstone
CHIEF EXECUTIVE OFFICER
Adelaide City Council

Date: 23/8/16



Paul Sutton
CHIEF EXECUTIVE OFFICER
City of Charles Sturt

Date: 29/8/16



Adrian Skull
CHIEF EXECUTIVE OFFICER
City of Marion

Date: 24.8.16



John Harry
CHIEF EXECUTIVE OFFICER
City of Salisbury

Date: 24/8/2016.



John Moyle
CHIEF EXECUTIVE OFFICER
Tea Tree Gully

Date: 24/8/16

Council Solutions Regional Authority

ANNUAL FINANCIAL STATEMENTS For the year ended 30 June 2016

STATEMENT BY AUDITOR

We confirm that, for the audit of the financial statements of the Council Solutions Regional Authority for the year ended 30 June 2016, we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



Ian G McDonald FCA

Dated this 22nd day of August 2016

Ian G McDonald FCA

Independent Auditor's Report to the Members of the Council Solutions Regional Authority

We have audited the accompanying financial report of the Council Solutions Regional Authority which comprises the statement of comprehensive income for the year ended 30 June 2016, statement of financial position, statement of changes in equity, cash flow statement, summary of significant accounting policies, other explanatory notes and the certification of financial statement.

Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements and the Local Government Act 1999.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Council Solutions Regional Authority, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011.



Ian G McDonald FCA
Chartered Accountant
Registered Company Auditor 16458

Signed at Adelaide, South Australia this 13th day of September 2016

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