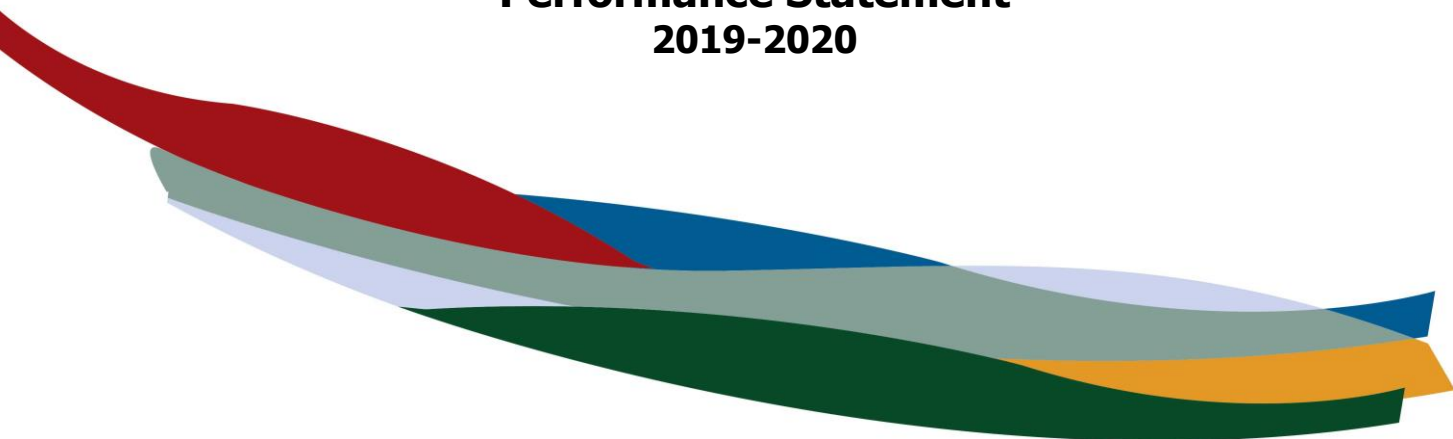




**Performance Statement
2019-2020**

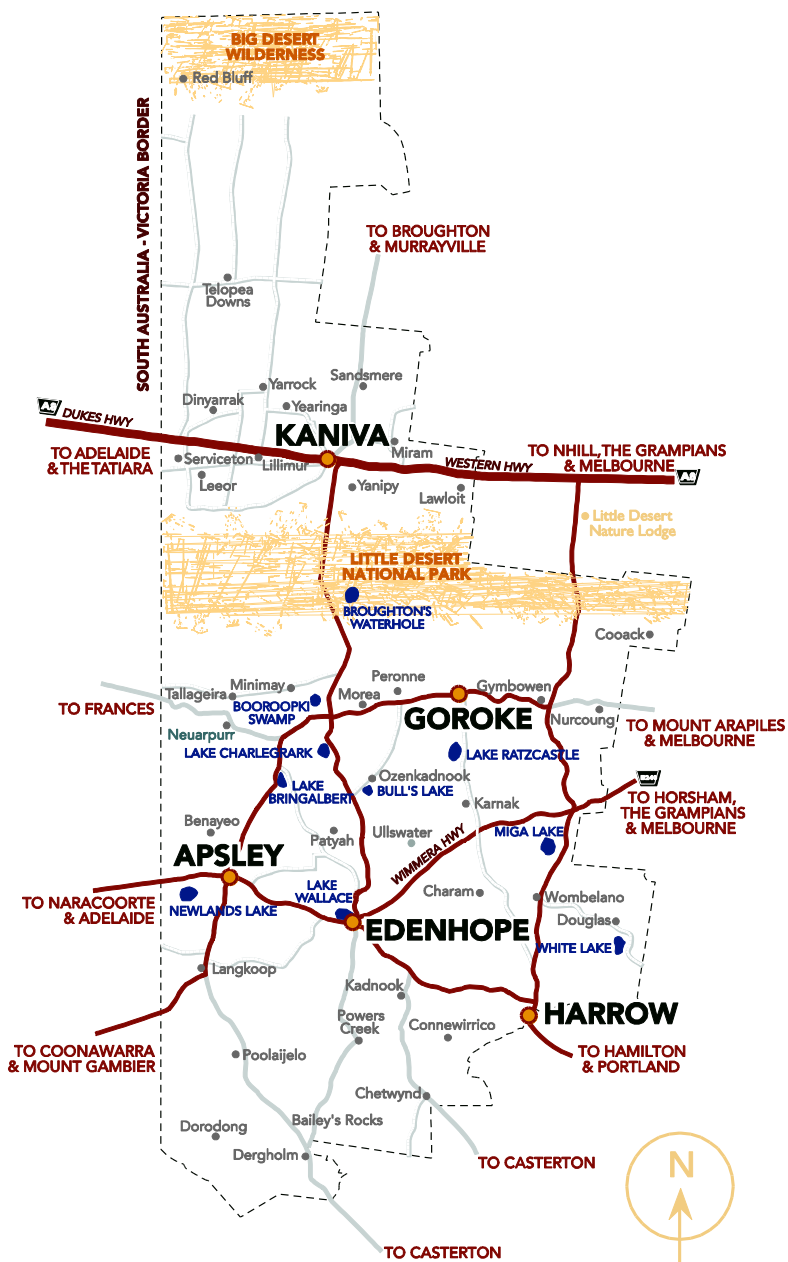


Performance Statement

For the year ended 30 June 2020

Description of municipality

West Wimmera Shire Council is located in Western Victoria and has a strong economy, primarily based on agriculture with growth sectors in health, education and retail. The Shire covers an area of 9,256 square kilometres and includes the townships of Apsley, Edenhope and Harrow to the south of the Shire and Goroke, Kaniva and Serviceton to the north.



Operational Summary

Council has seen the majority of performance indicators remain relatively steady during 2019/20 compared to the prior year.

Council continues to face the challenges of a gradually declining population which is reflected in some of the population-based performance indicators. As has been the case in prior years, Council has continued to experience fluctuations in grant funding and own-sourced revenue with a significant decline in recurrent grants during 2019/20.

Satisfaction with sealed local roads has improved slightly during 2019/20. Council has more than covered its asset renewal and upgrade requirements when compared to depreciation for 2019/20 with this ratio forecast to remain over 100% for the following four years.

The last quarter of the 2019-20 financial year brought challenging times for businesses and residents within the Shire with the COVID-19 global pandemic and associated government directives to slow the spread of the virus in Australia. Council's leisure and recreation facilities such as libraries, swimming pools, playgrounds and halls were closed for a period of time during the final quarter of 2019/20. As such, some performance indicators in relation to Council recreation and leisure facilities have seen slight declines.



Sustainable Capacity Indicators

For the year ended 30 June 2020

| Indicator/measure | Results 2017 | Results 2018 | Results 2019 | Results 2020 | Material Variations |
|--|-----------------|-----------------|-----------------|-----------------|--|
| Population | | | | | |
| <i>Expenses per head of municipal population</i> | \$7,182.88 | \$8,344.97 | \$5,995.60 | \$5,949.23 | Expenses per head of population have remained steady for 2019-20 when compared to 2018-19. The figures for 2016-17 and 2017-18 were inflated by additional costs relating to flood disaster recovery works undertaken in that year. |
| [Total expenses / Municipal population] | | | | | |
| <i>Infrastructure per head of municipal population</i> | \$41,897.28 | \$56,295.06 | \$50,283.01 | \$50,533.72 | Infrastructure movements over the four year period have fluctuated according to movements in asset valuations. There is no significant movements in the 2019-20 year when compared to the previous year. |
| [Value of infrastructure / Municipal population] | | | | | |
| <i>Population density per length of road</i> | 1.42 | 1.42 | 1.41 | 1.36 | Council's population density per length of road is gradually declining as Council's population continues to decline. This decline is anticipated to continue over the next four years. |
| [Municipal population / Kilometres of local roads] | | | | | |
| Own-source revenue | | | | | |
| <i>Own-source revenue per head of municipal population</i> | \$2,902.20 | \$3,191.88 | \$2,722.40 | \$2,922.16 | Own sourced revenue has fluctuated somewhat over the four year period due to changes in Council's private works and contracts income levels, as well as some fluctuations in building and planning permit fees. Council's own sourced revenue is anticipated to decline marginally over the next two years as business fees are reduced to assist with Covid-19 recovery programs. |
| [Own-source revenue / Municipal population] | | | | | |



West Wimmera Shire Council
2019-2020 Performance Statement

| Indicator/measure | Results 2017 | Results 2018 | Results 2019 | Results 2020 | Material Variations |
|---|-----------------|-----------------|-----------------|-----------------|--|
| Recurrent grants | | | | | |
| <i>Recurrent grants per head of municipal population</i> | \$2,752.01 | \$2,229.12 | \$3,076.61 | \$2,390.26 | Recurrent grants have fluctuated somewhat over the period due to changes in funding programs, in particular the Rural Roads Victoria program which has seen a decline of over \$1.2 million for 2019-20 from the previous year. Recurrent grant funding is forecast to remain as is. |
| [Recurrent grants / Municipal population] | | | | | |
| Disadvantage | | | | | |
| <i>Relative Socio-Economic Disadvantage</i> | 5.00 | 5.00 | 5.00 | 5.00 | No material variations |
| [Index of Relative Socio-Economic Disadvantage by decile] | | | | | |
| Workforce turnover | | | | | |
| <i>Percentage of staff turnover</i> | 16.5% | 4.4% | 15.4% | 11.2% | Council's staff turnover rate has fluctuated over the previous 4 years. One of the major drivers here is that Council's workforce has an average age of over 50, with gradual age related turnover anticipated to continue into the next four years. |
| [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100 | | | | | |



Definitions

"adjusted underlying revenue" means total income other than—

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

"infrastructure" means non-current property, plant and equipment excluding land

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

"population" means the resident population estimated by council

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website



Service Performance Indicators

For the year ended 30 June 2020

| Service/indicator/measure | Results 2017 | Results 2018 | Results 2019 | Results 2020 | Material Variations |
|--|-----------------|-----------------|-----------------|-----------------|---|
| Aquatic Facilities | | | | | |
| Utilisation | | | | | |
| <i>Utilisation of aquatic facilities</i> | 2.79 | 3.73 | 3.99 | 3.37 | Seasonal Conditions affect usage - all facilities are outdoors. |
| [Number of visits to aquatic facilities / Municipal population] | | | | | |
| Animal Management | | | | | |
| Health and safety | | | | | |
| <i>Animal management prosecutions</i> | 0.00 | 0.00 | 0.00 | 0.00 | No prosecutions during 2019/20 |
| [Number of successful animal management prosecutions] | | | | | |
| Food Safety | | | | | |
| Health and safety | | | | | |
| <i>Critical and major non-compliance outcome notifications</i> | 0.00% | 0.00% | 100.00% | 100.00% | One notification recorded and followed up during 2019/20 |
| [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100 | | | | | |
| Governance | | | | | |
| Satisfaction | | | | | |
| <i>Satisfaction with council decisions</i> | 59.00 | 61.00 | 61.00 | 58.00 | No material variation |
| [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community] | | | | | |
| Libraries | | | | | |
| Participation | | | | | |
| <i>Active library members</i> | 12.92% | 12.67% | 13.65% | 12.49% | No material variations |
| [Number of active library members / Municipal population] x100 | | | | | |



| Service/indicator/measure | Results 2017 | Results 2018 | Results 2019 | Results 2020 | Material Variations |
|---|-----------------|-----------------|-----------------|-----------------|---|
| Maternal and Child Health (MCH) | | | | | |
| Participation | | | | | |
| <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 | 88.68% | 97.31% | 96.23% | 96.53% | No material variations |
| Participation | | | | | |
| <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100 | 50.00% | 50.00% | 100.00% | 100.00% | No material variations |
| Roads | | | | | |
| Satisfaction | | | | | |
| <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads] | 45 | 50 | 53 | 55 | Council has made a significant effort to repair and renew our local roads on the back of damage caused from extreme weather events in the previous years. |
| Statutory Planning | | | | | |
| Decision making | | | | | |
| <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100 | 0.00% | 0.00% | 0.00% | 0.00% | No material variations |
| Waste Collection | | | | | |
| Waste diversion | | | | | |
| <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100 | 22.03% | 22.45% | 22.22% | 3.81% | As with many other municipalities, Council was impacted by the closure of major recycling facilities within the state, and the removal of access to international markets for this material. Council continues to seek alternate arrangements alongside its contractor. |



Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the *Food Act 1984*

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.



Financial Performance Indicators

For the year ended 30 June 2020

| Dimension/indicator/measure | Results | Results | Results | Results | Forecasts | | | | Material Variations and Comments |
|---|-------------|-------------|-------------|------------|------------|------------|------------|------------|--|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | |
| Efficiency | | | | | | | | | |
| Expenditure level | | | | | | | | | |
| <i>Expenses per property assessment</i> | \$5,538.00 | \$6,454.00 | \$4,631.00 | \$4,861.91 | \$4,108.00 | \$4,109.35 | \$4,274.55 | \$4,360.65 | Council's expenses per assessment have increased slightly from 2018-19 to 2019-20 as anticipated. This is largely due to the number of property assessments remaining basically static as Council's population declines. The results for 2016-17 and 2018-19 were somewhat inflated by additional expenses incurred in those years due to flood recovery disaster response works. Council anticipates a gradual increase in expenses per assessment over the coming years. |
| [Total expenses / Number of property assessments] | | | | | | | | | |
| Revenue level | | | | | | | | | |
| <i>Average rate per property assessment</i> | New in 2020 | New in 2020 | New in 2020 | \$1,544.68 | \$1,477.00 | \$1,506.64 | \$1,536.67 | \$1,567.40 | In prior years, this indicator only captured residential rate data. |
| [Total expenses / Number of property assessments] | | | | | | | | | |
| Liquidity | | | | | | | | | |
| Working capital | | | | | | | | | |
| <i>Current assets compared to current liabilities</i> | 337.98% | 273.72% | 515.01% | 466.90% | 950.19% | 927.16% | 909.8% | 885.57% | Council's working capital ratio has fluctuated over the years largely as cash levels move. For the 2019-20 year Council is holding lower cash and trade debtor levels at the end of the year. |
| [Current assets / Current liabilities] x100 | | | | | | | | | |



West Wimmera Shire Council
2019-2020 Performance Statement

| Dimension/indicator/measure | Results | Results | Results | Results | Forecasts | | | | Material Variations and Comments |
|--|---------|---------|---------|---------|-----------|---------|---------|---------|---|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | |
| Unrestricted cash | | | | | | | | | |
| <i>Unrestricted cash compared to current liabilities</i> | 279.68% | 144.94% | 265.60% | 427.08% | 897.81% | 874.69% | 858.02% | 834.81% | Due to a change in accounting methods, unrestricted cash is showing an increase of 60.8%. This is due to no longer deducting employee provisions and non-statutory reserve balances in unrestricted cash as has been the case in prior years. |
| [Unrestricted cash / Current liabilities] x100 | | | | | | | | | |
| Obligations | | | | | | | | | |
| Loans and borrowings | | | | | | | | | |
| <i>Loans and borrowings compared to rates</i> | 2.34% | 0.47% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | Council's outstanding loans and borrowings have been fully extinguished during the 2019/20 year. Council has no plans to undertake new borrowings in the next 4 years. |
| [Interest bearing loans and borrowings / Rate revenue] x100 | | | | | | | | | |
| <i>Loans and borrowings repayments compared to rates</i> | 1.93% | 1.91% | 0.45% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | Council's outstanding loans and borrowings have been fully extinguished during the 2019/20 year. Council has no plans to undertake new borrowings in the next 4 years. |
| [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100 | | | | | | | | | |



West Wimmera Shire Council
2019-2020 Performance Statement

| Dimension/indicator/measure | Results | Results | Results | Results | Forecasts | | | Material Variations and Comments | |
|--|-------------|-------------|-------------|---------|-----------|---------|---------|----------------------------------|---|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | 2024 |
| Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100 | 2.29% | 2.50% | 5.41% | 5.35% | 5.72% | 5.77% | 5.82% | 5.87% | No material variations. |
| Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x100 | New in 2020 | New in 2020 | New in 2020 | 130.26% | 113.69% | 114.23% | 112.55% | 114.20% | Council has committed significant funds to asset renewal and upgrade, with the ratio forecast to remain over 100% for the next 4 years. |
| Operating position Adjusted underlying result | | | | | | | | | |
| <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100 | -24.91% | -50.96% | 3.31% | -10.54% | 2.20% | 2.47% | 2.74% | 3.00% | Council's adjusted underlying result saw a significant decline into an underlying deficit for 2019-20, largely on the back of a large decline in recurrent grant funding (in particular road funding) and Council's private works and contract income. It is anticipated that this funding will increase over the next four years to push Council back into a small underlying surplus. |



| Dimension/indicator/measure | Results | Results | Results | Results | Forecasts | | | | Material Variations and Comments |
|---|---------|---------|---------|---------|-----------|--------|--------|--------|--|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | |
| Stability | | | | | | | | | |
| Rates concentration | | | | | | | | | |
| <i>Rates compared to adjusted underlying revenue</i> | 31.58% | 33.87% | 31.36% | 37.69% | 37.84% | 37.74% | 37.63% | 37.52% | Council's underlying revenue for the 2019-20 year declined as recurrent grants reduced by over \$1 million. This leads rate revenue to make up a larger share of Council's underlying revenue. Underlying revenue is anticipated to gradually increase over the next 4 years. |
| [Rate revenue / Adjusted underlying revenue] x100 | | | | | | | | | |
| Rates effort | | | | | | | | | |
| <i>Rates compared to property values</i> | 0.40% | 0.41% | 0.36% | 0.30% | 0.26% | 0.26% | 0.26% | 0.26% | Council has seen a significant increase in property values over the last two years, particularly amongst rural land values which account for over 90% of Council's rateable valuations. This property class has seen valuation increases of over 20% per annum over the last two years. Keeping rate increases to the rate cap levels has resulted in a decline in the calculated Rates Effort over this period. |
| [Rate revenue / Capital improved value of rateable properties in the municipality] x100 | | | | | | | | | |



Retired Measures

| Service/indicator/measure | Results 2017 | Results 2018 | Results 2019 | Results 2020 | Comments |
|---|-----------------|-----------------|-----------------|-----------------|--|
| Animal Management | | | | | |
| Health and safety | | | | | |
| <i>Animal management prosecutions</i> | \$17.70 | \$24.42 | \$22.37 | Retired in 2020 | This measure was replaced by AM7 from 1 July 2019. |
| [Number of successful animal management prosecutions] | | | | | |
| Efficiency | | | | | |
| Revenue level | | | | | |
| <i>Average residential rate per residential property assessment</i> | \$637.00 | \$654.00 | \$664.50 | Retired in 2020 | This measure was replaced by E4 from 1 July 2019. |
| [Residential rate revenue / Number of residential property assessments] | | | | | |
| Obligations | | | | | |
| Asset renewal | | | | | |
| <i>Asset renewal compared to depreciation</i> | 94.34% | 80.87% | 73.63% | Retired in 2020 | This measure was replaced by O5 in 1 July 2019. |
| [Asset renewal expense / Asset depreciation] x100 | | | | | |



Definitions

"adjusted underlying revenue" means total income other than—

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

"unrestricted cash" means all cash and cash equivalents other than restricted cash.



Other Information

For the year ended 30 June 2020

1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and Local Government (Planning and Reporting) Regulations 2014.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its budget update to the Strategic Resource Plan on 15 July 2020 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.



Certification of the performance statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.



Mr Ashley Roberts, B. Com, AssocDip Acc, CPA, AICD

Principal Accounting Officer

Dated: 21 October 2020

In our opinion, the accompanying performance statement of the West Wimmera Shire Council for the year ended 30 June 2020 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.



Cr Richard Hicks

Councillor

Dated: 21 October 2020



Cr Bruce Meyer

Mayor

Dated: 21 October 2020



Mr David Leahy

Chief Executive Officer

Dated: 21 October 2020



Independent Auditor's Report

To the Councillors of West Wimmera Shire Council

Opinion

I have audited the accompanying performance statement of West Wimmera Shire Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2020
- sustainable capacity indicators for the year ended 30 June 2020
- service performance indicators for the year ended 30 June 2020
- financial performance indicators for the year ended 30 June 2020
- notes to the performance statement and
- the certification of the performance statement.

In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the *Local Government Act 1989*.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report.

My independence is established by the *Constitution Act 1975*. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Councillors' responsibilities for the performance statement

The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 1989* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the performance statement

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance

Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
29 October 2020



Saichu Chummar

as delegate for the Auditor-General of Victoria