

Local government pronouncements guidance note

Application

Type of audit and assurance work:

These instructions apply to financial statements and schedules prepared pursuant to Chapter 13, Part 3, Division 2 of the [Local Government Act 1993](#) (LG Act):

- general purpose financial report (GPFR)
- special purpose financial Report (SPFR) for business activities declared by Council
- Special Schedule 'Permissible income for general rates'.

Types of entities:

- local and county councils (councils)
- joint organisations (JOs)
- council entity¹.

Instructions

Audit teams should ensure they conduct and document audit procedures on councils to address compliance with pronouncements issued by the Office of Local Government (OLG) within the Department of Planning and Environment (the department).

This publication includes OLG circulars and guidelines issued up to and including 11 October 2023 that are relevant to the financial statements.

Objective

This publication lists and provides an overview of OLG circulars and guidelines currently in force that may impact the audit of a council's / JO's financial statements and schedules.

It is designed to help auditors assess whether councils comply with the guidelines issued under section 23A of the LG Act. Pronouncements issued pursuant to other sections of the LG Act should be applied in the circumstances described within the relevant pronouncement.

This publication is not a substitute for a detailed understanding of the requirements of OLG pronouncements.

Documentation

This publication can be used as a basis for documenting work performed in relation to compliance with OLG pronouncements.

Councils, JOs and Audit Service Providers can access this publication from the Audit Office [website](#).

Background

Under section 23A of the LG Act, the Secretary of the department may prepare, adopt or vary guidelines relating to the exercise of any council / JO functions.

A listing of all OLG pronouncements is available on their [website](#).

¹ Section 415(5) of the LG Act defines council entity as:

(a) a partnership, trust, corporation, joint venture, syndicate or other body (whether or not incorporated) that a council has formed or participated in forming or has acquired a controlling interest in, other than an entity of a class prescribed by the regulations, or

(b) any other entity of a class prescribed by the regulations.



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October 2023



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Financial/annual reporting	
<p>Circular 23-10 'End of Year Reporting Requirements for 2022–23 and Additional Information for 2023–24'</p>	<ul style="list-style-type: none"> • Updates the end of year financial reporting information for 2022–23 including the annual report checklist, financial data return (FDR) and Financial Assistance (FA) Grant returns and 2023–24 permissible income working papers and calendar of compliance. • Annexures 1 and 2 provides information to help councils and joint organisations (JOs) prepare their 2022–23 financial statements. • Advises the 2022–23 FDR and permissible income working papers will be emailed under a separate cover. • Advises the financial statements and FDR need to be sent electronically to OLG by 31 October 2023. • Requires the FA Grants general return to be submitted by 31 August 2023 and the National Local Roads (NLRDS) return to be submitted by 30 November 2023. • Requires councils to submit the permissible income working papers following the auditing process. • Reminds councils that they must place the 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.
<p>Circular 23-08 'Annual Reporting of Labour Statistics'</p>	<ul style="list-style-type: none"> • Advises that Wednesday, 23 November 2022 has been chosen as the 'relevant day' for councils to report their labour statistics in their annual reports under section 217 of the Local Government (General) Regulation 2021. • Requires councils in their 2022–23 annual reports, to publish a statement of the total number of persons who performed paid work for them on Wednesday, 23 November 2022 including, in separate statements, the total number for the following: <ul style="list-style-type: none"> – the number of persons directly employed by the council on a permanent full-time basis, permanent part-time basis, casual basis, and under a fixed-term contract – the number of persons employed by the council who are 'senior staff' for the purposes of the <i>Local Government Act 1993</i> – the number of persons engaged by the council, under a contract or other arrangement with the person's employer, that is wholly or principally for the labour of the person, and – the number of persons supplied to the council, under a contract or other arrangements with the person's employer, as an apprentice or trainee.

Items	Details
<p>Circular GC 152 '2023–24 Financial Assistance Grants (FAGs) – advance payment'</p>	<ul style="list-style-type: none"> • Advises councils that: <ul style="list-style-type: none"> – the Federal Government has announced the advance payment of the preliminary 2023–24 FA Grants will represent approximately 100% of the amount council is entitled to. The advance payment amount, as set out in the schedule to the Circular, was paid to councils on 27 June 2023 – further adjustments to the remaining payments will take into account the determination by the Commonwealth Treasurer of the final adjustments for 2022–23 and the Grants Commission’s recommendations for 2023–24 – the balance of the grants will be paid in quarterly instalments during 2023–24. The first quarterly instalment is expected to be paid to councils in mid-August 2023, with subsequent instalments in November 2023, February 2024, and May 2024. All councils will be advised by letter of individual councils’ estimated entitlements for 2023–24 FA Grants.
<p>Circular 22-36 'Local Government Code of Accounting Practice and Financial Reporting 2022–23 and related guidance material'</p>	<ul style="list-style-type: none"> • Prescribes the format of council’s financial statements for 2022–23, including joint organisations, as approved by the Office of Local Government.
<p>Local Government Code of Accounting Practice and Financial Reporting</p>	
<p>Circular 22-28 'Annual Report and Annual Performance Statement Checklists'</p>	<ul style="list-style-type: none"> • Advises that the annual report checklist has updated for councils and an annual performance statement checklist has been updated for joint organisations. Councils and JOs should use the checklists to ensure that their annual report / performance statement contains all the information required under the <i>Local Government Act 1993</i>, the <i>Local Government (General) Regulation 2021</i> and other relevant legislation and guidelines.
<p>Special purpose financial statements</p>	
<p>'Pricing and Costing for Council Business - A Guide to Competitive Neutrality'</p>	<ul style="list-style-type: none"> • Helps councils apply the principle of competitive neutrality. The principle is part of a national competition policy, applied by government businesses at all levels throughout Australia. • Sets out the minimum compliance requirements and includes areas that councils are encouraged to adopt the principle. • Applies to council business activities (excluding non-business and non-profit activities). • Helps councils prepare the special purpose financial statements for Declared Business Activities required by the <i>Local Government Code of Accounting Practice and Financial Reporting</i>.

Items	Details
Related parties	
Circular 16-36 'Financial reporting obligations - AASB 124 Related party disclosures'	<ul style="list-style-type: none"> • Advises that from 1 July 2016, AASB 124 'Related Party Disclosures' applies to local government. • Councils will need to: <ul style="list-style-type: none"> – have systems in place to identify their related parties and capture transactions – identify their related parties. These are likely to include the mayor, councillors, general manager, senior manager, senior executives, their close family members and any entities controlled or jointly controlled by councils – identify transactions between the council and their related parties (monetary and non-monetary) and determine whether these require disclosure in their financial statements – disclose in their financial statements related party relationships, transactions and outstanding balances, including commitments.
Public Private Partnership (PPP) projects	
Circular '22-02 New guidelines covering section 358 applications and Public Private Partnerships (PPP)' Public Private Partnership Guidelines 2022	<ul style="list-style-type: none"> • Advises councils that the new PPP Guidelines have been released. • The revised PPP Guidelines are issued pursuant to section 400C of the <i>Local Government Act 1993</i> and require councils to comprehensively address the rationale for the proposed PPP projects. The guidelines require councils to consult widely with their communities and encourage them to carefully consider alternatives. Guidelines issued pursuant to section 400C are mandatory guidelines that councils must comply with.
Capital expenditure	
Circular 10-34 'Capital Expenditure Guidelines' Capital Expenditure Guidelines December 2010	<ul style="list-style-type: none"> • Issued under section 23A of the <i>Local Government Act 1993</i>. • Helps councils prepare and review certain capital expenditure projects. • Requires councils to undertake capital expenditure reviews for non-exempt projects exceeding the greater of 10 per cent of the council's ordinary rates revenue or \$1 million (GST exclusive). • Imposes additional requirements for non-exempt capital projects expected to exceed \$10 million (GST exclusive).
Tendering and procurement	
Circular 22-40 'Amendments to the tendering provisions of the Local Government (General) Regulation 2021 and consultation of the development of new procurement guidelines for councils'	<ul style="list-style-type: none"> • Advises that amendments have been made to the tendering provisions of the Local Government (General) Regulation 2021 to reduce red tape and to update them to reflect the increased use of electronic tendering by councils. • The amendments: <ul style="list-style-type: none"> – will give effect to a recommendation by the Audit Office and will support councils to achieve greater efficiencies in their procurement. The December 2020 Auditor-General's report examining procurement management in local government recommended that the regulations be updated to reflect the increased use of electronic

Items	Details
<p>Circular 22-17 'Increase in tendering threshold for natural disaster response and recovery related contracts'</p>	<p>tendering and that comprehensive and updated guidance on effective procurement practices be published</p> <ul style="list-style-type: none"> - allow decisions to decline to accept all tenders to be made under delegation. However, decisions to decline to accept all tenders and to enter into negotiations in relation to the subject matter of the tender, must still be made by a resolution of the council to ensure transparency and accountability. <ul style="list-style-type: none"> • OLG is also developing comprehensive new procurement guidelines to complement the new regulations. • Advises that the Local Government (General) Regulation 2021 has been amended to prescribe a tendering threshold of \$500k for contracts entered into by councils for the purpose of responding to, or recovering from, a declared natural disaster within 12 months of the declaration of the natural disaster. • The amendment means that councils are not required to tender prior to entering into a contract with a value of less than \$500k where the contract is: <ul style="list-style-type: none"> - primarily for the purpose of response to or recovery from a 'declared natural disaster', and - entered into within 12 months after the date on which the natural disaster is declared. • The phrase, 'declared natural disaster', is defined in the Regulation to mean a natural disaster that has been declared in relation to the area of a council by either a: <ul style="list-style-type: none"> - Natural Disaster Declaration for the purposes of the Natural Disaster Relief and Recovery Arrangements jointly administered by the Commonwealth and the States and Territories, or - declaration under section 33 of the <i>State Emergency and Rescue Management Act 1989</i>. • Encourages councils seeking to adopt their own unsolicited proposal guidelines to consider using the 'Unsolicited Proposals Guide for Submission and Assessment' for NSW Government agencies as the model framework. • Informs councils of the NSW Government policy and encourages councils to procure goods and services from disability employment organisations.
<p>Circular 18-12 'Management of unsolicited proposals received by councils'</p>	
<p>Circular 12-02 'Procurement from disability employment organisations'</p>	
<p>Councillor expenses and facilities</p>	
<p>Circular 22-04 'Payment of councillor superannuation'</p>	<ul style="list-style-type: none"> • Advises that following an amendment to the <i>Local Government Act 1993</i> in 2021 that councils may make payments as a contribution to a superannuation account nominated by their councillors, starting from the financial year commencing on 1 July 2022. • Superannuation contribution payments for councillors is optional and is at each council's discretion. • Where a council resolves to make superannuation contribution payments for its councillors, the amount of the payment is to be the amount the council would have been required to contribute under the <i>Commonwealth Superannuation Guarantee (Administration) Act 1992</i> as superannuation if the councillors were employees of the council.

Items	Details
Circular 17-17 'Councillor Expenses and Facilities Policy - Better Practice Template'	<ul style="list-style-type: none"> As of 1 July 2022, the superannuation guarantee rate will be 10.5 per cent. The rate will increase by half a per cent each year until 1 July 2025 when it reaches 12 per cent. The superannuation contribution payment is to be paid at the same intervals as the annual fee is paid to councillors.
Circular 09-36 'Release of revised Councillor Expenses and Facilities Guidelines' Councillor Expenses and Facilities Guidelines 2009	<ul style="list-style-type: none"> Advises councils: <ul style="list-style-type: none"> of the new template councils can use to prepare their own policies their Councillors Expenses and Facilities Policy must be adopted within 12 months of the commencement of the new council term (section 252 of the <i>Local Government Act 1993</i>) and be made publicly available on their website. Advises councils of the release of the revised guidelines. The guidelines help councils develop, implement and review their policies on the payment of expenses and the provision of facilities to mayors and councillors.
Budget controls	
Quarterly Budget Statement for NSW Local Government	<ul style="list-style-type: none"> Provides the minimum requirements and sample templates to help councils meet their obligations in clause 203(3) of the Local Government (General Regulation) 2005. Requires responsible accounting officers to prepare and submit a quarterly budget review statement. Provides template documents containing the minimum quarterly reporting requirements.
Asset management	
Circular 19-16 'New Property Acquisition Standards to apply immediately to all acquiring authorities in New South Wales, including all general purpose and county councils'	<ul style="list-style-type: none"> Advises councils they must comply with the revised Property Acquisition Standards issued by the Department of Finance, Services and Innovation when undertaking acquisitions under the <i>Land Acquisition (Just Terms Compensation) Act 1991</i>.
Circular 17-42 'Changes to the Crown reserve management under the Crown Land Management Act 2016'	<ul style="list-style-type: none"> Advises councils of the commencement of the <i>Crown Land Management Act 2016</i> (CLM Act) in 2018. The CLM Act will change the way Crown reserves are managed by councils. Under the new system: <ul style="list-style-type: none"> councils manage Crown reserves under the <i>Local Government Act 1993</i> (LG Act) ownership of the land will remain with the State with the NSW Minister for Lands and Forestry retaining certain oversight functions the majority of council managed Crown reserves will be classified as community land, meaning councils will be required to have plans of management under the LG Act for most Crown reserves that they manage. The circular includes a diagram which provides an overview of the key steps for councils in the lead up to the commencement of the legislation.

Items	Details
Circular 12-09 'Fair valuation - infrastructure, property, plant and equipment'	<ul style="list-style-type: none"> • Outlines the timing of asset revaluations under the fair value model of AASB 116 'Property Plant and Equipment'. • Requires councils to assess at each reporting date whether there is any indication an asset's carrying amount materially differs from its fair value.
Circular 09-25 'Land under roads'	<ul style="list-style-type: none"> • Outlines the accounting requirements for land under roads acquired: <ul style="list-style-type: none"> – before 1 July 2008 - councils can elect to recognise or not recognise this land as an asset – after 1 July 2008 - accounted for under AASB 116 'Property Plant and Equipment'. • Details council actions for land under roads acquired before and after 1 July 2008.
Circular 08-07 'Valuation of property, plant and equipment at fair value'	<ul style="list-style-type: none"> • Requires councils to commence valuing property, plant and equipment at fair value. • Provides brief guidance on the valuation methods for operational and community land, buildings, plant and equipment and other assets.
Formation of corporations or other entities	
Circular '22-02 New guidelines covering section 358 applications and Public Private Partnerships (PPP)' Formation of Corporations and Entities (Section 358) Guideline	<ul style="list-style-type: none"> • The circular advises councils that the new section 358 guidelines have been released. • The new section 358 guidelines replace previous guidance in Circular 07-49. The new guidelines have been issued pursuant to section 23A of the <i>Local Government Act 1993</i> and expand the range of considerations to provide councils with a better understanding of the procedures and processes to be followed when considering an application to the Minister under section 358 to establish a corporation or entity. • Guidelines issued pursuant to section 23A must be taken into account before a council makes a relevant decision.
Investment and borrowing powers	
Circular 17-29 'Investment Policy Guidelines - Interim TCorp waiver'	<ul style="list-style-type: none"> • Advises councils that: <ul style="list-style-type: none"> – the NSW Government has waived the requirement under section 5 of the Office of Local Government's Investment Policy Guidelines requiring councils to only seek advice from advisors licensed by the Australian Securities and Investments Commission – they can now engage and seek investment advice from NSW Treasury Corporation (TCorp) as part of their financial and strategic planning process – the waiver only applies to TCorp.
Circular 11-01 'Revised Ministerial Investment Order' Investment Order	<ul style="list-style-type: none"> • Issued pursuant to section 625 of the <i>Local Government Act 1993</i>. • Lists the approved types of investments where councils may invest their funds.

Items	Details
Circular 10-11 'Release of Investment Policy Guidelines' Investment Policy Guidelines	<ul style="list-style-type: none"> • Issued under section 23A of the <i>Local Government Act 1993</i>. • Applies to all general purpose and special purpose councils. • The guidelines: <ul style="list-style-type: none"> – help councils invest funds in a prudent and appropriate manner – outline the legislation associated with the investment of surplus funds – help councils prepare a suitable investment policy – outline key issues when investing funds – define duties and obligations of the council and council officers – outline the requirements for internal control procedures – establish proper reporting and monitoring procedures.
Circular 09-21 'Revised Borrowing Order'	<ul style="list-style-type: none"> • Issued pursuant to section 624 of the <i>Local Government Act 1993</i>. • Restricts councils from borrowing from sources outside Australia or in currencies other than Australian dollars.
Employment related	
Circular 23-11 'Effect of the NSW Government's policy on executive office holders' and senior executives' remuneration on general managers', executive officers' and senior staff remuneration'	<ul style="list-style-type: none"> • Advises councils that: <ul style="list-style-type: none"> – the Statutory and Other Offices Remuneration (Executive Office Holders and Senior Executives) Regulation 2023 (SOORT Regulation) has been prescribed. Clause 4(1) of the SOORT Regulation states that the Statutory and Other Offices Remuneration Tribunal (the SOORT Tribunal) is not to award an increase in remuneration for NSW Government executive office holders and senior executives before 1 July 2025 – automatic annual increases in remuneration payable under the approved standard employment contracts for general managers of councils, executive officers of joint organisations and other senior staff are tied to determinations by the SOORT Tribunal – the SOORT Regulation was not intended to apply to local government. It remains open to councils and joint organisations to approve discretionary increases under the approved employment contracts where the employee's performance has been assessed as being of a better than satisfactory standard.
Circular 23-03 '2023–24 Determination of the Local Government Remuneration Tribunal'	<ul style="list-style-type: none"> • Advises councils that: <ul style="list-style-type: none"> – the Local Government Remuneration Tribunal (the Tribunal) has determined an increase of 3% to mayoral and councillor fees for the 2023–24 financial year, effective from 1 July 2023 – the Tribunal is required to determine the remuneration categories of councils and mayoral offices at least once every three years under section 239 of the LG Act – the Tribunal undertook a review of the categories as part of its 2023 determination. The Tribunal determined the creation of two new remuneration categories, 'Metropolitan Major' and 'Rural Large' and varied the criteria of several existing categories. As a result of the

Items	Details
<p>Circular 22-30 'Guidelines on the recruitment of senior council executives' Guidelines on the recruitment of senior council executives</p>	<p>creation of the two new categories and changes to the criteria of some of the existing categories, the Tribunal has re-categorised twenty-six councils into a higher existing category or into a new category</p> <ul style="list-style-type: none"> - sections 248 and 249 of the LG Act require councils to fix and pay an annual fee to councillors and mayors from 1 July 2023 based on the Tribunal's determination for the 2023–24 financial year - the level of fees paid will depend on the category the council is in. A council cannot fix a fee higher than the maximum amount determined by the Tribunal. If a council does not fix a fee, the council must pay the minimum fee determined by the Tribunal. <ul style="list-style-type: none"> • Issued under section 23A of the <i>Local Government Act 1993</i> in response to the Independent Commission Against Corruption's corruption prevention recommendations arising from its investigation of the former Canterbury City Council (Operation Dasha). • The Guidelines provide guidance on the following topics: <ul style="list-style-type: none"> - merit selection in recruitment processes - the development of staff capabilities and the use of internal recruitment processes - the need for councils to have recruitment policies - the use of recruitment/human resources specialists when recruiting for senior executive roles - the use of subject matter experts when recruiting for senior executive roles - the role of internal audit in auditing recruitment processes - the role of councillors in the recruitment of staff - consultation with councillors on "senior staff" appointments, and - reporting wrongdoing in recruitment processes.
<p>Circular 22-25 'New standard contracts of employment for general managers and executive officers and updated guidelines for the appointment and oversight of general managers' Standard Contract of Employment for General Managers of Local Councils in NS 2022</p>	<ul style="list-style-type: none"> • Issued under section 338(4) of the <i>Local Government Act 1993</i>. • Provides the standard documentation general managers must use when appointing senior staff to ensure consistency and certainty in employment relationships at the management level including reflecting community expectations by providing greater transparency and accountability. • The new standard contracts have been developed in consultation with the sector in response to recommendations arising from ICAC's investigation of the former Canterbury City Council (Operation Dasha).

Items	Details
Circular 22-14 '2022–23 Determination of the Local Government Remuneration Tribunal'	<ul style="list-style-type: none"> • Advises councils that: <ul style="list-style-type: none"> – the Local Government Remuneration Tribunal (the Tribunal) has determined an increase of 2% to mayoral and councillor fees for the 2022–23 financial year, effective from 1 July 2022 – the Tribunal is required to determine the remuneration categories of councils and mayoral offices at least once every three years under section 239 of the LG Act. The Tribunal last undertook a significant review of the categories as part of its 2020 determination and will next review these categories in 2023 – the Tribunal found that the allocation of councils into the current categories continued to be appropriate having regard to the 2020 review, the current category model and criteria and the evidence put forward in the submissions received – sections 248 and 249 of the LG Act require councils to fix and pay an annual fee to councillors and mayors from 1 July 2022 based on the Tribunal's determination for the 2022–23 financial year – the level of fees paid will depend on the category the council is in. A council cannot fix a fee higher than the maximum amount determined by the Tribunal. If a council does not fix a fee, the council must pay the minimum fee determined by the Tribunal.
Circular 11-14 'Guidelines for the appointment and oversight of the general managers' Guidelines for the Appointment and Oversight of General Managers 2011	<ul style="list-style-type: none"> • Issued under section 23A of the <i>Local Government Act 1993</i>. • Summarises the essential matters councils must address when recruiting, appointing, re-appointing and managing the performance of general managers.
Goods and services tax / fringe benefits tax / tax equivalent regime	
Circular 11-23 'GST Certificate - Revised Requirements'	<ul style="list-style-type: none"> • Changes the date that councils must submit GST certificates to the Office of Local Government from 1 June to 31 July. • Reduces red tape by allowing the certificate to be signed by the general manager and responsible accounting officer, removing the requirement for submission to council.
Audit and internal controls	
Circular 22-41 'Update on the Guidelines for Risk Management and Internal Audit for Local Government in NSW'	<ul style="list-style-type: none"> • Advises that the Guidelines for Risk Management and Internal Audit for Local Government in NSW (the guidelines) have been approved. • OLG has issued the approved guidelines in draft form pending the supporting regulation amendments being made so that councils can start to implement them. The final version of the guidelines will be issued when the supporting regulation amendments are made. While further minor amendments will be made to the guidelines to align them with the supporting regulations as drafted, OLG does not anticipate any significant changes. • The model terms of reference for audit risk and improvement committees, an example risk management policy, and the model internal audit charter have also been published on OLG's website.

Items	Details
<p>Circular 22-21 'Update on membership requirements for audit, risk and improvement committees'</p>	<ul style="list-style-type: none"> • Councils and joint organisations must comply with the Guidelines from 1 July 2024. As of that date all councils and joint organisations will be required to ensure audit risk and improvement committee chairs and members meet the eligibility and independence requirements set out in the guidelines and have a risk management framework and internal audit function in place that complies with the guidelines. • Advises that OLG and NSW Treasury have agreed that the NSW Government's Prequalification Scheme for Audit and Risk Committee (ARIC) Chairs and Members will not be suitable for use by councils and joint organisations (JOs). • The proposed new requirements for ARIC membership are set out in the attachment to the circular. • Under the new requirements, all councils (including county councils) and JOs will be required, at a minimum, to have an ARIC that comprises of the following: <ul style="list-style-type: none"> – one independent chair who meets the independence and eligibility criteria for an ARIC chair, and – at least two independent members who meet the independence and eligibility criteria for ARIC members – councils may appoint additional independent members should they choose to do so. • Councils will also have the option of appointing one non-voting councillor member to their ARIC who meets the eligibility criteria for councillor members. • The above requirements will apply to all councils and JOs. The removal of the requirement for ARIC chairs and a prescribed number of ARIC members to be appointed from the NSW Government prequalification scheme based on which tier a council is in, means that it is no longer necessary to place councils in tiers and these arrangements will no longer apply. • The timeframe for compliance with the ARIC membership requirements in the Guidelines for Risk Management and Internal Audit for Local Government in NSW (the guidelines) will be brought forward to 1 July 2024. As of that date all councils and JOs will be required to ensure ARIC chairs and members meet the eligibility and independence requirements set out in the guidelines and have a risk management framework and internal audit function that complies with the guidelines.
<p>Circular 21-26 'New risk management and internal audit framework for councils and joint organisations'</p>	<ul style="list-style-type: none"> • Full compliance with the requirements in the guidelines will be required from 1 July 2024. • Advises councils of the new risk management and internal audit framework for councils and joint organisations (JOs). • Under section 428A of the <i>Local Government Act 1993</i> (LG Act), all councils (including county councils) and JOs are required to have an audit risk and improvement committee (ARIC). Councils and JOs are permitted under section 238B of the LG Act to enter into arrangements with other councils or joint organisations to share ARICs. • The transition provision of the LG Act requires all councils and JOs to appoint an ARIC or entered into an arrangement with another council or JO to share an ARIC before 4 June 2022.

Items	Details
Internal Audit Guidelines	<ul style="list-style-type: none"> • The Office of Local Government will issue Guidelines for Risk Management and Internal Audit for Local Councils in NSW (the guidelines) to guide the operations of ARICs and to require councils to have a risk management framework and internal audit function to support and inform their operations. • Issued under section 23A of the <i>Local Government Act 1993</i>. • Helps local councils and county councils develop and implement internal audit and risk management frameworks to build community confidence in their managerial performance. • The guidelines: <ul style="list-style-type: none"> – provide additional requirements for independent audit committees – expand the conflict of interest provisions – clarify the role of the general manager in the internal audit function.
Governance	
Circular 22-38 'Consultation on the outcomes of the review of the councillor misconduct framework'	<ul style="list-style-type: none"> • Advises that Mr Gary Kellar PSM has completed his review of the councillor misconduct framework and has provided his report to the Minister. The 'Focus on Civic Responsibility: Councillor Conduct Accountability in New South Wales Report' is available on the Office of Local Government's website. • The Government is seeking the views of the public, local government sector and others on Mr Kellar's findings and recommendations to inform its response to them. • The review examined the current administrative framework under which complaints about councillor misconduct are managed, with the aim of identifying areas for improvement. • Mr Kellar has made 49 recommendations. Among other things, Mr Kellar has recommended the establishment of a new framework for dealing with councillor misconduct in which code of conduct complaints about councillors are managed by regionally based Independent Councillor Conduct Review Panels under the regulatory oversight of an independent Councillor Conduct Commissioner. Panels will have stronger disciplinary powers than those currently available to councils including the ability to impose monetary penalties. Councils will be required to meet the panels' and the Commissioner's costs in dealing with complaints about their councillors. • Other recommendations include: <ul style="list-style-type: none"> – requiring candidates at local government elections to participate in training before they can nominate – mandating training for councillors – allowing councillors to be prosecuted for breaches of their oaths of office – empowering mayors to expel councillors from meetings for disorder, and – placing a positive duty on mayors to deal with disorder at meetings – a failure by mayors to do so will constitute serious misconduct.

Items	Details
Circular 22-15 'Guidance for councils on the publication of disclosure of interest returns'	<ul style="list-style-type: none"> • The circular advises that: <ul style="list-style-type: none"> – the Information and Privacy Commission (IPC) has developed a video animation which provides guidance to councils on the requirement to publish disclosure of interest returns on their websites – IPC's video has been developed to complement the compliance report it published last year following an audit of councils' compliance with the requirement to publish councillors' and designated persons' disclosure of interest returns on their websites in accordance with the <i>Government Information (Public Access) Act 2009</i> (the GIPA Act) – the report makes several recommendations for councils to implement to promote openness and transparency in relation to disclosure of interest returns and a policy framework for managing their publication – councils should review how they currently publish disclosure of interest returns on their websites by applying the principles set out in the video animation.
Circular 21-35 '2021 Model Code of Meeting Practice for Local Councils in NSW'	<ul style="list-style-type: none"> • Advises that the new Model Meeting Code of Meeting Practice for Local Councils in NSW (model meeting code) has been published in the Government Gazette and is expected to be prescribed under the Local Government (General) Regulation 2021 (the regulation) on or before Friday 19 November 2021. • The new model meeting code contains new provisions that allow councils to permit individual councillors to attend meetings by audio-visual link and to hold meetings by audio-visual link in the event of natural disasters or public health emergencies. The provisions governing attendance at meetings by audio-visual link are non-mandatory. Councils can choose not to adopt them or to adapt them to meet their own needs. • The repeal date for section 237 of the regulation which exempts councils from the requirement under clause 5.2 of the previous iteration of the model meeting code for councillors to be personally present at meetings in order to participate in them has been extended to 30 June 2022. • Councils must adopt a code of meeting practice that incorporates the mandatory provisions of the model meeting code within 12 months of the local government elections. A council's adopted meeting code must not contain provisions that are inconsistent with the mandatory provisions. • Councils and committees of councils of which all the members are councillors must conduct their meetings in accordance with the code of meeting practice adopted by the council. • Under section 361 of the <i>Local Government Act 1993</i>, before adopting a new code of meeting practice, councils must first exhibit a draft of the code of meeting practice for at least 28 days and provide members of the community at least 42 days in which to comment on the draft code. This requirement does not apply to joint organisations.

Items	Details
Circular 21-22 'Updated guidance on the appointment and dismissal of senior staff'	<ul style="list-style-type: none"> • Provides updated guidance to councils on the requirements of the <i>Local Government Act 1993</i> (LG Act) relating to the appointment and dismissal of senior staff other than the general manager. • Advises councils that: <ul style="list-style-type: none"> - under section 338 of the LG Act only general managers and the holders of positions determined by the council by resolution to be 'senior staff' positions may be employed under fixed term contracts of employment based on those approved by the 'Departmental Chief Executive' of the Office of Local Government - council staff must not be employed under a senior staff contract unless the council has first determined by resolution that the position the staff member has been appointed to, is a senior staff position for the purposes of section 332 of the LG Act - under section 337 of the LG Act general managers must consult with the governing body of the council before appointing or dismissing the holders of senior staff positions.
Circular 20-13 'Managing fraud and corruption risks during the COVID-19 pandemic'	<ul style="list-style-type: none"> • Advises councils of two new resources that have been issued to assist government agencies (including councils) to manage the fraud and corruption risks associated with these changes to their operations as a result of the COVID-19 pandemic. • Encourages councils to consider these resources and to make any necessary changes to their operations and internal control framework in response to the guidance provided in them. • These resources include: <ul style="list-style-type: none"> - the NSW Independent Commission Against Corruption's Managing corrupt conduct during the COVID-19 outbreak which provides guidance on fraud and corruption risks associated with working from home, procurement and purchasing and stimulus funding and new programs - the Australian Cyber Security Centre's Web Conferencing Security which provides guidance on the use of web conferencing and collaboration tools and the management of associated privacy, security and legal risks.
Circular 19-21 'Release of IPC Guideline 1 Returns of Interests'	<ul style="list-style-type: none"> • Advises councils that the Information and Privacy Commission has finalised and issued 'Guideline 1: For local councils on the disclosure of information contained in the returns disclosing the interest of councillors and designated persons' (Guideline 1). • Guideline 1 states that councillors' and designated persons' returns of interests must be made publicly available free of charge on councils' websites, unless there is an overriding public interest against disclosure of the information contained in them or to do so would impose unreasonable additional costs on the council.

Items	Details
Circular 18-37 'Audit Office - Local Government Fraud Control Performance Audit'	<ul style="list-style-type: none"> • Provides the outcome of the sector-wide performance audit conducted by the Audit Office on councils' fraud controls. • Encourages councils to review their fraud controls and assess their efficacy against the Audit Office's Fraud Control Improvement Kit. • Advises that all councils must adopt an internal reporting policy for the management of public interest disclosures.
Legislative requirements	
Circular 23-01 'Public Spaces (Unattended Property) Act 2021 – Conclusion of the Grace Period and updated guidance'	<ul style="list-style-type: none"> • Advises councils that the grace period under the <i>Public Spaces (Unattended Property) Act 2021</i> (PSUP Act) concludes on 30 April 2023. From 1 May 2023, authorised officers may issue fines for all offences under the PSUP Act. • The PSUP Guidelines have been updated with new information to reflect the upcoming changes to the PSUP Act from 1 May 2023 and to provide additional information to support councils to feel confident in implementing the new laws locally. • Encourages councils to develop appropriate policy and procedures, in consultation with their local community, in relation to local enforcement action under the PSUP laws.
Circular 22-09 'Councils' obligations under the <i>Modern Slavery Act 2018</i>'	<ul style="list-style-type: none"> • Advises councils that the commencement of the <i>Modern Slavery Act 2018</i> (NSW) (Modern Slavery Act), introduces new obligations for councils under the <i>Local Government Act 1993</i> relating to modern slavery. • From 1 July 2022, councils will be required to take reasonable steps to ensure that goods and services procured by and for the council are not the product of modern slavery within the meaning of the Modern Slavery Act. • Commencing from the 2022–23 financial year, each council will be required to publish in their annual reports: <ul style="list-style-type: none"> – a statement of the action taken by the council in relation to any issue raised by the Anti-slavery Commissioner during the year concerning the operations of the council and identified by the Commissioner as being a significant issue – a statement of steps taken to ensure that goods and services procured by and for the council during the year were not the product of modern slavery within the meaning of the Modern Slavery Act.
Circular 21-33 'Compliance with records management provisions and transfer of local government records to the State Archives Collection'	<ul style="list-style-type: none"> • Advises councils that the Department of Premier and Cabinet (DPC) has issued a circular C2021-05 'Managing Records in NSW Government' providing advice on the making, keeping and safeguarding of records. • NSW State Archives and Records (SARA) has released the Records Management Assessment Tool (RMAT) for assessing records management performance and maturity and planning for improvements, and Transfer Tool to identify and forecast records required for transfer to the State Archives Collection. • Under section 12 of the <i>State Records Act 1998</i> (SR Act), a council must make and keep full and accurate records of its activities and maintain a records management program that conforms with standards and codes of best practice.

Items	Details
<p>Circular 21-07 'Commencement of Local Government Amendment Act 2021'</p>	<ul style="list-style-type: none"> • All staff, councillors and council officials should be made aware of their responsibilities to make and keep records. • Councils should review their records management program and systems against DPC circular C2021-05 and the RMAT for compliance with obligations under the SR Act, with particular consideration to the increasing use of records in digital format and digitally stored records. • Advises councils that the <i>Local Government Amendment Act 2021</i> (the Amendment Act) was assented to on 24 May 2021. Certain reforms come into effect on the date of assent, with some reforms commencing at a later date by proclamation. • The Amendment Act includes: <ul style="list-style-type: none"> - reforms to ensure a fairer and more flexible rating system for councils and ratepayers - councillor superannuation - minor changes that relate to council elections and the terms of office of chairs of county councils and joint organisations.
<p>Integrated planning and reporting</p>	
<p>Circular 21-28 'Updated Integrated Planning and Reporting Guidelines and Handbook'</p>	<ul style="list-style-type: none"> • Advises councils that the streamlined integrated planning and reporting requirements are now in place. The Office of Local Government has revised the Integrated Planning and Reporting Guidelines. • Councils are required to establish and implement a strategy (called its community engagement strategy) for engagement with the local community when developing its plans, policies and programs and for the purpose of determining its activities (other than routine administrative matters) no later than 12 months after the next ordinary election. • Councils are required to appoint an Audit, Risk and Improvement Committee to keep under review the implementation of integrated planning and reporting. • Issued pursuant to the <i>Local Government Act 1993</i> (LG Act) and Local Government (General) Regulation 2005 (the regulations). • Requires councils to plan and report activities in accordance with the LG Act and the regulations, including having: <ul style="list-style-type: none"> - a community strategic plan - a resourcing strategy - a delivery program - an operational plan. • The framework allows councils to draw various plans and policies together, understand how they interact and get the maximum leverage from their efforts by planning holistically and sustainably for the future. • The guidelines list all the mandatory requirements from the LG Act, regulations and the essential elements councils must follow when undertaking their planning and reporting activities.
<p>Integrated Planning and Reporting Framework (the framework) Integrated Planning and Reporting Guidelines (the guidelines)</p>	

Items	Details
Circular 18-22 'Release of the Charter for Public Participation – a guide to assist agencies and promote citizen engagement'	<ul style="list-style-type: none"> • Advises councils of the Charter for Public Participation (the charter) which aims to assist NSW agencies to seek effective public input into the development and delivery of policies and services. • Recommends that councils consider using the charter in developing community engagement strategies to inform strategic planning, policy development and other decision-making.
Rating and special variations and other revenue	
Circular 23-06 'Increases to companion annual registration and permit fees for 2023–24'	<ul style="list-style-type: none"> • Advises that all registration and annual permit fees have been adjusted for 2023–24.
Circular 23-02 'Information about Ratings 2023–24'	<ul style="list-style-type: none"> • Outlines changes to the following rates for 2023–24: <ul style="list-style-type: none"> – maximum boarding house tariffs – maximum interest rate payable on overdue rates and charges – section 603 certificate fee – statutory limit on the maximum amount of minimum rates. • Requires councils to incorporate these determinations into their 2023–24 rating structures and operational plan statement of revenue policies.
Circular 22-16 'Increases to companion animal fees for 2022–23'	<ul style="list-style-type: none"> • Advises that all registration and annual permit fees have been adjusted for 2022–23.
Circular 22-10 'Local Government Amendment Act 2021 – Guidance on local government rating reforms Local Government Amendment Act 2021 – Guidance on local government rating reforms'	<ul style="list-style-type: none"> • Advises that guidance on local government rating reforms (the Guidance) has been prepared to assist NSW councils with reforms to the rating system that were made through the <i>Local Government Amendment Act 2021</i> (Amendment Act) in 2021. • The Guidance covers four rating reforms that came into effect immediately on 24 May 2021. The reforms: <ul style="list-style-type: none"> – allow each council created by merger in 2016 to bring together (harmonise) its rating structures gradually, over up to eight years, in consultation with its community – enable a different rate peg to be set for each council, or for different cohorts of councils, and allowing it to be set as a methodology rather than a percentage, including by specifying a base percentage to which an additional figure may be added in specified circumstances – allow all councils to set separate rates for different residential areas within a contiguous urban area, in certain circumstances, whether or not they have different 'centres of population', and – allow all councils to set farmland rates based on geographic location.

Items	Details
Circular 22-07 'Guidelines for Additional Special Variation (ASV) Process for 2022–23'	<ul style="list-style-type: none"> • Advises councils that the Independent Pricing and Regulatory Tribunal (IPART) will accept and process an additional round of 2022–23 special variation (ASV) applications. • This one-off ASV round is available for the 2022–23 financial year only and it is for councils that can show that the special variation will enable them to meet the obligations they set for 2022–23 in their 2021–22 integrated planning and reporting (IP&R) documentation. • The ASV guidelines set out in this circular apply in place of, and supersede, the ASV guidelines issued in Circular 22-03. • For applications made under the ASV process, the ASV guidelines set out in the circular apply in place of the guidelines for the preparation of an application for a special variation to general income issued by the Office of Local Government in 2020. • The ASV guidelines set out in this circular apply where council is applying for: <ul style="list-style-type: none"> – a temporary or permanent single year special variation for 2022–23 under section 508(2) of the <i>Local Government Act 1993</i> – the percentage sought in the application is the lower of 2.5 per cent (including population factor) or the council's assumed 2022–23 rate peg as exhibited in its 2021–22 long term financial plan (including population factor).
Circular 22-06 'Information about Ratings 2022–23'	<ul style="list-style-type: none"> • Outlines changes to the following rates for 2022–23: <ul style="list-style-type: none"> – maximum boarding house tariffs – maximum interest rate payable on overdue rates and charges – section 603 certificate fee – statutory limit on the maximum amount of minimum rates. • Requires councils to incorporate these determinations into their 2022–23 rating structures and operational plan statement of revenue policies.
Circular 21-32 'Government endorses new rate peg methodology to support growing councils'	<ul style="list-style-type: none"> • Advises that the minister has endorsed the new rate peg methodology and has asked Independent Pricing and Regulatory Tribunal (IPART) to give effect to it in setting the rate peg from the 2022–23 financial year. • Some of the key points of the change include: <ul style="list-style-type: none"> – an amendment to the <i>Local Government Act 1993</i> to ensure that multiple rate pegs may be set – councils with growing residential populations will be able to raise notional general income by an additional population factor as part of the rate peg from 2022–23 – the population factor for each council will reflect estimated residential population growth less revenue received from supplementary valuations that year. This will increase revenue for many councils serving growing communities – no council will be worse off under the new methodology – IPART has estimated that, for example, over the past four years, the new rate peg methodology would have increased total general income for the local government sector by 1.5 per cent, or \$287 million.

Items	Details
<u>Guidelines for the preparation of an application for a special variation to general income</u>	<ul style="list-style-type: none"> • Establishes guidelines for councils applying for special variations. • Sets the assessment criteria for applications and provides information on how and when to apply. • Advises that with the rate path protection ending in the 2020–21 rating year, any new council must submit a special variation application in line with these guidelines to the Independent Pricing and Regulatory Tribunal if the council wishes to harmonise rates in a way that increases general income above the rate peg from the 2021–22 rating year onwards.
<u>Guidelines for the preparation of an application to increase minimum rates above the statutory limit</u>	<ul style="list-style-type: none"> • Issued pursuant to section 548 of the <i>Local Government Act 1993</i> (LG Act). • Apply to all councils, except in specific circumstances, to new councils yet to harmonise. • Advises that: <ul style="list-style-type: none"> – the Independent Pricing and Regulatory Tribunal will assess and determine special variation applications by councils – when councils resolve to adopt a minimum amount of a rate, the size of the minimum amount must not exceed the relevant permissible limits provided in section 548(3) of the LG Act and clause 126 of the Local Government (General) Regulation 2005 – ‘Special Guidelines for new councils applying to harmonise minimum rates on 1 July 2021’ (special guidelines) have been issued to new councils. The special guidelines temporarily replace, in specific circumstances only, these minimum rates guidelines for new councils formed during a council merger process in 2016 and required to harmonise rates on 1 July 2021.
<u>Circular 18-39 ‘Debt Management and Hardship Guidelines’</u> <u>Debt Management and Hardship Guidelines 2018</u>	<ul style="list-style-type: none"> • Advises the Office of Local Government has issued new guidelines on debt management and hardship practices for all NSW councils. • The guidelines are issued under section 23A of the <i>Local Government Act 1993</i> and councils must take these into account when developing and implementing debt management and hardship policies and procedures.
<u>Pensioner concession Factsheet 2011</u>	<ul style="list-style-type: none"> • Briefly outlines the pensioner concessions on ordinary council rates and domestic waste management services charges, concessional amounts and eligibility.
<u>Circular 08-49 ‘Amendment to the Local Government Act 1993 - Rating of Land Partially Subject to a Conservation Agreement’</u>	<ul style="list-style-type: none"> • Advises councils that the amendment to section 555(3) of the <i>Local Government Act 1993</i> provides for the continued proportional rating of lands that include a Conservation Agreement established under section 69A-KA of the <i>National Parks and Wildlife Act 1974</i>.
<u>Circular 06-47 ‘Stormwater Management Services Charge Guidelines’</u>	<ul style="list-style-type: none"> • Issued under section 23A of the <i>Local Government Act 1993</i>. • Details the requirements for levying the stormwater management services charge.

Items	Details
Council Rating and Revenue Raising Manual 2007	<ul style="list-style-type: none"> • Outlines the main sources of council income under the <i>Local Government Act 1993</i>. • Provides a comprehensive overview of rates including categories of rates, rate structures, charges for domestic waste services, rate exemptions, levying and payment of rates and charges, concessions and fees.
Council elections	
Circular 23-09 'September 2023 mayoral elections'	<ul style="list-style-type: none"> • Advises that councils that elect their mayors are required under section 290(1)(b) of the <i>Local Government Act 1993</i> to hold mid-term mayoral elections in September 2023. • Mayors elected in September 2023 will hold their office until council elections are held in September 2024. Mayors selected by councillors normally hold their office for two years (unless a casual vacancy occurs.) Because of the postponement of the last ordinary elections to 4 December 2021, mayors elected by councillors during this term will have a shorter term than the usual two years.
Circular '21-31 Post-Election Guide on key decisions and activities for councils, county councils and joint organisations following the local government elections'	<ul style="list-style-type: none"> • Advises councils, county councils and joint organisations that OLG has prepared a 'Post-Election Guide for Councils, County Councils and Joint Organisations' to help them comply with several key decisions and activities that need to occur at the first meetings following the elections and in the 12 months that follow.
Miscellaneous items	
Section 23A Guidelines on the withdrawal of Development Applications	<ul style="list-style-type: none"> • Require councils to consider and apply all necessary measures to accelerate their development assessment processes. • support councils' legislative responsibilities and provide sector-wide guidance on how to manage the withdrawal of development applications.
22-42 'Councils and joint organisations to provide OLG's credit card guidelines to their ARICs'	<ul style="list-style-type: none"> • Advises NSW Parliament's Public Accounts Committee has recommended that OLG's Guidelines on the Use and Management of Credit Cards (guidelines) should be provided to councils' audit risk and improvement committees (ARICs) to provide further guidance on credit card use. • General managers of councils and executive officers of joint organisations should arrange for the credit card guidelines to be provided to the chair of their ARICs.
22-39 'Release of Cyber Security Guidelines for NSW Local Government'	<ul style="list-style-type: none"> • Advises the Cyber Security Guidelines – Local Government (the guidelines) allow councils to assess their cyber security maturity and plan their maturity uplift. The guidelines outline cyber security standards and controls recommended by Cyber Security NSW for NSW local governments. • Councils can adopt the guidelines or use them to form the basis of an internally developed cyber security policy.
Circular 21-29 'Release of the Guideline on the Use and Management of Credit Cards'	<ul style="list-style-type: none"> • Advises that the Office Local Government has released the 'Guideline on the Use and Management of Credit Cards' (the guideline). This guideline provides an overarching framework and suggested considerations and approaches to guide the development and/or review of credit card policies and related procedures and is divided into two parts:

Items	Details
<p>Circular 21-15 'Introduction of free lifetime registration for rescued pets and increases to companion animal fees for 2021-22'</p>	<ul style="list-style-type: none"> - Part A provides a list of core responsibilities that councils should consider as foundational elements of their credit card policy and related procedures - Part B provides operational guidance that expands on these core responsibilities with practical advice on best practice credit card management and the responsibilities of individual cardholders, including risk management, preventative controls and detective controls. <ul style="list-style-type: none"> • Advises councils: <ul style="list-style-type: none"> - that the NSW Government is introducing free lifetime registration for people who adopt a rescue pet from council pounds and animal shelters, and rehoming organisations - of the adjusted registration and annual permit fees for 2021-22.
<p>Circular 19-06 'Changes to emergency services funding arrangements'</p>	<ul style="list-style-type: none"> • Advises councils: <ul style="list-style-type: none"> - of the changes made by the NSW Government to workers' compensation to provide better protection for volunteer and career firefighters affected by work-related cancers - that the local government share of the cost of the emergency services levy will be 11.7 per cent.
<p>Circular 17-25 'Container Deposit Scheme and waste management contracts'</p>	<ul style="list-style-type: none"> • Advises councils: <ul style="list-style-type: none"> - of the commencement of the NSW Container Deposit Scheme (the Scheme) on 1 December 2017, with a 10 per cent refund claimable on eligible containers - that under the Scheme, operators of Material Recovery Facilities (MRFs) will be able to claim a portion of the refund on containers collected from kerbside recycling using the MRF Protocol.
<p>Circular 06-32 'Provision of Financial Assistance under Section 356'</p>	<ul style="list-style-type: none"> • Provides guidance for councils providing financial assistance to others (including charitable, community and sporting organisations and private individuals) under section 356 of the <i>Local Government Act 1993</i>.

OUR VISION

Our insights inform and challenge government to improve outcomes for citizens.

OUR PURPOSE

To help parliament hold government accountable for its use of public resources.