



**2005 NSW LOCAL GOVERNMENT
ANNUAL FINANCIAL STATEMENTS AWARD**

JUDGES' REMARKS

1. INTRODUCTION

The NSW Local Government Annual Financial Statements Award is sponsored annually by Coalface Software Solutions to encourage improved presentation and compliance with the Australian Accounting Standards (the Standards) and the NSW Local Government Code of Accounting Practice and Financial Reporting (the Code). The award is judged on the non-audit aspects of compliance with the Standards and the Code, format and presentation, readability and information provided to users and the appropriateness, wording and content of narrative notes.

The judges are one nominee of each of the Local Government Finance Professionals, the Local Government Auditors Association and Coalface Software Solutions.

The general guidelines used during the judging process have been published as a separate document and is available for download from the Awards page on the Coalface web-site www.coalface.com.au.

2. GENERAL

The judges compliment all Councils who submitted their Annual Statements for judging. We again noted a general improvement in technical and presentation standards, particularly when compared with the first year of the Award.

3. PRESENTATION & TECHNICAL COMPETENCE

Financial Statements prepared by a competent professional will look exactly that. We find that statements that look as if they have been "thrown together" have a far higher proportion of technical errors than statements that are well presented. The immediate impression conveyed by their appearance usually reflects the professional competence with which the statements have been prepared.

First and foremost, the Award winner will display a high level of technical competence with a presentation to match. Some Accounting Standards suggest voluntary disclosures and these are highly regarded in the judging process.

We particularly commend the following Councils for producing Annual Statements that were technically highly competent and also well presented:

- North Sydney City Council
- Manly Council
- Pittwater Council
- Ballina Shire Council
- Mid-Western Regional Council
- Coolamon Shire Council
- Lockhart Shire Council



- Bland Shire Council

Not all of these Councils made the voluntary disclosures included in the Standards, which impeded their further success.

4. “VALUE ADDING”

Annual Statements are complex technical documents and an increasing number of Councils are looking to develop methods of making them more comprehensible to people without a technical accounting background. These methods include

- Graphs (but we note that some are poorly presented or unclear)
- Executive Summary
- Financial Report in Plain English
- Financial Report Summary

We encourage Councils in these efforts, and assess them on the basis of technical accuracy, clarity and presentation. While a few attempts at “value adding” fail to meet our expectations, most are meritorious and worthy of continued development. Some are outstanding.

5. THE WINNER

After extensive consideration the judges determined to declare **Greater Taree City Council** the winner of this year’s Award from **Penrith City Council**. The other Councils included in the final round of judging were **Narromine Shire Council** and **Blayney Shire Council**.