

Local Government Model Financial Report

Summary of changes 2020-21

Local Government Model Financial Report (LGMFR)

REFERENCE	CHANGE
Title	Updated to reflect Local Government Victoria moving from DELWP to DJPR due to machinery of government changes.
Merge Details_Printing instructions	Text updated to reflect the shift of guidance material from the separate Better Practice Guide (BPG) into the LGMFR excel template.
Table of Contents	Guidance references beginning at the Table of Contents and continuing throughout the LGMFR have been hyperlinked to the new GUIDANCE tab for ease of use.
Certification	NO CHANGE - the transitional provisions in the <i>Local Government Act 2020</i> mean the <i>Local Government Act 1989</i> and <i>Local Government (Planning and Reporting) Regulations 2014</i> continue to apply for the 2020-21 reporting period.
Comprehensive Income Statement / Balance Sheet / Statement of Changes in Equity / Cash Flow Statement/ Statement of Capital Works	Formulas linked to the relevant notes for each line item have been added to the primary financial statements for both the 2020-21 and comparative years.
Statement of Changes in Equity	A line item has been added for the potential impact of a change in accounting policy to reflect the requirements of <i>AASB 1059 Service Concession Arrangements: Grantors</i> . It is not expected that this standard, which applies to Victorian councils from 2020-21, will have any impact on councils. Nonetheless, provision has been made in the SOCE in the event there is an impact.
Overview	Consideration of the applicability of <i>AASB 1059 Service Concession Arrangements: Grantors</i> has been added to the management judgements and assumptions under the Basis of accounting heading.
Overview	Provision for disclosure of the impact of the COVID-19 pandemic on council finances has been added. A sample disclosure and structure is included in the LGMFR with provision for each council to supplement this based on unique local circumstances and impacts.
Note 5.8	Text in relation to the initial adoption and application of <i>AASB 16 Leases</i> in 2019-20 has been removed from the 2020-21 LGMFR as it no longer applies. Disclosures on the impact on the financial statements of the introduction of <i>AASB 16 Leases</i> and details of previous lease classifications under <i>AASB 117 Leases</i> (the former accounting standard) have also been removed.
Note 6.2	Example line item included for a prior period error in case needed.
Note 8.2	Text in the change in accounting standards note disclosure has been updated to reflect Australian Accounting Standards issued but not yet mandatory for the 30 June 2021 reporting period.
Note 9.3	Superannuation disclosures have been updated to reflect the latest available information from Vision Super.

REFERENCE	CHANGE
Note 10	The change in accounting policy note has been updated to reflect the application of <i>AASB 1059 Service Concession Arrangements: Grantors</i> to Victorian councils from 2020-21 along with amending standards relating to materiality and the conceptual framework. It is not expected that these standards will have any significant impact on councils.
GUIDANCE	New tab named 'GUIDANCE' added to store all Better Practice Guidance in the LGMFR excel template. In previous editions this guidance was published in the separate Better Practice Guide.
Balance Checks	New tab named 'Balance Checks' added to help LGMFR users ensure that elements within the Model Accounts that should agree with each other actually do. The formulas in this new tab compare key figures from the Comprehensive Income Statement, Balance Sheet, Cash Flow Statement and Notes to determine whether they are in balance or not.
Throughout	References to guidance throughout the LGMFR have been hyperlinked to the new GUIDANCE tab. This allows users to click on a guidance reference (for example G5 in the Comprehensive Income Statement) and be taken directly to the relevant piece of guidance within the GUIDANCE tab. This also means that detailed guidance previously in the Better Practice Guide is now instead located in the LGMFR.
Throughout	Yellow highlighting flags parts of the LGMFR where councils should apply professional judgement or local data to populate the LGMFR template.
Throughout	Corrected various spelling, typographical, formatting and other minor issues with the LGMFR.

Better Practice Guide (BPG) – Model Financial Report

REFERENCE	CHANGE
Word template	Updated to reflect Local Government Victoria moving from DELWP to DJPR due to machinery of government changes.
A message from LGV	Introductory remarks from Local Government Victoria have been updated in the 2020-21 version.
Introduction	The introduction has been updated to reflect the objectives and purpose of the <i>Local Government Act 2020</i> , the principles-based nature of the new Act and the role of a council.
Introduction	Section added to reflect that transitional provisions in the <i>Local Government Act 2020</i> mean the <i>Local Government Act 1989</i> and <i>Local Government (Planning and Reporting) Regulations 2014</i> continue to apply for the 2020-21 reporting period.
Introduction	About this guide section updated to reflect the shift of guidance material from the BPG into the LGMFR.
Introduction	The table setting out the membership of the Model Accounts 2020-21 working group has been updated.
ISPRF	Section and diagrams added to provide context for the Integrated Strategic Planning and Reporting Framework introduced under the <i>Local Government Act 2020</i> .
Guidance	Section updated to reflect the shift of guidance material from the BPG into the LGMFR.
Glossary	Updated to reflect <i>Local Government Act 2020</i> .
References	Updated to reflect latest editions and hyperlinks.
BPG	Corrected various spelling, typographical, formatting and other minor issues with the Better Practice Guide.

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