



Media Release

Auditor praises Council's performance FY2015-16

Tuesday 15 November 2016: Kangaroo Island Council has had its 2015-16 Financial Year (FY) accounts audited and reviewed by the Audit Committee and is pleased to report another excellent set of financial results and a sixth consecutive, unqualified audit opinion from the auditors, Deloitte Touche Tohmatsu.

Mayor Peter Clements commented, "It is very pleasing to see the continued dedication and progress that our CEO, Andy Boardman, and Council Staff are making. After five years of solid achievement under Andy's leadership, and despite challenging circumstances, it is especially pleasing to note yet another solid financial result and unqualified audit. Council extends its thanks to all the Staff and looks forward to an exciting 2016-17 with the completion of Penneshaw CWMS and the commencement of the Kangaroo Island Airport Upgrade.

"The 2016-17 budget was a tough one, but even so, Council reported an increase in revenue of 8% and a decrease in expenditure of 2% compared with the previous year. These figures have been driven predominantly by controlled material and staff costs together with decreased finance charges.

"In addition to the normal audit of financial results, 2015-16 FY was the first year for mandatory auditing of Internal Controls. Deloitte completed a review of 233 controls across the business and found only three minor non-conformances of an administrative nature. These have since been addressed by the respective administration teams. This is an excellent outcome for a small Council".

The Auditors complemented the staff with whom they had dealt not only during the normal annual audit process but also the staff with whom they had been involved in the audit of internal controls. They expressed the view that the finance staff "displayed a high degree of competence particularly as they had to cover such a wide range of activities (compared with larger Councils in which more specialisation is possible)".

They also mentioned, "This competence is well supplemented by the strategic focus of the Council, Chief Executive Officer and Director Council Services" and that "the Management Team pays sufficient attention to sound financial management on a day to day basis".

Against this backdrop Council also completed its fifth annual performance review of the CEO, Andy Boardman. Mayor Peter Clements said, "We are pleased to announce that, from feedback provided by Elected Members and Staff, together with comment from peers and leaders from external Agencies, the CEO has performed above expectations for the third year in a row. Council has congratulated Andy on this recognition and confirmed their extension of his employment contract by a further 12 months to August 2018.

"We have exciting times ahead of us with two State Major Projects moving forward, and the potential of more as the world wakes up to realise what Kangaroo Island has to offer. Council will need to continue their financial discipline and follow their long-term financial plan towards financial sustainability. With five good years behind us, and the promise we have for the future, we are sure that we will be able to continue to outperform and deliver great outcomes at lower cost for our Community.

"This performance has allowed Council to reduce rate increases by 1% this year and will do so again in 2017-18 which will leave rates capped at CPI plus growth. This recognises the cost pressures we all have as residents and demonstrates this Council's commitment to continue delivering the wide range of services, cost effectively, for the future," he said.

The graph shows Council's performance since 2010 and its long term projected performance, demonstrating a strong upwards trend towards consistent surplus and sustainability.

