

Circular Details	20-40 / 11 December 2020 / A750864
Previous Circular	N/A
Who should read this	General Managers / Financial accounting business areas
Contact	Policy Team / (02) 4428 4100 / code@olg.nsw.gov.au
Action required	Council/Joint Organisations to implement

Local Government Code of Accounting Practice and Financial Reporting 2020-21

What's new or changing

- The final Code of Accounting Practice and Financial Reporting (Code) is available for preparing councils' 2020-21 financial statements.
- A Joint Organisation (JO) Supplement to the Code is available for preparing JO 2020-21 financial statements.

What this will mean for your council/JO

- The Code must be used by councils and JOs to prepare their annual financial statements in accordance with the *Local Government Act 1993* and the *Local Government (General) Regulation 2005*.

Key points

- The Code has been prepared in accordance with the *Local Government Act 1993*, the Australian Accounting Standards and other requirements.
- To enhance the readability and user friendliness of the Code, extensive restructuring and formatting has been undertaken.
- Changes highlighted in yellow are new for 2020-21.
- Councils and JOs should carefully review the key changes in this year's Code, which are also detailed within the *Summary of key changes to the Code 2020-21* document.
- A reference tool to assist with mapping from the previous Code to the new Code structure is also provided.
- The JO Supplement to the Code supports JOs preparing financial statements.
- The introduction and overview of the Code provides guidance to JOs on the application of the JO Supplement.
- The Code has been developed in consultation with key stakeholders, including the NSW Audit Office, council and JO representatives, external auditors and LGNSW.

Where to go for further information

- OLG's website has the:
 - Code comprising of five documents:
 1. General Purpose Financial Statements (Section 1)
 2. Joint Organisations Supplement (Section 2)
 3. Special Purpose Financial Statements (Section3)
 4. Special Schedules (section 4), and
 5. Appendices (Section 5)
 - *Summary of key changes to the Code 2020-21*
 - *Mapping tool - Code 2019-20 to 2020-21*
- OLG's Accounting Practice page can be found here:
<https://www.olg.nsw.gov.au/councils/council-finances/financial-reporting/local-government-code-of-accounting-practice-and-financial-reporting/>



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