

22 December 2010

Mr D D R Pearson  
Auditor General  
Victorian Auditor Generals Office  
Level 24, 35 Collins Street,  
Melbourne, 3000

Dear Mr Pearson,

### **Council comment on proposed Audit Report**

In response to your recent invitation for Council to express a comment in the proposed audit report "*Acquittal Report: Results of the 2009-10 Audits*", I now provide the below comments to be inserted into that report as Council's response on the audit qualification received.

### **City of Greater Dandenong Response**

The City of Greater Dandenong expresses its disappointment at receiving an audit qualification for the presentation of the 2009/10 Income Statement. Council firmly believes that it has not only fully complied with the requirements of AASB101 but has provided the reader of Council's financial statements with an enhanced level of information that would aid a reader in understanding both the financial performance in 2009/10 and the likely future financial performance of Council. Council totally refutes any assertion that a reader of its 2009/10 Income Statement would be misled by the information provided.

Whilst Council has elected to accept an Audit qualification as a matter of principle, it does not agree the qualification has been validly based. It should be noted that Local Government in Western Australia and South Australia present financial statements in the same format as City of Greater Dandenong and receive an audit opinion (from private accounting firms) that certifies the approach as being in accordance with Australian Accounting Standards.

Further the Health and Education sectors in Victoria report in a similar manner to City of Greater Dandenong and receive an Audit opinion from the VAGO that these accounts are presented in accordance with Australian Accounting Standards. Whilst it is understood that these sectors have Ministerial permission to report in such a manner, the audit opinion issued does not refer to this Ministerial directive and instead provides the reader with an assurance that the accounts are consistent with Accounting Standards.

**Customer Service**  
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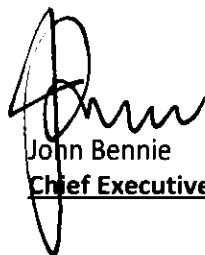
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The City of Greater Dandenong firmly believes in the stance it has taken and has sought the views of all other Victorian Councils. On receipt of this information, Council will seek further discussions with the Minister of Local Government in respect of this issue.

I look forward to these comments being included in the Acquittal Report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Bennie', written in a cursive style.

John Bennie  
**Chief Executive Officer**