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GOODS AND SERVICES TAX – COUNCIL COMPLIANCE REQUIREMENTS FROM 2004/05

The purpose of this circular is to advise councils of changes to the requirements for GST compliance. As you are aware from Circular 01/45, the current approach requires councils to have an independent GST review undertaken and a GST Audit Review Report prepared by an auditor and lodged with the department each year.

The approach for the 2004/2005 financial year and for all future years, is for councils to supply a certificate of confirmation to the department in place of the Audit Review Report. It is no longer mandatory for councils to have their auditors undertake a review of the GST systems, therefore reducing costs to councils. However a council may, at its own discretion, initiate an external review to support the process.

The first certificate will be for the period 1 July 2004 to 30 June 2005 and the due date will be 7 November 2005. For the years thereafter, the certificates will be for the period 1 May to 30 April. The certificate will be due by 1 June each year. The reason for the change in the date of the certificates is to enable the department to provide more accurate and current information to NSW Treasury. Attached to this circular is a certificate that meets these requirements.

The certificate is to be signed by the Mayor, one other Councillor, the General Manager and the Responsible Accounting Officer (if the Responsible Accounting Officer is not the General Manager).

Councils' responsibilities extend to developing and maintaining internal controls, which should ensure compliance and reduce the risk of cash flow issues and under/over payment of GST. Information on GST better practices can be obtained from the Better Practice Guide for Management of GST Administration, the Accompanying Workbook and GST and Grants (ATO NAT Number 7037-04.2004), which are available on the ATO website and the Audit Office website. A health check is provided in the Better Practice Guide and Workbook.



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COUNCIL OF/COUNCIL OF THE CITY OF

GOODS AND SERVICES TAX CERTIFICATE

Payment of Voluntary GST 1 July 2004 to 30 June 2005

To assist compliance with Section 114 of the Commonwealth Constitution, we certify that:

- Voluntary GST has been paid by (name of Council) for the period 1 July 2004 to 30 June 2005.
- Adequate management arrangements and internal controls were in place to enable the Council to adequately account for its GST liabilities and recoup all GST input tax credits eligible to be claimed.
- No GST non-compliance events by the Council were identified by or raised with the Australian Taxation Office.

Signed in accordance with a resolution of Council made on

.....
Mayor's Name
MAYOR

.....
Councillor's Name
COUNCILLOR

.....
General Manager's Name
GENERAL MANAGER

.....
Name
**RESPONSIBLE
ACCOUNTING OFFICER**