

4. Goods and Services Tax Certificate

Council is required to prepare a goods and services tax certificate for the period 1 May 2008 to 30 April 2009.

Finance Manager

BACKGROUND

10 Council is required to supply a certificate of compliance to the Department of Local Government in lieu of an independent goods and services tax review and subsequent GST audit review report prepared by the auditor. Whilst Council does have the discretion to initiate an external review, this would be at an additional cost. For that reason an external review is not recommended. An internal "certification" process is favoured.

The purpose of the certificate is to assist the Commonwealth Commissioner of Taxation to make a determination concerning the amount of GST collected during this period.

ISSUES

Legal

20 Adoption of the recommendation will ensure Council complies with the GST requirements of the Department of Local Government. Local councils are required to provide the Department with the GST Certificate before 1 June each year. The Department will then provide this advice to NSW Treasury for confirmation with the Commonwealth Commissioner of Taxation.

Financial

The preferred internal certification process has no financial impact on Council.

RECOMMENDATION

1. That Council express its opinion that to assist compliance with section 114 of the Commonwealth Constitution, it is certified that:
- (i) Voluntary GST has been paid by Bega Valley Shire Council for the period 1 May 2008 to 30 April 2009; and
 - (ii) 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; and
 - (iii) No GST non-compliance events by the Council were identified by or raised with the Australian Taxation Office.
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2. That Council authorise the Mayor, Deputy Mayor, General Manager and the Responsible Accounting Officer to execute the goods and services tax certificate to confirm compliance with section 114 of the Commonwealth Constitution.