



MINUTES

Finance Committee

held at

Council Administration Centre
Committee Room
180 Mort Street, Lithgow

on

Wednesday 20 July 2022

at 4:00 PM

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The Chairperson declared the meeting open at 4:12 pm.

1. Acknowledgement of Country

I would like to begin this meeting by acknowledging the Traditional Owners of this land on which we meet today. I would also like to pay respect to Elders both past, present and emerging.

2. Present

Present: Mayor M Statham, Cr D Goodsell, Cr A Bryce, Cr E Mahony.

Officers: General Manager - Craig Butler, CFIO - Ross Gurney,

3. Apologies

Apologies: Cr S M^cGhie

4. Declaration of Interest

The Mayor called for any declarations of interest.

There were no declarations of interest.

5. Staff Reports

5.1. Financial Assistance Grant Allocation

The CFIO provide the Committee with information on Council's 2022/23 estimated Financial Assistance Grant (FAG) allocation. The CFIO also provided details of Council's recent advocacy for a better allocation model and a fair share of FAG funding for rural and regional communities.

ACTION / RECOMMENDATION

THAT the Finance Committee note the information provided on the Financial Assistance Grant allocation and Council's ongoing advocacy for a better allocation model and a fair share of FAG funding.

MOVED: Cr D Goodsell

SECONDED: Cr E Mahony

CARRIED:

5.2. Accounting Treatment of RFS (Red Fleet) Assets

The CFIO provided information on the NSW Government and Auditor-General's push for Council to recognise Rural Fire Service (RFS) firefighting (Red Fleet) assets. Local Government NSW (LGNSW) is calling on Councils to support the local government campaign on the financial accounting treatment of RFS mobile assets known as the 'Red Fleet'.

At the 6 July 2022 Audit Risk and Improvement Committee meeting and in subsequent discussions with the CFIO, the Audit Office representative made it clear that Council must recognise the RFS firefighting assets or face a qualified audit opinion. A qualified audit opinion would result in reputational damage to Council and potential intervention from the OLG (e.g. a Performance Improvement Order). It would also result in Council not meeting the eligibility criteria for a dividend payment from the Sewer Fund for the 2021/22 year.

ACTION / RECOMMENDATION

THAT Council:

1. Continue with its current complete support of and commitment to local RFS brigades noting that Council's action on this matter is entirely directed towards the NSW Government's position that RFS assets are controlled by councils - which has the effect of cost-shifting the NSW Government's responsibilities onto local communities.
2. Affirm its support to Local Government NSW (LGNSW) and requests LGNSW continue advocating on Council's behalf to the State Government about the accounting treatment of RFS assets.

MOVED: Cr D Goodsell

SECONDED: Cr E Mahony

CARRIED:

5.3. Referral of Financial Reports for External Audit - Year Ended 30 June 2022

The CFIO provided information on the legislative requirement for Council to refer its financial reports for audit prior to the commencement of the external audit.

ACTION / RECOMMENDATION

THAT the Finance Committee endorse the recommendation, to be considered by Council at the July meeting, to refer the 2021/22 financial statements for audit (in accordance with S413 of the Local Government Act 1993) and note the proposed process for the audit of the financial statements.

MOVED: Cr M Statham

SECONDED: Cr D Goodsell

CARRIED:

5.4. Investment Report June 2022

The CFIO presented the Investment Report for June 2022.

A \$44K increase in cash and investments in June 2022 was mainly due to the taking up of a \$3.5M working capital short-term loan facility. The working capital loan facility has a review date set for each 3 months. At the review date, Council can pay down the loan balance, depending on short-term cash needs.

The decrease in the bank account balance to \$278K is not of concern, as Council maintains an "on-call" account with Macquarie Bank that permits Council to withdraw funds overnight. The Macquarie account is included in the investments balance and had more than \$1M available in June 2022.

ACTION / RECOMMENDATION

THAT

1. Investments of \$34,490,102 and cash of \$277,661 for the period ending 30 June 2022 be noted.
2. The enclosed certificate of the Responsible Accounting Officer be noted.
3. The commentary on funding requirements for restricted reserves be noted.

MOVED: Cr E Mahony

SECONDED: Cr D Goodsell

CARRIED:

5.5. Community Engagement - Options for a Sustainable Lithgow

Following the 18 July 2022 Councillor Information session item on the proposed community engagement on Options for a Sustainable Lithgow, the General Manager and CFIO opened a brief discussion on the matter.

ACTION / RECOMMENDATION

THAT the Finance Committee note the discussion on the proposal to engage with the community on options for a sustainable Lithgow.

MOVED: Cr D Goodsell

SECONDED: Cr E Mahony

CARRIED:

6. General Business

There was no general business raised by the committee.

7. Meeting Close

The Mayor declared the meeting closed at 5:09pm.