



# MINUTES

Finance Committee

held at

Council Administration Centre  
Committee Room  
180 Mort Street, Lithgow

on

Monday 11 November 2019

at 4:30 pm

# ORDER OF BUSINESS

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<b>1. Present .....</b>	<b>3</b>
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<b>6. Meeting Close .....</b>	<b>6</b>

The Chairperson declared the meeting open at 04:28 pm.

## 1. Present

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Present: Councillor W McAndrew, Councillor S Ring, Councillor R Thompson  
Officers: Graeme Faulkner (General Manager), Ross Gurney (CFIO), Trinity Newton (minutes)

## 2. Apologies

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Nil.

## 3. Declaration of Interest

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There were Nil declarations of Interest.

## 4. Staff Reports

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### 4.1. Election of Chair

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#### **ACTION / RECOMMENDATION**

THAT:

1. The Finance Committee elect a Chair for the next term of the Committee (to September 2020) in accordance with the adopted Terms of Reference for the Committee.
2. The Committee appoint Councillor Thompson as the elected Chair of the committee for the next term of the Committee (to September 2020).

**MOVED:** Councillor W McAndrew

**SECONDED:** Councillor S Ring

**CARRIED:** Unanimously

### 4.2. New Risk Management & Internal Audit Framework

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The committee discussed the Risk Management & Internal Audit Framework discussion paper. The discussion included the core requirements of the proposed framework and the resource implications for Council. The framework includes the addition of two new audit and risk positions at a time when Council is working towards delivering a balance operating result.

#### **ACTION / RECOMMENDATION**

THAT the Committee:

1. Note the report on the Risk Management and Internal Audit Framework discussion paper.
2. Note that a submission will be lodged on behalf of Council by the 31 December 2019 deadline, particularly highlighting the resource implications for smaller and rural / regional Councils should the core requirements be mandatory for Councils to implement.
3. Note the submission will also recommend that the NSW Government provide a significant financial contribution to assist Councils to implement any mandatory risk management and internal audit requirements.

**MOVED:** Councillor W McAndrew

**SECONDED:** Councillor S Ring

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**CARRIED:** Unanimously

#### **4.3. Financial Statements for the Year Ended 30 June 2019**

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The Financial Statements were reviewed by the Committee and the following items were discussed.

- The timeline to complete the implementation of the new Asset Management System.
- The impact on revenue of partial approval of the Special Rate Variation from 1 July 2019.
- Grants and contributions – capital grants tend to vary each year depending on the number of grant funded capital projects.
- Employee benefits and on-costs.
- The decrease in the rates and annual charges outstanding ratio to 4.8%.

#### **ACTION / RECOMMENDATION**

THAT the Committee note the recommendations included in the November Council Meeting 2018/19 Financial Statements report which will be considered by Council at the 25 November 2019 meeting.

**MOVED:** Councillor W McAndrew

**SECONDED:** Councillor S Ring

**CARRIED:** Unanimously

#### **4.4. Audit Action List**

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The Committee reviewed the Internal and External Audit Actions list. The Audit, Risk and Improvement Committee meeting has been scheduled for December 2019. The timeline for completion of Internal Audit Actions needs to be revised with the goal of completing all actions by 30 June 2020.

#### **ACTION / RECOMMENDATION**

THAT progress towards completing 2019/20 internal and external audit actions be noted by the Committee.

**MOVED:** Councillor W McAndrew

**SECONDED:** Councillor S Ring

**CARRIED:** Unanimously

#### **4.5. October 2019 Performance Reporting to OLG**

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The Committee reviewed the performance report to the OLG.

#### **ACTION / RECOMMENDATION**

THAT the October 2019 Performance Report to the OLG be noted by the Committee.

**MOVED:** Councillor S Ring

**SECONDED:** Councillor W McAndrew

**CARRIED:** Unanimously

#### **4.6. Investment Report September 2019**

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The Committee discussed the investment Report for September 2019 as tabled.

##### **ACTION / RECOMMENDATION**

THAT

1. Investments of \$32,268,230 and cash of \$147,624 for the period ending 30 September 2019 be noted.
2. The enclosed certificate of the Responsible Accounting Officer be noted.

**MOVED:** Councillor W McAndrew

**SECONDED:** Councillor S Ring

**CARRIED:** Unanimously

#### **4.7. FIN - 28/10/19 - 2018/19 Financial Statements**

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The item was discussed at item 4.3.

#### **4.8. Investment Report October 2019**

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The Committee discussed the investment Report for October 2019 as tabled. The Committee also discussed in brief the loan which was obtained for the Aquatic Centre project.

##### **ACTION / RECOMMENDATION**

THAT

1. Investments of \$29,928,230 and cash of \$145,801 for the period ending 31 October 2019 be noted.
2. The enclosed certificate of the Responsible Accounting Officer be noted.

**MOVED:** Councillor S Ring

**SECONDED:** Councillor W McAndrew

**CARRIED:** Unanimously

#### **4.9. 2019/20 Quarter One Budget Review**

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The committee was informed that Council's projected financial position at 30 June 2020 will be **satisfactory** compared with the original budget.

The CFIO presented the Quarter One Budget Review. The operating result (before capital) is trending in the correct direction.

##### **ACTION / RECOMMENDATION**

THAT the 2019/20 Quarter One Budget Review, which will be considered by Council at the November 2019 meeting, be noted.

**MOVED:** Councillor S Ring

**SECONDED:** Councillor W McAndrew

**CARRIED:** Unanimously

#### **4.10. Policy 8.7 Investment Policy**

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The Committee discussed the Investment Policy report to the November Council meeting.

#### **ACTION / RECOMMENDATION**

THAT the Committee note the recommendations included in the Policy 8.7 Investment Policy report which will be considered by Council at the 25 November 2019 meeting.

**MOVED:** Councillor S Ring

**SECONDED:** Councillor W McAndrew

**CARRIED:** Unanimously

#### **5. General Business**

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Items discussed in General Business:

- Tender for banking services.
- Water pricing and the smart meters roll out.
- A report to the November Council meeting seeking approval to obtain a loan (as planned) for the ongoing reservoirs upgrade project.

#### **6. Meeting Close**

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Next Meeting: a December 2019 meeting will be convened if required. The next meeting will be scheduled for January 2020.

There being no further business the Chairperson declared the meeting closed at 05:12 pm.