



# MINUTES

Finance Committee

held at

Council Administration Centre  
Committee Room  
180 Mort Street, Lithgow

on

Monday 15 June 2020

at 4:00 pm

# ORDER OF BUSINESS

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<b>1. Present.....</b>	<b>3</b>
<b>2. Apologies .....</b>	<b>3</b>
<b>3. Declaration of Interest.....</b>	<b>3</b>
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<b>4.2. FIN - 15/06/2020 - Investment Report May 2020 .....</b>	<b>3</b>
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<b>4.4. OLG Circular -Clarification - 2020/21 Single and First Quarter Rates Instalments .....</b>	<b>5</b>
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<b>6. Meeting Close .....</b>	<b>6</b>

The Chairperson declared the meeting open at 4:00pm.

## **1. Present**

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Present: Councillor W McAndrew, Councillor S Ring, Councillor R Thompson, Councillor S Lesslie

Officers: Craig Butler - General Manager, Ross Gurney - CFIO, Rhiannan Whiteley - Minutes

## **2. Apologies**

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All being present there were Nil Apologies.

## **3. Declaration of Interest**

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There were nil declarations of interest.

## **4. Staff Reports**

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### **4.1. FIN - 22/06/20 - Lidsdale Rating Sub-Categories**

**Report by** Chief Financial & Information Officer

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The Committee discussed the combined impacts of the proposed changes to the Lidsdale rating sub-categories and the addition of the power generation rating sub-category.

The Committee queried the implications of moving the Lidsdale businesses to the rural general sub-category. The CFIO indicated that given there are only 4 properties included in the sub-category, the impact would be minimal.

The CFIO is to redraft the report to the Committee including details, on average, of the impact on both Lidsdale and rural general ratepayers for both residential and business sub-categories. The report should also include the potential loss of revenue should the Lidsdale ratepayers be transferred to the rural general sub-categories without adjusting the rates for other rural general ratepayers.

### **ACTION**

**THAT** a redrafted Lidsdale rating sub-categories report with additional details be brought to the July Finance Committee meeting for consideration.

**MOVED:** Councillor W McAndrew  
**CARRIED:** Unanimously

**SECONDED:** Councillor S Ring

#### 4.2. FIN - 15/06/2020 - Investment Report May 2020

**Report by** Chief Financial & Information Officer

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The Committee discussed the current cashflow issues and were advised that there is unlikely to be significant improvement until well into the new financial year. The outstanding debtors ratio is likely to be impacted for over 12 months.

The CFIO has had discussions with the contract external auditors (Crowe) who are currently discussing with the Audit Office as to how best to deal with cashflow issues impacting many Councils. The usual approach would be internal borrowing against internal reserves. The CFIO indicated that reserves would be rebuilt once cash inflows return to a normal level.

The report indicated an overall increase in cash and investments of \$2,122,139 since April 2020 and that this increase was mainly as a result of the prepayment of the 2020/21 FAGS (\$2.68M). The CFIO updated the committee on the current rates receipts in the COVID-19 environment indicating the decrease was currently 29% as opposed to the 47% originally reported (not including late water billing).

Councillor McAndrew requested comparative figures on cash receipts for water billing. The CFIO took the question on notice.

#### **ACTION / RECOMMENDATION**

##### **THAT**

1. Investments of \$27,320,000 and cash of \$646,869 for the period ending 31 May 2020 be noted.
2. The enclosed certificate of the Responsible Accounting Officer be noted.

**MOVED:** Councillor S Ring

**SECONDED:** Councillor W McAndrew

**CARRIED:** Unanimously

#### 4.3. FIN - 22/06/20 - 2019-20 Quarter Three Budget Review

**Report by** Chief Financial & Information Officer

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An amended report was provided to the Committee prior to the Finance Meeting.

The Committee briefly discussed the impact of COVID on the LGA.

As there is less cash coming in to Council then there has to be less cash going out. ELT are considering measures to increase incoming funds and reducing outgoing cash. A detailed report will be provided to the July Finance Committee meeting.

Directors are currently reviewing commitments for the new financial year and ensuring that they are phased correctly and are achievable to complete in the 2020/21 year. Capital projects that can be

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completed by internal staff can proceed, those that require contractors may be deferred and all projects with grant funding are also going ahead.

**ACTION / RECOMMENDATION**

**THAT** the Committee note the information presented in the 2019-20 Quarter Three Budget Review report which will be considered by Council at the June meeting.

**MOVED:** Councillor W McAndrew

**SECONDED:** Councillor S Ring

**CARRIED:** Unanimously

**4.4. OLG Circular -Clarification - 2020/21 Single and First Quarter Rates Instalments**

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The General Manager and CFIO provided the reasons for maintaining the upcoming rate instalment due date as 31 August 2020 given Council's current cashflow situation but reiterated to the Committee that in line with OLG guidance, no action would be taken on unpaid first instalment rates until 30 September. Rate payers would still be reminded if their payments were overdue but no action taken. Interest charges remain at 0% for the remainder of the year.

**ACTION / RECOMMENDATION**

**THAT** the Committee note the proposed action to issue 2020/21 single and first quarter rates instalments in accordance with the normal timeline with a due date of 31 August 2020, as permitted under OLG guidance.

**MOVED:** Councillor W McAndrew

**SECONDED:** Councillor S Ring

**CARRIED:** Unanimously

**4.5. Audit Action Lists**

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The CFIO advised the committee that he was awaiting the Interim Audit Management letter and would provide it to a Committee meeting as soon as it was finalised.

All actions are on track or completed.

The external audit actions will be completed by the end of June 2020.

A contractor is currently working on the Project and Contract Management actions and these are on track to be completed by mid-July 2020.

The 3-year Audit Action Plan will be included in the July Committee meeting agenda.

**ACTION / RECOMMENDATION**

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

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**MOVED:** Councillor W McAndrew

**SECONDED:** Councillor S Ring

**CARRIED:** Unanimously

#### **4.6. May 2020 Performance Reporting to OLG**

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There has been no response to Council's request for performance reporting requirements to cease.

The Committee discussed the progress made by Council and that requirements have generally been completed and Council should not be required to continue to report to the OLG.

The General Manager will follow-up with the OLG.

#### **ACTION / RECOMMENDATION**

**THAT:**

1. The May 2020 Performance Report to the OLG be noted by the Committee.
2. The General Manager make representations to the OLG in relation to ongoing performance reporting by Council

**MOVED:** Councillor W McAndrew

**SECONDED:** Councillor S Ring

**CARRIED:** Unanimously

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

##### **July 2020 Temporary Budget**

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The CFIO presented a late Council report to the committee in relation to a July 2020 temporary budget.

Following the State Government's extension of statutory deadlines, Council is in a position where there is a time delay for the usual Council authorisations for income and expenditure from 1 July 2020.

The CFIO will seek endorsement of temporary measures to ensure that Council can operate within legislative and regulatory requirements for the period prior to Council's consideration of the 2020/21 Operational Plan at the 27 July Council meeting.

#### **RECOMMENDATION**

**THAT** the Committee note the information presented in the July 2020 Temporary Budget report which will be considered by Council at the June meeting.

**MOVED:** Councillor W McAndrew

**SECONDED:** Councillor S Ring

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## Local Government Remuneration Tribunal 2020 Determination

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The CFIO presented information on the 2020 Local Government Remuneration Tribunal's determination of Mayoral and Councillor fees for the 2020/21 year.

Lithgow Council remains in the Regional Rural category.

The Tribunal has determined that there be no increase in the minimum and maximum fees applicable to each existing category. As Lithgow Council's fees are at the lower end of the fee range, Council may determine to increase fees for 2020/21.

The CFIO will provide a report on the Local Government Remuneration Tribunal's determination to the July Council meeting.

The Committee noted the CFIO's verbal report on the Local Government Remuneration Tribunal 2020 determination.

## 6. Meeting Close

Next Meeting 13 July 2020

There being no further business the Chairperson declared the meeting closed at 4.48pm.