



MINUTES

Finance Committee

held at

Council Administration Centre
Committee Room
180 Mort Street, Lithgow

on

Monday 10 August 2020

at 4:30 pm

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The Chairperson declared the meeting open at 4.34pm

1. Present

Present: Mayor Ray Thompson, Deputy Mayor Steve Ring

Officers: Craig Butler – General Manager, Ross Gurney – CFIO, Trevor Holland – Revenue Manager

2. Apologies

Councillor Wayne McAndrew

MOVED: Councillor R Thompson

SECONDED: Councillor S Ring

3. Confirmation of Minutes

The July meeting minutes were endorsed by two members of the Committee being:

Councillor R Thompson & Councillor S Ring

The July meeting minutes were adopted by Council on 27 July 2020 (Min. No. 20-183).

ACTION

THAT the Minutes of the meeting of be taken as read and confirmed.

MOVED: Councillor R Thompson

SECONDED: Councillor S Ring

4. Matters Arising from Previous Minutes

The Chair called for any matters arising from previous minutes. NIL matters arising.

5. Declaration of Interest

There were no Declarations of Interest declared by the Committee.

6. Presentations

Revenue Manager - Trevor Holland

The Committee was briefed on a number of revenue projects that have commenced, are continuing or are proposed for the future.

The Committee endorsed the Rates and Revenue projects and acknowledge the approach in relation to -

- Training Customer Service staff to manage rates enquiries;
- Improve rating and billing systems and processes;
- Enhance the TechnologyOne system to bring it to best practice;
- Review the rating system to improve equity and fairness
- Complete a sale of "land for unpaid rates process"

Sale of Land – unpaid rates

With regards to the Sale of Land for unpaid rates project, Mr Holland indicated that his approach is to focus on vacant lands primarily. Alternative approaches are investigated where a dwelling exists to determine if the ratepayer needs assistance or is affected by other circumstances.

With the debt recovery process each customer's situation is assessed individually – this will improve relationships with customers. Part of this approach is to ensure that Customer service staff have adequate training to assist and manage rate enquiries.

The General Manager indicated that the OLG outstanding debts ratio benchmark is 10% and Council's 2018/19 result was under 5%.

Mr Holland indicated that there are a number of properties with "unknown owners" – right of carriageways needs to be considered if sales of land for unpaid rates are to take place and where possible notification to neighbors.

Reviewing of the rating system

With the resolution from Council with regards to the change to the Lidsdale rating sub-categories (in principle) we need to undertake public consultation and notify all ratepayers that are affected.

The Committee agreed that communication is key and Council needs to be promoting what they are doing and the intent.

Mining Rates

Mr Holland mentioned that the rating of Mining Properties is currently indexed to the value of the reserves. The Committee will need to consider the long term financial implication in terms of how rates are distributed as the value of the reserves come down.

Council will need to consider this strategically and run some models in terms of how the changes will be distributed across the community.

Changes to mining rates just happened in this financial year and therefore there is no future modelling. Future impacts will need to be taken into consideration in the Long Term Financial Plan. Mining reserves calculations will be reviewed with assistance from the Valuer-General, if required.

The new approach to debt collection has saved ratepayers a significant amount in potential legal costs. A media release should be considered.

7. Staff Reports

7.1. FIN - 10/08/2020 - Investment Report July 2020

The July report shows a decrease in funds invested in July. There are has been a slight increase in receipts for rates and outstanding water so an increase in cash inflows in August 2020.

RECOMMENDATION

THAT:

1. Investments of \$24,240,000 and cash of \$219,884 for the period ending 30 July 2020 be noted.
2. The enclosed certificate of the Responsible Accounting Officer be noted.

MOVED: Councillor S Ring

SECONDED: Councillor R Thompson

7.2. FIN - 24/08/2020 - Carryovers / Revotes for Inclusion in the 2020/21 Budget

The Committee was advised of changes since the report was provided including:

- The Lithgow SWF revote has been removed because there are funds available in the 2020/21 budget so the remaining 2019/20 budget returns to the Waste Reserve.
- A small additional amount for Farmers Creek has been removed as the funds are not required for the completion of the 2019/20 section.
- Checking the expected completion dates for updating in the Council report.
- Cllr Ring queried the Rydal Toilet block and was informed the plan is to have this completed in the current Financial Year.

The CFIO will present the carryovers at the info session next week to all Councillors prior to the Council meeting.

ACTION / RECOMMENDATION

THAT the Finance Committee endorse the following recommendation to the 24 August 2020 Council meeting:

1. Revote the amount of \$4,132,912 for 2019/20 capital revotes and carryovers (as detailed in the attachment) for inclusion in the 2020/21 budget.
2. Revote the amount of \$547,365 for 2019/20 operational revotes and carryovers (as detailed in the attachment) for inclusion in the 2020/21 budget.

MOVED: Councillor S Ring

SECONDED: Councillor R Thompson

7.3. FIN - 24/08/20 - Referral of Financial Reports for External Audit - Year Ended 30 June 2020

This is a standard report each year, it is a compliance requirement as part of the LG Act. The Audit is scheduled for late September but we have until the end of November 2020 to lodge the financial statements. The goal is to lodge the statements at the end of October 2020.

The interim audit management letter has been received and will be listed on the next committee agenda.

ACTION / RECOMMENDATION

THAT the Finance Committee endorse the following recommendation to the 24 August 2020 Council meeting:

THAT Council refers the draft 2019/20 General Purpose and Special Purpose Financial Reports for audit in accordance with S413 of the Local Government Act 1993.

MOVED: Councillor S Ring

SECONDED: Councillor R Thompson

7.4. July 2020 Performance Reporting to OLG

RECOMMENDATION

THAT the July 2020 Performance Report to the OLG be noted by the Committee.

MOVED: Councillor S Ring

SECONDED: Councillor R Thompson

7.5. Audit Action Lists

There are a few actions under payroll processes that are overdue – CFIO to meet with staff and obtain an update on overdue actions.

The Business Case and Project Management guidelines are in the final stages of approval and then training will be rolled out on the enhanced guidelines.

Work will commence shortly on the first 2020/21 internal audit project. The first project is Records Management. CFIO will check with Oberon Council to see if they are ready to be involved with joint procurement.

The CTA ARIC Annual Report is currently being prepared.

ACTION / RECOMMENDATION

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

MOVED: Councillor S Ring

SECONDED: Councillor R Thompson

8. General Business

NIL

9. Meeting Close

Next Meeting: Monday 14 September 2020 at 4.30pm in the Committee room

There being no further business the Chairperson declared the meeting closed at 5.05pm.