

COBAR SHIRE COUNCIL



FINANCE & POLICY COMMITTEE MEETING AGENDA

THURSDAY 12 JUNE 2014

~ ORDER OF BUSINESS ~

Business for the meeting will be as follows:

1. Apologies
 2. Declaration of Interests
 3. General Manager's Report – Part A (Action)
 4. General Manager's Report – Part B (Information)
 5. Matters of Urgency
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CLAUSE 1A – RISK MANAGEMENT POLICY

FILE: P5-81/R4-4 AOP REFERENCE: 3.1.4 ATTACHMENT: YES (PAGE 12-16)

AUTHOR: *Human Resources Officer, Karen Walsh*

Purpose

The purpose of this report is to present an amended draft Risk Management Policy for Council's review and adoption.

Background

Council developed a Risk Management Policy in June 2012. It is now due for review. The policy aims to allocate resources in risk prevention so as to:

- Minimise the incidents of damage to equipment and facilities;
- Minimise financial and operational risks and losses to the Council and the public; and
- Minimise the resources spent in relation to losses.

The amended draft Risk Management Policy has been endorsed by Manex.

Issues

The current policy requires Council to develop and implement a Risk Management Strategy. With its current resources, Council is not able to achieve this. The policy has been amended so that this requirement is no longer required, and the amended draft policy refers to developing an Enterprise Risk Register which identifies risk factors, assesses the risk, documents current controls and identifies further controls required to either eliminate or minimise Council's risk.

Policy Implications

It was reported to the March 2014 meeting of Council that staff have been working for more than 18 months to develop a Risk Register. Risk factors have been identified, however documenting current controls and further risk assessments have not been able to be carried out due to limited resources.

Financial Implications

Without an injection of funding in future budgets to meet its obligations to managing risk, Council's exposure to risk remains significantly high.

Options

- The attached draft policy be adopted by Council;
- The attached draft policy be not adopted by Council.

RECOMMENDATION

That the amended draft Risk Management Policy be adopted by Council.

**REPORT 1B – BANK RECONCILIATION, CASH FLOW & LOAN FACILITY
SUMMARIES AS AT 31 MAY 2014**

FILE: B2-7 AOP REFERENCE: 3.1.1.5 ATTACHMENT: NO
AUTHOR: *Manager Finance & Administration, Neil Mitchell*

Purpose

Council has requested that the following financial information be presented to each meeting of Council: reconciled bank balance, cash flow statement, and loan facility.

Bank Reconciliation (NAB & Orana)

Balance as per Bank Statement – 30 May 2014	\$ 291,067
Add: Outstanding deposits	\$ 12,037
Deduct: Unpresented Cheques	(\$ 12,153)

BALANCE AS PER CASH BOOK 30 May 2014	\$ 290,951
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In accordance with the requirements of the Local Government Act, 1993, I hereby certify that the Cash Book has been reconciled with the appropriate Bank Statements on a daily basis, during the month of May 2014 and that the reconciliations have been recorded.



Manager Finance & Administration

**Summary of Total Funds Available at Month End,
31 May 2014**

Month	Investment Balances	Operating Account	Total Available Funds
Jun-13	6,800,469	47,099	6,847,568
Jul-13	6,762,636	487,501	7,250,137
Aug-13	6,958,021	880,066	7,838,087
Sep-13	6,407,476	125,737	6,533,213
Oct 13	6,066,108	351,008	6,417,116
Nov 13	6,291,092	288,661	6,579,753
Dec 13	6,145,504	68,771	6,214,275
Jan 14	5,891,331	48,275	5,939,606
Feb 14	6,992,546	277,181	7,269,727
Mar 14	6,256,687	246,954	6,503,641
Apr 14	5,774,883	190,801	5,965,684
May 14	6,912,388	290,951	7,203,339

Cash Flow

Forecast	Actual	Description	Forecast
May-14	May-14		Jun-14
190,801	190,801	Bank Balance Forward	290,951
	605,762	Financial Assistance Grant	0
496,250	655,875	Regional Roads <i>(incl. two lots of the supplementary grant)</i>	
37,440		RMS – Ordered Works	37,440
	24,025	RMS Agency	
250,000	171,438	RMS – Routine Maintenance	45,000
	219,005	R2R	
1,000,000	670,390	Rates /Water/User Charges	550,000
50,000	102,422	Private Works/Debtors <i>(CWB)</i>	50,000
210,000	221,930	LBV – Residents Fees & Grant	210,000
100,000	151,202	Child Care/In Home Care	100,000
758,000	290,000	Transfer from ‘At Call’ Account	826,250
90,000	51,714	GST	10,000
25,509	134,246	Sundry	25,509
15,000	21,445	Plant Sales	20,000
		<i>Less</i>	
(1,000,000)	(1,050,541)	Creditors	(1,000,000)
(650,000)	(657,568)	Wages / Salaries	(650,000)
(1,500,000)	(1,488,931)	Transfer to ‘At Call’ Account <i>(Net transfer is close)</i>	(642,150)
(23,000)	(22,264)	Loan Repayment	(23,000)
50,000	290,951	Closing Reconciled Bank Balance Cr/(Dr)	50,000
COUNCIL’S LOAN FACILITIES as at 31 May 2014			
Working Capital Loan (5.63%)			(\$ 700,000)
Refinanced NECU Loan (6.22%)			(\$ 1,912,018)
Closing Balance 31 May 2014			(\$2,612,018)

RECOMMENDATION


That Council receive and note the Bank Reconciliation, Cash Flow and Loan Facility Report as at 31 May 2014.

REPORT 2B – INVESTMENT REPORT AS AT 31 MAY 2014**FILE: B2-7****AOP REFERENCE: 3.1.1.7****ATTACHMENT: NO****AUTHOR: *Manager Finance & Administration, Neil Mitchell*****Purpose**

Council has requested that appropriate financial information be presented to each meeting of Council. The table below shows the balances of Council's Investments as at the report date. Funds available throughout the month for short-term investment were transferred to a NAB Sweep Account because the interest rate remains competitive. Net funds received from Sale of Council property continue to be preserved to assist in covering "Employee Leave Entitlements". Loan proceeds from a National Australia Bank loan draw-down of \$1m on 29 June 2012 were transferred to a NAB term deposit which is re-invested (principal and interest) every six months. This term deposit, attracting 3.65% interest, will mature on 6 November 2014. Another term deposit of \$3m was opened on 16 December 2013 attracting 3.75% interest and will mature on 16 June 2014. This deposit was opened to increase Council's interest income due to interest from the Sweep Account being lower than the forward estimates. Included in the table below is the accrued interest attributable to 30 May 2014.

Date	Opening Balance	Transfers to Investments	Transfers from Investment	Interest earned – Investments- Month	Closing Balance
	26.04.2014				30.05.2014
NAB Sweep Acct	\$ 1,471,834	\$ 1,488,931	(\$290,000)	\$ 3,721	\$ 2,674,486
NAB Sweep Acct ELE	\$ 184,103				\$ 184,103
NAB Term Deposits					
3.65% Interest	\$ 1,077,420		(\$ 77,822)	\$ 2,988	\$ 1,002,586
3.75% Interest	\$ 3,041,526			\$ 9,687	\$ 3,051,213
Totals	\$ 5,774,883	\$ 1,488,931	(\$ 367,822)	\$ 16,396	\$ 6,912,388

I hereby certify that the above investments have been made in accordance with Section 625 of the Local Government Act 1993, and Clause 212 of the Local Government (General) Regulation 2005 and the Council's investment policy.



Manager Finance & Administration

RECOMMENDATION**That Council receive and note the Investment Report as at 30 May 2014.**

REPORT 3B – RATES RECONCILIATION REPORT AS AT 2 JUNE 2014**FILE: R2-1****AOP REFERENCE: 3.1.1.6****ATTACHMENT: YES (PAGE 17-18)****AUTHOR: Rates Officer, Jo-Louise Brown****Purpose**

To provide Council details of the Rate Reconciliation as at 2 June 2014.

FUND	LEVY 2013-2014	Pensioner Rebates	Abandoned Levy	Additional Levies	Sub Total 2013- 2014	Arrears 30th Jun 13	Payments	Total Outstanding	Total Outstanding Previous Year	% Outstanding of Sub Total Plus Arrears
Business	349,572.86	328.93	192.00	318.00	349,369.93	19,111.15	335,109.94	33,371.14	32,796.58	9.06%
Farmland	606,290.59	2,625.00	301.00	729.45	604,094.04	25,447.15	562,545.28	66,995.91	53,867.24	10.64%
Mining	1,342,103.85		-	144,150.00	1,486,253.85	0.00	1,350,459.08	135,794.77	92,275.36	9.14%
Residential	1,078,701.04	50,071.93	3,449.61	492.00	1,025,671.50	124,727.96	956,312.40	194,087.06	214,587.58	16.87%
Overpayments					-	-121,599.18	- 33,420.35	-88,178.83	-103,214.63	72.52%
Legal Costs			-	8,054.24	8,054.24	22,376.90	12,158.59	18,272.55	20,442.41	60.05%
Interest			813.98	8,830.21	8,016.23	47,185.88	11,083.62	44,118.49	54,123.50	79.92%
General Rates	3,376,668.34	53,025.86	4,756.59	162,573.90	3,481,459.79	117,249.86	3,194,248.56	404,461.09	364,878.04	11.24%
Domestic Waste	519,220.00	18,594.14	1,129.59	818.45	500,314.72	19,429.90	477,140.69	42,603.93	50,439.41	8.20%
Sewerage	657,310.00	20,125.00	620.00	5,961.10	642,526.10	21,661.84	613,070.29	51,117.65	62,278.22	7.70%
Cobar Water	577,754.00	21,525.00	227.00	2,043.00	558,045.00	21,203.32	537,503.21	41,745.11	53,150.85	7.21%
Nymagee Water	24,220.00	612.50	329.97	-	23,277.53	4,315.39	20,935.45	6,657.47	6,367.82	24.13%
Euabalong Water	36,115.00	1,312.50	1,562.83	-	33,239.67	7,383.17	31,135.75	9,487.09	13,032.71	23.35%
Euab West Water	22,780.00	612.50	555.00	-	21,612.50	4,102.76	19,744.06	5,971.20	18,481.94	23.22%
Mt Hope Water	4,585.00	-	-	-	4,585.00	308.26	4,729.51	163.75	470.61	3.35%
Water Access	665,454.00	24,062.50	2,674.80	2,043.00	640,759.70	37,312.90	614,047.98	64,024.62	91,503.93	9.44%
Water Usage	1,769,159.00		53,250.92	-	1,715,908.08	461,357.26	2,035,687.98	141,577.36	72,959.51	6.50%
TOTAL	6,987,811.34	115,807.50	62,431.90	171,396.45	6,980,968.39	657,011.76	6,934,195.50	703,784.65	642,059.11	9.21%

RECOMMENDATION**That the Rates Reconciliation Report as at the 2 June 2014 be received and noted.**

REPORT 4B – GRANT FUNDING

FILE: G4-17

AOP REFERENCE: 3.1.1.4

ATTACHMENT: NO

AUTHOR: *Special Projects Officer, Angela Shepherd***Grant Update**

Grant and Department	Activity	Amount Applied For	Successful?	Council Funding Required	Deadline for Project
Grants Applied for					
NSW Sport and Recreation	Installation of disability toilet and wheelchair storage at Youthie (for wheelchair basketball).	\$24,133	Pending	Matching funding required. To be sourced from S94 funds.	April 2016.
Country Arts Support Fund	Ghost tour during Festival of the Miners Ghost with actors from Cobar Theatrical Society.	\$3,000	Pending	Nil – project administration is provided as in-kind.	December 2014.
Country Arts Support Fund	Watercolour and drawing workshops – 1 day each through Cobar Arts Council	\$825	Pending	Nil – project administration is provided as in-kind.	December 2014

Grant and Department	Activity	Amount Applied For	Successful?	Council Funding Required	Comment
Grants Announced					
ANZAC Centenary Local Grants Program	Development of a travelling exhibition, booklet and visual display on RSL exterior.	\$10,000	Granted \$7,500	Nil. Planning a meeting with interested parties to determine way forward.	April 2015

Current Grant Opportunities

Nil.

Resources for Regions – Update

Signed funding agreement now in place for the Cobar Water Treatment Plant Project and NSW Public Works has been engaged to coordinate the project. Work has commenced.

Council has signed the agreements for the Sewer Project and the Airport Project. The Cobar Water Board has signed their funding agreement, agreements now in Sydney awaiting signature from the Treasurer which may be delayed until after the State Budget.

Approval has been granted from Council and the Cobar Water Board to employ a Project Manager and 1.5 FTEs (procurement and administration) to manage the project.

The Cobar Water Board will this month discuss the proposal from NSW Public Works to coordinate the pipeline and pumping project and provide technical and administration activities in a similar manner to the Cobar Water Treatment Plant Project.

Recruitment for the Project Manager is nearing completion with an appointment imminent.

Skatepark Project – Update

Surveys undertaken and results forwarded to designer. Awaiting draft design for comment and community consideration. Hoping to have final design to July Council Meeting for approval.

RECOMMENDATION

That the information contained in the Grant Funding Report detailing grants applied for, grants announced and grants available, as well as the updates on Council's Grant Capital Projects, be received and noted.

ATTACHMENTS



FINANCE & POLICY COMMITTEE MEETING AGENDA

THURSDAY 12 JUNE 2014

~ REFERENCE TO ATTACHMENTS ~

PART A – ACTION

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PART B – INFORMATION

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