

AGENDA

CORPORATE SERVICES AND FINANCE COMMITTEE MEETING

9 September 2014

5.30pm

City of Albany Council Chambers

**CITY OF ALBANY
COMMUNITY STRATEGIC PLAN (ALBANY 2023)**

VISION

Western Australia's most sought after and unique regional city to live, work and visit.

VALUES

All Councillors, Staff and Volunteers at the City of Albany will be...

Focused: on community outcomes

This means we will listen and pay attention to our community. We will consult widely and set clear direction for action. We will do what we say we will do to ensure that if it's good for Albany, we get it done.

United: by working and learning together

This means we will work as a team, sharing knowledge and skills. We will build strong relationships internally and externally through effective communication. We will support people to help them reach their full potential by encouraging loyalty, trust, innovation and high performance.

Accountable: for our actions

This means we will act professionally using resources responsibly; (people, skills and physical assets as well as money). We will be fair and consistent when allocating these resources and look for opportunities to work jointly with other directorates and with our partners. We will commit to a culture of continuous improvement.

Proud: of our people and our community

This means we will earn respect and build trust between ourselves, and the residents of Albany through the honesty of what we say and do and in what we achieve together. We will be transparent in our decision making and committed to serving the diverse needs of the community while recognising we can't be all things to all people.

TERMS OF REFERENCE

(1) Function:

The Corporate Services and Finance Committee will monitor and comment on the financial health and strategies of Council and will be responsible for the delivery of the following Civic Leadership Objectives contained in the City of Albany Strategic Plan:

- (a) To establish and maintain sound governance structures;
- (b) To provide strong, accountable leadership supported by a skilled and professional workforce;
- (c) To engage effectively with our community.

(2) It will achieve this by:

- (a) Monitoring and commenting on the financial health and strategies of Council;
- (b) Developing policies and strategies;
- (c) Establishing ways to measure progress;
- (d) Receiving progress reports;
- (e) Considering officer advice;
- (f) Debating topical issues;
- (g) Providing advice on effective ways to engage and report progress to the Community; and
- (h) Making recommendations to Council.

(3) Chairperson: Deputy Mayor, Councillor Stocks

(4) Membership: All elected members

(5) Meeting Schedule: As required

(6) Meeting Location: Council Chambers

(7) Executive Officer: Deputy Chief Executive Officer

(8) Delegated Authority: None

CORPORATE SERVICES AND FINANCE COMMITTEE
 AGENDA – 09/09/2014
 ** REFER DISCLAIMER **

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1. DECLARATION OF OPENING

2. PRAYER AND ACKNOWLEDGEMENT OF TRADITIONAL LAND OWNERS

“Heavenly Father, we thank you for the peace and beauty of this area. Direct and prosper the deliberations of this Council for the advancement of the City and the welfare of its people. Amen.”

“We would like to acknowledge the Noongar people who are the Traditional Custodians of the Land.

We would also like to pay respect to Elders both past and present”.

3. RECORD OF APOLOGIES AND LEAVE OF ABSENCE

Mayor Mayor D Wellington (Member)

Councillors:

| | |
|--------|-----------------------------|
| Member | G Stocks (Chair) |
| Member | V Calleja JP (Deputy Chair) |
| Member | C Dowling |
| Member | R Hammond |
| Member | A Hortin JP |
| Member | R Sutton |
| Member | S Bowles |
| Member | N Williams |
| Member | A Goode JP |
| Member | G Gregson |
| Member | J Price |
| Member | B Hollingworth |

Staff:

| | |
|-------------------------|----------|
| Chief Executive Officer | G Foster |
| Deputy CEO | G Adams |
| Manager Finance | D Olde |

| | |
|---------|-----------|
| Minutes | J Stanton |
|---------|-----------|

Apologies:

4. DISCLOSURES OF INTEREST

| Name | Committee/Report Item Number | Nature of Interest |
|-------------|---|---------------------------|
| | | |

5. REPORTS OF MEMBERS

6. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

7. PUBLIC QUESTION TIME

8. APPLICATIONS FOR LEAVE OF ABSENCE

9. PETITIONS AND DEPUTATIONS

10. CONFIRMATION OF MINUTES

DRAFT MOTION

THAT the minutes of the Corporate Services and Finance Meeting held on 13 August 2014, as previously distributed, be CONFIRMED as a true and accurate record of proceedings.

11. PRESENTATIONS

12. UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS

CSF113: FINANCIAL ACTIVITY STATEMENT – JULY 2014

Proponent : City of Albany
Attachments : Financial Activity Statement
Report Prepared by : Financial Accountant (S Beech)
Responsible Officer : Deputy Chief Executive Officer (G Adams)

Responsible Officer's Signature:



RECOMMENDATION

CSF113: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council RECEIVE the Financial Activity Statement for the period ending 31 July 2014.

BACKGROUND

1. The Statement of Financial Activity for the period ending 31 July 2014 has been prepared and is attached.
2. In addition to the statutory requirement to provide Council with a Statement of Financial Activity, the City provides Council with a monthly investment summary to ensure the performance of the investment portfolio is in accordance with anticipated returns and complies with the Investment of Surplus Funds Policy.

DISCUSSION

3. In accordance with section 34(1) of the *Local Government (Financial Management) Regulations 1996*, the City of Albany is required to prepare each month a Statement of Financial Activity reporting on the revenue and expenditure of the local authority.
4. The requirement for local governments to produce a Statement of Financial Activity was gazetted in March 2005 to provide elected members with a greater insight in relation to the ongoing financial performance of the local government.
5. Additionally, each year a local government is to adopt a percentage or value to be used in Statements of Financial Activity for reporting material variances. Variations in excess of \$50,000 are reported to Council.
6. These financial statements are still subject to further yearend adjustments and have not been audited by the appointed auditor.

“Please note that rounding errors may occur when whole numbers are used, as they are in the reports that follow. The ‘errors’ may be \$1 or \$2 when adding sets of numbers. This does not mean that the underlying figures are incorrect.”

STATUTORY IMPLICATIONS

7. Section 34 of the *Local Government (Financial Management) Regulations 1996* provides:
- (1) A local government is to prepare each month a statement of financial activity reporting on the source and application of funds, as set out in the annual budget under regulation 22 (1)(d), for that month in the following detail –
 - (a) annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c);
 - (b) budget estimates to the end of the month to which the statement relates;
 - (c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relate
 - (d) material variances between the comparable amounts referred to in paragraphs (b) and (c); and
 - (e) the net current assets at the end of the month to which the statement relates.
 - (2) Each statement of financial activity is to be accompanied by documents containing –
 - (a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;
 - (b) an explanation of each of the material variances referred to in sub regulation (1)(d); and
 - (c) such other supporting information as is considered relevant by the local government.
 - (3) The information in a statement of financial activity may be shown –
 - (a) according to nature and type classification;
 - (b) by program; or
 - (c) by business unit
 - (4) A statement of financial activity, and the accompanying documents referred to in sub regulation (2), are to be –
 - (a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and
 - (b) recorded in the minutes of the meeting at which it is presented.

POLICY IMPLICATIONS

8. The City's 2014/15 Annual Budget provides a set of parameters that guides the City's financial practices.
9. The Investment of Surplus Funds Policy stipulates that the status and performance of the investment portfolio is to be reported monthly to Council.

FINANCIAL IMPLICATIONS

10. Expenditure for the period ending 31 July 2014 has been incurred in accordance with the 2014/15 proposed budget parameters. Details of any budget variation in excess of \$50,000 (year to date) follow. There are no other known events which may result in a material non recoverable financial loss or financial loss arising from an uninsured event.

| | | |
|-----------------------------------|---|----------------------|
| File Number (Name of Ward) | : | FM.FIR.2 - All Wards |
|-----------------------------------|---|----------------------|

CSF114: LIST OF ACCOUNTS FOR PAYMENT – AUGUST 2014

Proponent : City of Albany
Attachments : List of Accounts for Payment
Report Prepared by : Financial Accountant (S Beech)
Responsible Officer : Executive Director Corporate Services (G Adams)

Responsible Officer's Signature:



RECOMMENDATION

CSF114: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council RECEIVE the list of accounts authorised for payment under delegated authority to the Chief Executive Officer for the period ending 15 August 2014 totalling \$6,603,072.58.

BACKGROUND

- Council has delegated to the Chief Executive Officer the exercise of its power to make payments from the City's municipal and trust funds. In accordance with Regulation 13 of the *Local Government (Financial Management) Regulations 1996*, a list of accounts paid by the Chief Executive Officer is to be provided to Council. This list is included as an attachment to this report

DISCUSSION

- The table below summarises the payments drawn from the municipal fund for the period ending 15 August 2014.

Municipal Fund

| | |
|---------------------------|----------------|
| Trust | \$0.00 |
| Credit Cards | \$11,415.62 |
| Payroll | \$1,097,714.97 |
| Cheques | \$195,302.86 |
| Electronic Funds Transfer | \$5,298,639.13 |

TOTAL

\$6,603,072.58

- As at 15 August 2014, the total outstanding creditors, stands at \$638,251.38 and made up as follows:-

| | |
|--------------|-----------------------|
| Current | \$466,162.06 |
| 30 Days | \$804,348.58 |
| 60 Days | \$1,650.00 |
| 90 Days | -\$108.05 |
| TOTAL | \$1,272,052.59 |

4. Cancelled cheques: - 30078 – Paid by EFT93226, 30072 – incorrect amount paid by corporate credit card, 29988 – already paid by corporate credit card, 30015 – incorrect name on cheque.

STATUTORY IMPLICATIONS

5. Regulation 12(1)(a) of the *Local Government (Financial Management) Regulations 1996*, provides that payment may only be made from the municipal fund or a trust fund if the Local Government has delegated this function to the Chief Executive Officer or alternatively authorises payment in advance.
6. The Chief Executive Officer has delegated authority to make payments from the municipal and trust fund.
7. Regulation 13 of the *Local Government (Financial Management) Regulations 1996* provides that if the function of authorising payments is delegated to the Chief Executive Officer, then a list of payments must be presented to Council and recorded in the minutes.

POLICY IMPLICATIONS

8. Expenditure for the period to 15 August 2014 has been incurred in accordance with the 2014/2015 budget parameters.

FINANCIAL IMPLICATIONS

9. Expenditure for the period to 15 August 2014 has been incurred in accordance with the 2014/2015 budget parameters.

SUMMARY CONCLUSION

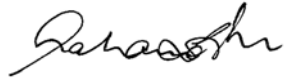
10. That list of accounts have been authorised for payment under delegated authority.

| | | |
|-----------------------------------|---|----------------------|
| File Number (Name of Ward) | : | FM.FIR.2 - All Wards |
|-----------------------------------|---|----------------------|

CSF115: DELEGATED AUTHORITY REPORTS – AUGUST 2014

Proponent : City of Albany
Attachments : Executed Document and Common Seal Report
Report Prepared by : Personal Assistant to Deputy CEO (J Stanton)
Responsible Officer : Chief Executive Officer (G Foster)

Responsible Officer's Signature:



RECOMMENDATION

CSF115: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council RECEIVE the Delegated Authority Reports up until 15 August 2014.

CSF116: GENERAL DEBTOR DEBTS WRITE OFF REPORT AS AT 30 JUNE 2014

Proponent : City of Albany
Attachments : General Debtor Debts Write Off Report as at 30 June 2014
(Confidential Attachment)
Report Prepared by : Manager Finance (D Olde)
Responsible Officer : Deputy CEO (G Adams)

Responsible Officer's Signature:



CONFIDENTIAL REPORT

Attachment covered under Confidential Cover, in accordance with s5.23 (2) (c) and (e, iii) of the Local Government Act 1995, being: (e) a matter that if disclosed, would reveal - (iii) information about the business, professional, commercial or financial affairs of a person.

STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023 and Corporate Business Plan 2014-2018:
 - a. **Key Theme:** 5. Civic Leadership
 - b. **Strategic Objective:** 5.1 To establish and maintain sound business and governance structures.
 - c. **Strategic Initiative:** 5.1.1 Implement systems and controls that ensure prudent use of rates.

In Brief:

- City officers have reviewed overdue debts, and taken action to recover those amounts.
- The debts listed in the report are very unlikely to ever be recovered and the cost of recovery would exceed any repayment.

RECOMMENDATION

CSF116: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council RECEIVE the General Debtor debts write off report as at 30 June 2014.

BACKGROUND

2. During the compilation of the Annual Report, City finance officers reviewed the outstanding amounts owed to the City.
3. A list of these bad debts written off is shown in the discussion.

DISCUSSION

4. All debtors have been chased up with numerous phone calls, emails, letters, final demand for payment and, where appropriate, engagement of debt collection agency.

5. These debtors have not replied to any communication, changed contact details, or filed for bankruptcy.
6. The list of bad debts written off is addressed in the confidential attachment.

GOVERNMENT & PUBLIC CONSULTATION

7. Nil

STATUTORY IMPLICATIONS

8. Nil

POLICY IMPLICATIONS

9. Nil

FINANCIAL IMPLICATIONS

10. The total debts to be written off for year end 30 June 2014 is \$2875.60

LEGAL IMPLICATIONS

11. Nil

ENVIRONMENTAL CONSIDERATIONS

12. Nil

ALTERNATE OPTIONS

13. Nil

SUMMARY CONCLUSION

14. Periodically, City officers review aged debtors list and recommend writing off debts with little or no chance of recovery.

| | | |
|--------------------|---|----------|
| File Number | : | FM.DEB.1 |
|--------------------|---|----------|

CORPORATE SERVICES AND FINANCE COMMITTEE
AGENDA – 09/09/2014
REFER DISCLAIMER

14. **NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF COUNCIL:**
15. **MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN:**
16. **REPORTS OF CITY OFFICERS:**
17. **MEETING CLOSED TO PUBLIC:**
18. **NEXT MEETING DATE:** 5.30pm 14 October 2014
19. **CLOSURE OF MEETING:**