



DRAFT MINUTES OF THE FINANCE AND RISK COMMITTEE MEETING
HELD IN THE COUNCIL CHAMBERS, GAP ROAD,
FRIDAY 26 SEPTEMBER 2014

1. MEETING OPENED - 10.05am

2. ATTENDANCE

Present: Cnr Barry Abbott, Cnr Greg Sharman, Cnr Braydon Williams,
Elna Dry (Auditor, Deloitte), Chris Kendrick (Director Corporate Services)

Apologies: President Sid Anderson, Cnr Roxanne Kenny, Jeff MacLeod (CEO), Barry Lysaght
(Manager Finance & Accounting)

3. CHAIR

There being neither the President or the Deputy President present, the committee elected Cnr Greg Sharman to act as the chair for this meeting.

Moved: Councillor Williams, **Seconded:** Councillor Abbott.

4. RECISSION MOTIONS - NIL

5. CONFIRMATION OF MINUTES

The Minutes of the Finance and Risk Committee Meeting of 25th July were read and accepted as a true record.

Moved: Councillor Sharman, **Seconded:** Councillor Abbott.

6. OFFICERS REPORTS

The financial report for the period ended 31st August 2014 was tabled and discussed by the Director Corporate Service who noted that the result for the period shows a surplus of \$1,738,677, which is \$584,119 behind budget.

A question was raised on the expenditure against the Tenancy Management function and it was noted that this is wages that need to be reallocated now that Council no longer perform that role.

Discretionary funds were discussed in relation to the desire to ensure Local Authorities decide what their community would like to see the funds being spent on.

Moved: Councillor Williams, **Seconded:** Councillor Abbott.

7. MEETING CLOSED 10:20am

8. DATE OF NEXT MEETING Friday 21st November 2014 immediately following the Audit Committee at 10:00am

THIS PAGE is THE DRAFT MINUTES OF THE Finance & Risk Committee Meeting HELD ON Friday 26th September, 2014 AND UNCONFIRMED.

OFFICERS REPORTS

ITEM NUMBER	5
TITLE	Finance Report as at 31st August 2014
AUTHOR	Chris Kendrick, Director Corporate Services

**LINKS TO STRATEGIC PLAN**

Goal 01: Developing Communities
Goal 02: Liveable Communities
Goal 03: Engaged Communities
Goal 04: A Supportive Organisation

EXECUTIVE SUMMARY:

Regulation 18 of the Local Government (Accounting) Regulations 2008 (LGA Regs), states that a finance report must be laid before Council or a Committee tasked with reviewing the finance report each month.

The attached report is the finance report for Council as at 31st August 2014.

RECOMMENDATION

(a) That Council accept and note the Finance Report as at 31st August 2014.

BACKGROUND/DISCUSSION

The result continues to be affected by the fact that the audit has only just been finished for the 2013/14 financial year and the rollover of the ledger to the new year has yet to be finalised.

Page 2 shows a surplus of \$1,738,677, which is \$584,119 behind where we expected to be based on our budget, however, grants received in advance at the start of the year and other tied funding being carried forward are not reflected in this result. Furthermore internal charges have not been made as yet, depreciation has only been recorded for 1 month of the year and other adjustments related to the previous year have not been posted.

Expenditure by Community is recorded on pages 4, 5 and 6 of the report – the adjustments yet to be completed will have an affect on this part of the report, but to a much lesser extent.

The net cash position on page 7 of the report shows that Council owns approximately \$1.80 in current assets for each \$1 it owes in current liabilities. This figure is also affected by a small amount due to the pending adjustments for the end of year. The sum is boosted by the receipt of the first 6 months worth of payment of the NT Operational and FAA Grants, both of which are untied funds.

ISSUES/OPTIONS/CONSEQUENCES

This report is provided for Council's information; it is too early to provide any forward estimate for the year based on the results contained in the report due to the notes made above.

FINANCIAL IMPACT AND TIMING

The report shows the currently recorded results for the Council to 31st August 2014 and shows a surplus of \$1,738,677.

CONSULTATION

Barry Lysaght, Finance and Accounting Manager

ATTACHMENTS:

1 Finance Report at 31st August 2014 9 Pages



MacDonnell Regional Council

Financial Reporting - as at 31/08/2014

1. Income and Expenditure for the year to 31/08/2014
2. Net Cash Position - as at 31/08/2014

Finance and Risk Committee 26th September 2014

Finance and Risk Committee Members:

Sid Anderson	President
Roxanne Kenny	Deputy President
Barry Abbott	Councillor
Braydon Williams	Councillor
Greg Sharman	Councillor
Jeff MacLeod	Chief Executive Officer
Chris Kendrick	Director Corporate Services
Barry Lysaght	Manager Finance & Accounting
Deloitte	Auditors

Accounting Period: 2

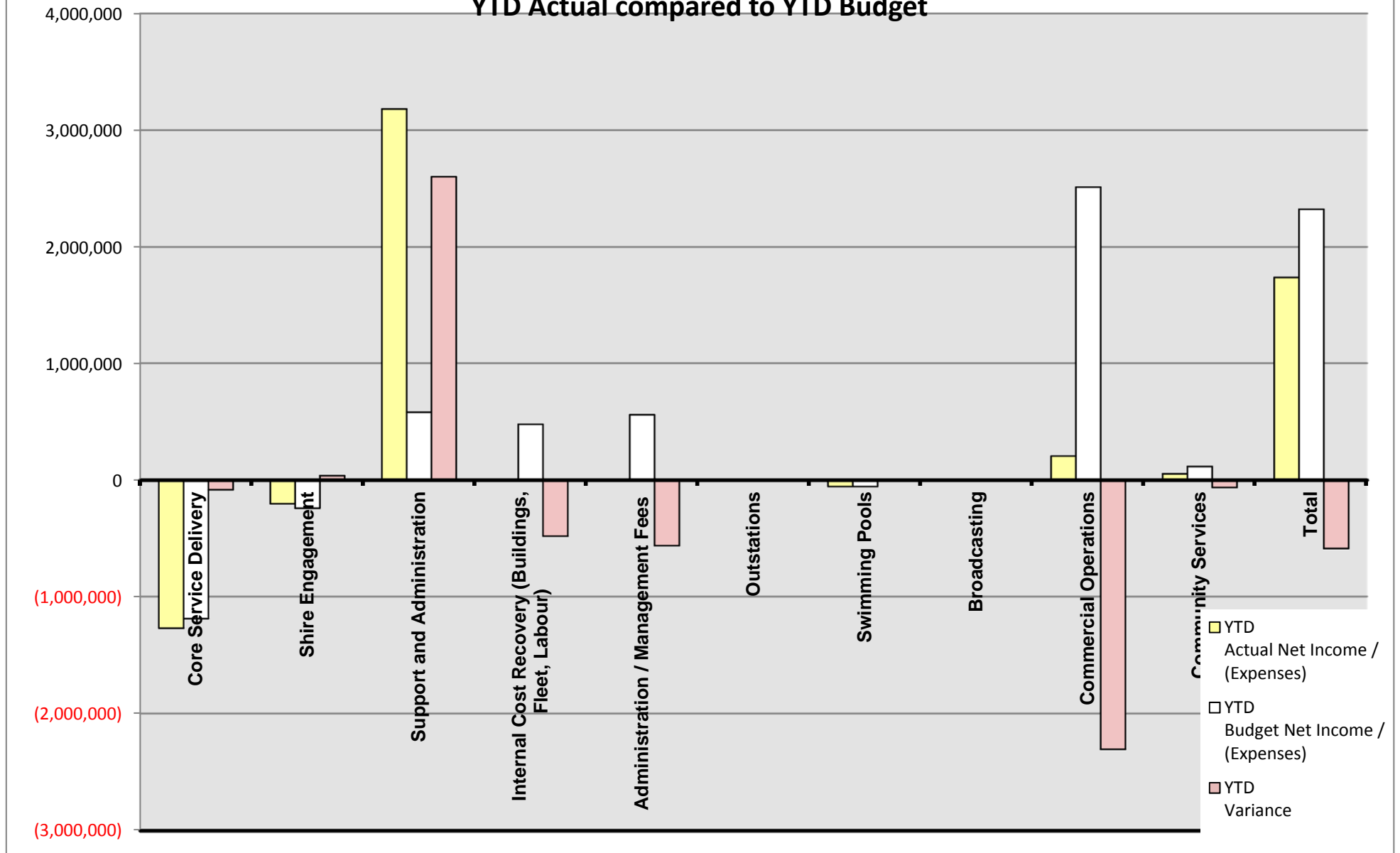
MacDonnell Regional Council
Income and Expenditure as at 31 Aug 2014

	YTD Income			YTD Expenditure			YTD Actual	YTD Budget	YTD Variance	Full Year Budget			Variance to Full Year	
	Actual	Budget	Variance	Actual	Budget	Variance	Net Income / (Expenses)	Net Income / (Expenses)		Income	Expenses	Net Income / (Expenses)		
CORE SERVICES														
Core Service Delivery	245,029	621,110	(376,081)	1,515,946	1,810,350	294,404	(1,270,917)	(1,189,240)	(81,676)	3,142,623	10,380,441	(7,237,818)	5,966,901	
Shire Engagement	7,420	0	7,420	209,034	239,725	30,691	(201,614)	(239,725)	38,111	419,570	1,338,702	(919,132)	717,518	
Support and Administration	3,818,537	1,468,062	2,350,475	636,275	887,736	251,461	3,182,262	580,326	2,601,936	9,059,662	4,918,103	4,141,559	(959,297)	
Add:														
Internal Cost Recovery (Buildings, Fleet, Labour)	(574)	477,409	(477,983)	0	0	0	(574)	477,409	(477,983)	1,587,254	0	1,587,254	(1,587,828)	
Administration / Management Fees	0	559,412	(559,412)	0	0	0	0	559,412	(559,412)	3,356,470	0	3,356,470	(3,356,470)	
Total Core Services	4,070,412	3,125,992	944,420	2,361,254	2,937,811	576,557	1,709,158	188,181	1,520,977	17,565,579	16,637,246	928,333	780,825	
AGREED (NON-CORE) SERVICES														
Outstations	213,026	274,225	(61,199)	213,026	274,225	61,199	0	0	0	1,754,102	1,754,102	0	0	
Swimming Pools	(40,944)	19,307	(60,250)	12,885	73,135	60,250	(53,828)	(53,828)	0	355,000	355,000	0	(53,828)	
Broadcasting	0	0	0	0	383	383	0	(383)	383	0	2,317	(2,317)	2,317	
Commercial Operations	1,162,483	3,426,522	(2,264,038)	956,107	914,060	(42,047)	206,376	2,512,462	(2,306,085)	7,568,860	6,509,392	1,059,468	(853,092)	
Community Services	1,793,462	2,274,580	(481,118)	1,739,181	2,157,914	418,733	54,281	116,666	(62,385)	13,112,319	13,105,368	6,951	47,330	
Total Agreed (Non-Core) Services	3,128,028	5,994,633	(2,866,605)	2,921,199	3,419,716	498,518	206,830	2,574,917	(2,368,087)	22,790,281	21,726,179	1,064,102	(857,272)	
Total	7,198,440	9,120,626	(1,922,186)	5,282,453	6,357,528	1,075,075	1,915,987	2,763,098	(847,111)	40,355,860	38,363,425	1,992,435	(76,448)	
Vehicles, Plant & Equipment	7,290	282,200	(274,910)	39,222	414,435	375,213	(31,932)	(132,235)	100,303	221,313	1,845,006	(1,623,693)	1,591,761	
Surplus / (Deficit) before Non-Cash	\$7,205,730	\$9,402,826	\$2,197,096	\$5,321,675	\$6,771,963	\$1,450,288	1,884,055	2,630,863	(746,808)	\$40,577,173	\$40,208,431	368,742	1,515,313	
Depreciation				145,378	308,067	162,689	(145,378)	(308,067)	162,689	0	1,998,400	(1,998,400)	1,853,022	
							Surplus / (Deficit)	1,738,677	2,322,796	(584,119)			(1,629,658)	3,368,335

Notes

1. The result for the year to date are heavily affected by the fact that the Council's audit process is still underway for the 2013/14 financial year.
2. Depreciation has yet to be posted for the month of August.

MacDonnell Regional Council YTD Actual compared to YTD Budget



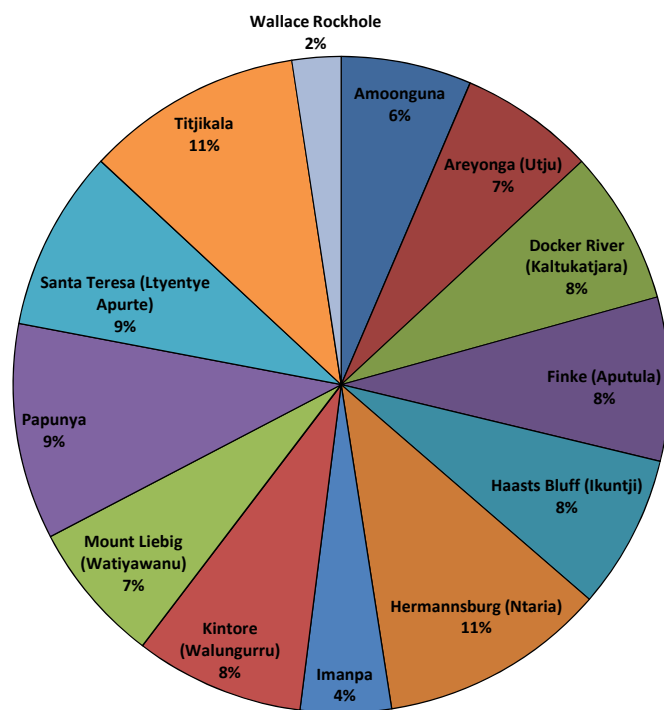
MacDonnell Regional Council

Expenditure by Community as at 31st August 2014

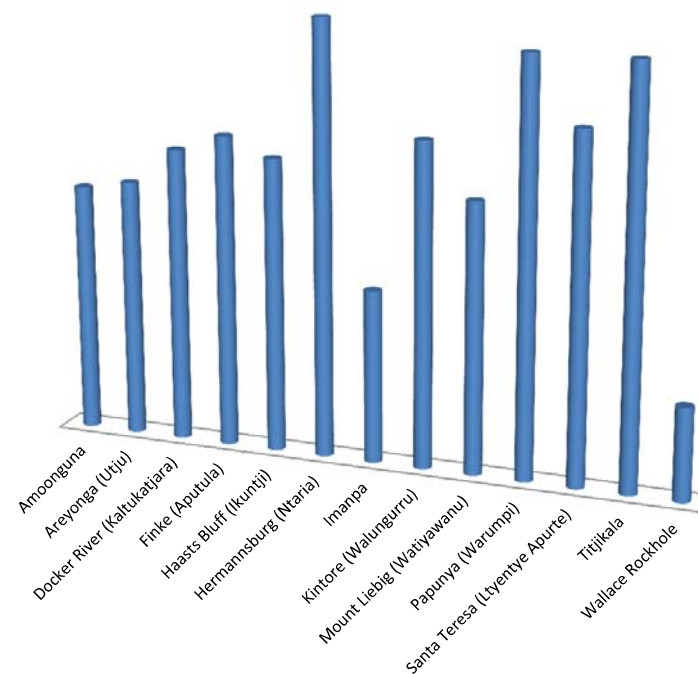
Expenditure Category	All Communities	Amoonguna	Areyonga (Utju)	Docker River (Kaltukatjara)	Finke (Aputula)	Haasts Bluff (Ikuntji)	Hermannsburg (Ntaria)	Imanpa	Kintore (Walungurru)	Mount Liebig (Watiyawanu)	Papunya (Warumpi)	Santa Teresa (Ltyentye Apurte)	Titjikala	Wallace Rockhole
103 - Manage Council Buildings & Facilities	24,738	0	3,872	1,571	2,795	4,650	23	76	2,934	1,339	3,809	1,200	2,470	0
104 - Territory Housing Tenancy Management	11,299	0	0	11,299	0	0	0	0	0	0	0	0	0	0
105 - Maintain Roads	31,420	0	7,073	0	0	0	950	0	0	2,694	19,978	0	181	544
106 - Manage Council Service Delivery	335,327	11,833	21,011	22,454	32,677	35,618	32,052	22,038	25,296	20,324	25,470	37,370	25,832	23,354
107 - Civil Works	655,396	36,181	47,810	63,027	30,325	55,131	89,640	15,796	61,074	52,536	62,610	64,176	40,388	36,703
109 - Staff Housing	58,953	0	6,953	3,647	10,822	2,816	1,173	2,185	21,473	3,022	3,270	844	2,158	589
110 - Outstations Civil Works	105,965	0	0	10,538	8,141	6,517	501	0	10,358	14,623	23,103	0	32,185	0
111 - Outstations Housing Repairs & Maintenance	45,058	0	0	0	0	23	0	0	0	0	19,335	0	25,701	0
112 - Operate Community Stores	31,127	31,127	0	0	0	0	0	0	0	0	0	0	0	0
113 - Essential Services	147,574	0	5,328	14,830	16,264	16,594	13,904	11,409	17,976	17,115	6,101	13,244	14,809	0
127 - Operate Swimming Pools	563	0	246	0	0	0	0	0	234	0	0	84	0	0
128 - Library	3,402	0	0	0	0	0	0	0	0	0	0	3,402	0	0
129 - Community Safety	326,248	49,501	13,633	20,916	36,151	10,237	39,572	29,545	8,559	22,892	18,475	41,587	35,181	0
130 - Youth Development	261,011	13,210	14,907	0	0	18,178	48,360	0	49,204	17,658	37,779	41,182	20,533	0
131 - Aged Care Services	266,113	30,802	20,200	4,783	39,479	18,668	44,614	27,459	0	0	38,361	0	41,747	0
132 - Children's Services	310,185	0	29,251	15,620	38,006	17,869	43,565	0	30,461	38,761	23,727	40,192	32,733	0
133 - Centrelink	73,617	9,631	6,715	10,677	7,907	2,569	2,641	4,352	8,695	0	6,009	0	7,294	7,127
134 - SNP School Nutrition Program	53,427	0	11,615	0	4,805	15,133	0	9,724	0	0	0	0	12,151	0
139 - Local Authorities	10,719	138	232	4,476	1,335	0	112	0	205	4,000	0	129	91	0
152 - Parks and Public Spaces	307	0	0	0	0	0	0	0	0	0	307	0	0	0
155 - Emergency Services	534	0	0	0	0	0	0	0	534	0	0	0	0	0
158 - Manage Projects	5,516	0	0	0	0	0	36	1,878	0	78	3,525	0	0	0
160 - HMESP	61,708	0	0	29,901	0	0	0	0	0	2,866	9,809	10,186	8,947	0
161 - Street & Public Lighting	4,298	0	0	1,933	0	0	0	2,365	0	0	0	0	0	0
162 - Airstrip Maintenance	11,672	0	0	0	0	11,288	0	0	0	0	384	0	0	0
Total	2,836,179	182,421	188,847	215,672	228,708	215,289	317,144	126,825	237,002	197,907	302,052	253,596	302,399	68,318
Population	3,778	275	235	295	162	150	625	185	454	156	418	555	201	67
Note:														
1. All the expenditure above is inclusive of salary and wages														
2. Expenditure for Head Office is not included														

Expenditure per Person	751	663	804	731	1,412	1,435	507	686	522	1,269	723	457	1,504	1,020
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Total Year to Date Expenditure by Community



Expenditure YTD by Community per Person



MacDonnell Regional Council

Local Boards Expenditure by Community For the Year To Date

Community	Spent or Committed		Total
Amoonguna	-		-
Areyonga	-		-
Docker River	706.59	Meat for Sports Carnival	
	1,229.09	Trophies for Sports Carnival	
	1,883.00	Sporting Equipment	3,818.68
Finke	-		-
Ikuntji	-		-
Ntaria	-		-
Imanpa	-		-
Kintore	-		-
Mount Liebig	4,000.00	Trophies for Sports Carnival	4,000.00
Papunya	-		-
Santa Teresa	-		-
Titjikala	-		-
Wallace Rockhole	-		-
		Total Spent or Committed to 31 Aug 2014	7,818.68

Please Note.

\$4,000 is allocated to each Local Authority to spend as it thinks fit.

The \$4,000 must be spent between 1 July and 30 June each year.

If unspent it does not carry forward to the next year.

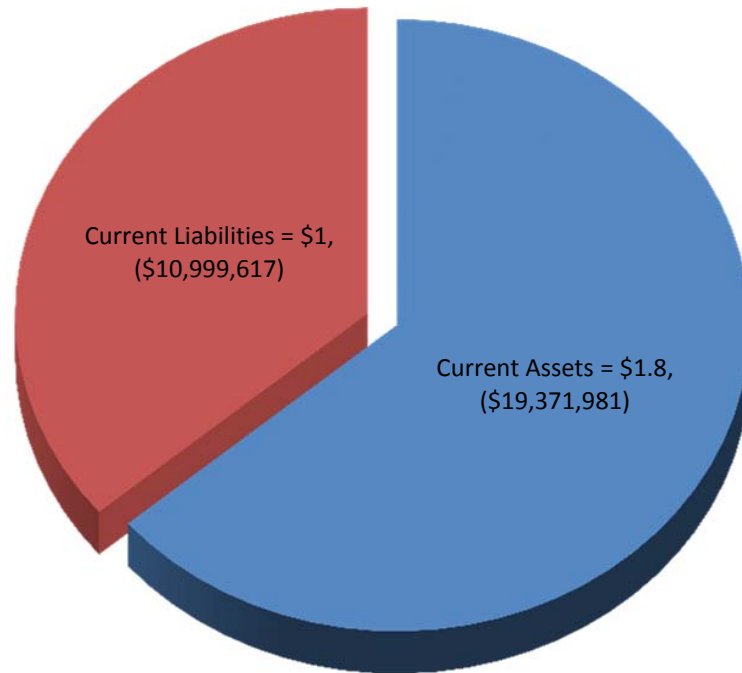


MacDonnell Regional Council

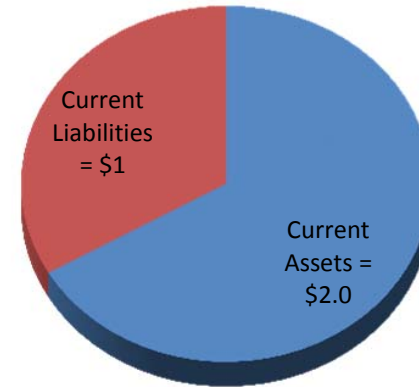
Estimate of Net Cash Position as at 31/08/2014

Current Assets	\$	Current Liabilities	\$
Cash at Bank Position		Estimated Accrued Employee Benefits	2,016,193
CentreLink	148	Accounts Payable Outstanding	617,693
Operations Account	204,995	"Pay as You Go" Tax owing to Tax Department	113,693
Territory Housing Bank Account	669	Unexpended grants	8,064,098
Amoonguna Store	1,724	Grants in Advance	96,029
Trust Account	1,669,915	GST Payable	91,911
Total Cash at Bank	1,877,451		
Plus:			
Short Term Deposits with Westpac	6,000,000		
Short Term Deposits with NAB	9,000,000		
Total Cash Available	16,877,451		
Plus: Accounts Receivable	1,000,495		
Rates Receivable	1,644,035		
Less: Provision for Bad Debts	- 150,000		
Total Current Assets	19,371,981	Total Current Liabilities	10,999,617
Net Cash Position:		\$8,372,364	
Equals = Total Current Assets less Total Current Liabilities			
KPI IMPROVE FINANCIAL SUSTAINABILITY = Divide Total Current Assets by Total Current Liabilities			
Aim is to achieve 2 to 1 (baseline June 2011 1.2 to 1)	Base =	> 1.2	
Result = \$ held in current assets available to pay current liabilities	Actual =	1.8	
Notes:			
<i>Current assets = amounts the Council own / Current liabilities = what the Council owes.</i>			

Net Cash Position



Target Position



MacDonnell Regional Council

Balance of Accounts Receivable as at 31 Aug 2014

Total Outstanding	Unapplied Credits	Current	>30 days	>90 days	>180 days
\$1,000,495	\$0	\$336,468	\$127,658	\$987	\$535,382
100%		33.6%	12.8%	0.1%	53.5%
Larger Balances Outstanding > 90 days					
Amooguna Community Inc					\$535,382
NT Housing - <i>Note payment was received on 11/9/14</i>					\$684
Power & Water Darwin					\$303
Total					\$536,369