



BUSINESS PAPER

**Economic and Community
Sustainability Committee Meeting
Wednesday, 14 February 2024**

INVERELL SHIRE COUNCIL**NOTICE OF ECONOMIC AND COMMUNITY SUSTAINABILITY COMMITTEE MEETING**

8 February, 2024

An Economic and Community Sustainability Committee Meeting will be held in the Committee Room, Administrative Centre, 144 Otho Street, Inverell on Wednesday, 14 February, 2024, commencing at **10.30am**.

Your attendance at this Economic and Community Sustainability Committee Meeting would be appreciated.

Please Note: Under the provisions of the Code of Meeting Practice the proceedings of this meeting (including presentations, deputations and debate) will be recorded. The audio recording of the meeting will be uploaded on the Council's website at a later time. Your attendance at this meeting is taken as consent to the possibility that your voice may be recorded and broadcast to the public.

I would like to remind those present that an audio recording of the meeting will be uploaded on the Council's website at a later time and participants should be mindful not to make any defamatory or offensive statements.

BRETT MCINNES

GENERAL MANAGER

Agenda

| | | |
|----------|--|-----------|
| 1 | Apologies | 6 |
| 2 | Confirmation of Minutes..... | 6 |
| 3 | Disclosure Of Conflict Of Interests/Pecuniary And Non-Pecuniary Interests | 11 |
| 4 | Destination Reports..... | 12 |
| 4.1 | Expired Licence Agreement - Mr Robin Ponton..... | 12 |
| 4.2 | Expired Licence Agreement - PA and RL Ticehurst..... | 14 |
| 4.3 | Request for Donation - Waive of Hire Fee for Lake Inverell Off-Road Recreation Circuit - Inverell Mother's Day Classic 2024 Committee | 16 |
| 4.4 | Request for Donation - Waive of Town Hall Hire Fees and Cost of DJ - Inverell Chamber of Commerce | 17 |
| 4.5 | Bank Closures in Regional Australia | 20 |
| 4.6 | Referral of Confidential Matters | 24 |
| 5 | Information Reports..... | 25 |
| 5.1 | Veteran Car Club of Australia Visit to Inverell..... | 25 |
| 5.2 | Response from Adam Marshall - Bipartisan Support - Parliamentary Inquiry into Crime, Law and Order in Regional NSW | 27 |
| 5.3 | Summer Splash Waterslide Event | 30 |
| 5.4 | IPART Review of the NSW Council Financial Model | 32 |
| 6 | Governance Reports..... | 36 |
| 6.1 | Quarterly Budget and Operational Plan 2023/2024 | 36 |
| 6.2 | Audit Arrangements for the Year-Ending 30 June 2024 and Beyond..... | 56 |

6.3 Governance - Monthly Investment Report 59

6.4 Audit, Risk and Improvement Committee - Terms of Reference 63

7 Confidential Matters (Committee-of-the-Whole) 92

7.1 2024 Rale Rasic Joey's Mini World Cup Sponsorship Proposal 92

Ethical Decision Making and Conflicts of Interest

A guiding checklist for Councillors, officers and community committees

Ethical decision making

- Is the decision or conduct legal?
- Is it consistent with Government policy, Council's objectives and Code of Conduct?
- What will the outcome be for you, your colleagues, the Council, anyone else?
- Does it raise a conflict of interest?
- Do you stand to gain personally at public expense?
- Can the decision be justified in terms of public interest?
- Would it withstand public scrutiny?

Conflict of interest

A conflict of interest is a clash between private interest and public duty. There are two types of conflict:

- **Pecuniary** – regulated by the *Local Government Act 1993* and Office of Local Government
- **Non-pecuniary** – regulated by Codes of Conduct and policy. ICAC, Ombudsman, Office of Local Government (advice only). If declaring a Non-Pecuniary Conflict of Interest, Councillors can choose to either disclose and vote, disclose and not vote or leave the Chamber.

The test for conflict of interest

- Is it likely I could be influenced by personal interest in carrying out my public duty?
- Would a fair and reasonable person believe I could be so influenced?
- Conflict of interest is closely tied to the layperson's definition of 'corruption' – using public office for private gain.
- Important to consider public perceptions of whether you have a conflict of interest.

Identifying problems

- 1st** Do I have private interests affected by a matter I am officially involved in?
2nd Is my official role one of influence or perceived influence over the matter?
3rd Do my private interests conflict with my official role?

Local Government Act 1993 and Model Code of Conduct

For more detailed definitions refer to Sections 442, 448 and 459 or the *Local Government Act 1993* and Model Code of Conduct, Part 4 – conflicts of interest.

Disclosure of pecuniary interests / non-pecuniary interests

Under the provisions of Section 451(1) of the *Local Government Act 1993* (pecuniary interests) and Part 4 of the Model Code of Conduct prescribed by the Local Government (Discipline) Regulation (conflict of interests) it is necessary for you to disclose the nature of the interest when making a disclosure of a pecuniary interest or a non-pecuniary conflict of interest at a meeting.

A Declaration form should be completed and handed to the General Manager as soon as practicable once the interest is identified. Declarations are made at Item 3 of the Agenda: Declarations - Pecuniary, Non-Pecuniary and Political Donation Disclosures, and prior to each Item being discussed: The Declaration Forms can be downloaded at [Disclosure of pecuniary interests form](#) or [non-pecuniary interests form](#)

Quick Reference Guide

Below is a legend that is common between the:

- Inverell Shire Council Strategic Plan;
- Inverell Shire Council Delivery Plan; and
- Inverell Shire Council Operational Plan.

OUR DESTINATIONS



01 LEADERSHIP



We will be an accountable and responsible Council that will be involved with the community and responsibly manage public resources.

02 PROSPERITY



The Shire has a diverse, strong local economy that provides opportunities that contribute to the quality of life for the community.

03 LIVEABILITY



Our community is healthy, safe, educated and offers opportunities for people of all ages and abilities. We value our natural and built environment.

04 SERVICES & INFRASTRUCTURE



Our community is enhanced by the provision of civic services and infrastructure. These services are planned and financially sustainable.

1 APOLOGIES

2 CONFIRMATION OF MINUTES

RECOMMENDATION:

That the Minutes of the Economic and Community Sustainability Committee Meeting held on 8 November, 2023, as circulated to members, be confirmed as a true and correct record of that meeting.

**MINUTES OF INVERELL SHIRE COUNCIL
ECONOMIC AND COMMUNITY SUSTAINABILITY COMMITTEE MEETING
HELD AT THE COMMITTEE ROOM, ADMINISTRATIVE CENTRE, 144 OTHO STREET,
INVERELL
ON WEDNESDAY, 8 NOVEMBER 2023 AT 10.30AM**

PRESENT: Cr Paul King OAM (Chair), Cr Paul Harmon (Mayor), Cr Kate Dight and Cr Jo Williams.

IN ATTENDANCE: Cr Stewart Berryman, Cr Di Baker and Cr Wendy Wilks.

Brett McInnes (General Manager) and Paul Pay (Director Corporate and Economic Services).

1 APOLOGIES

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Jo Williams

That the apology received from Cr Nicky Lavender for personal reasons be accepted and leave of absence granted.

CARRIED

2 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Jo Williams

That the Minutes of the Economic and Community Sustainability Committee Meeting held on 11 October, 2023, as circulated to members, be confirmed as a true and correct record of that meeting.

CARRIED

3 DISCLOSURE OF CONFLICT OF INTERESTS/PECUNIARY AND NON-PECUNIARY INTERESTS

Nil

4 ADVOCACY REPORTS

4.1 PARLIAMENTARY INQUIRY INTO CRIME, LAW AND ORDER IN REGIONAL NSW S14.11.1/16

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Paul Harmon

The Committee recommend to Council that:

- a) the report be received and noted;*
- b) the Committee note the intent for a Mayoral Minute to be considered at the November Council meeting.*

CARRIED

5 DESTINATION REPORTS

5.1 EXPIRING LICENCE AGREEMENT - MR GERARD MERCHANT S5.10.139

COMMITTEE RESOLUTION

Moved: Cr Kate Dight

Seconded: Cr Jo Williams

The Committee recommends to Council that:

- i) Council renew the Licence Agreement with Gerard Merchant for part portion of land located at Inverell Aerodrome, Gilgai for a five (5) year period with a further five (5) year option;*
- ii) the Licence fee be \$854.21 per annum (GST Inclusive) with a 3% increase per annum; and*
- iii) the Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.*

CARRIED

5.2 COUNCIL'S PERFORMANCE REPORT - STATECOVER MUTUAL S27.1.12

COMMITTEE RESOLUTION

Moved: Cr Paul Harmon

Seconded: Cr Jo Williams

That the information be noted.

CARRIED

5.3 REQUEST TO SHARE PROJECT COST BY SAPPHIRE WIND FARM COMMUNITY BENEFIT FUND COMMITTEE - NATIONAL TRANSPORT MUSEUM S5.10.145

COMMITTEE RESOLUTION

Moved: Cr Paul Harmon

Seconded: Cr Kate Dight

The Committee recommends to Council that:

- i. Council partner with the Sapphire Wind Farm Community Benefit Fund and National Transport Museum to install evaporative air conditioners at the Museum; and*
- ii. Council fund its \$10,000 contribution from Minor Community Infrastructure Assets budget allocation.*

CARRIED

5.4 REQUEST TO LICENCE LAND - LOTS 290, 291 AND 292 DP 753287 (RESERVE 80153) ADJACENT TO ROSS AND CLIVE STREETS, INVERELL S5.4.8**COMMITTEE RESOLUTION**

Moved: Cr Kate Dight

Seconded: Cr Paul Harmon

The Committee recommends to Council that:

- i) Council enter into a Licence Agreement with Paul and Jayne Miller for Lots 290, 291 and 292 DP 753287, (Reserve 80153) adjacent to Ross and Clive Streets, Inverell for a five (5) year period with a further five (5) year option;*
- ii) the Licence fee be \$420.00 per annum (GST Inclusive) with a 3% increase per annum; and*
- iii) the Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.*

CARRIED

5.5 REQUEST TO LICENCE LAND - PART LOT 1 DP 1140913 CAMERON PARK AND PART CLOSED ROAD, CAMERON STREET, INVERELL S5.10.18**COMMITTEE RESOLUTION**

Moved: Cr Paul Harmon

Seconded: Cr Kate Dight

The Committee recommends to Council that:

- i) Council enter into a Licence Agreement with David Luxford for Part Lot 1 DP 140913 Cameron Park and Part Closed Road, Cameron Street, Inverell for a two (2) year period with a two (2) year option;*
- ii) the Licence fee be \$530.45 per annum (GST Inclusive) with a 3% increase per annum; and*
- iii) the Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.*

CARRIED

6 INFORMATION REPORTS**6.1 BP WITHDRAW AVGAS REFUELLING SERVICES AT INVERELL AIRPORT S30.7.1****COMMITTEE RESOLUTION**

Moved: Cr Kate Dight

Seconded: Cr Jo Williams

That the information report be received and noted.

CARRIED

7 GOVERNANCE REPORTS

7.1 QUARTERLY BUDGET AND OPERATIONAL PLAN 2022/2023 S12.5.1/15

COMMITTEE RESOLUTION

Moved: Cr Jo Williams

Seconded: Cr Kate Dight

The Committee recommends to Council that:

- i) Council's Quarterly Operational Plan and Budget Review for 30 September, 2023 be adopted; and*
- ii) The proposed variations to budget votes for the 2023/2024 Financial Year be adopted providing an estimated Cash Surplus at 30 September, 2023 from operations of \$7,834.*

CARRIED

7.2 GOVERNANCE - MONTHLY INVESTMENT REPORT S12.12.2

COMMITTEE RESOLUTION

Moved: Cr Paul Harmon

Seconded: Cr Kate Dight

The Committee recommends to Council that:

- i) the report indicating Council's Fund Management position be received and noted; and*
- ii) the Certification of the Responsible Accounting Officer be noted.*

CARRIED

The Meeting closed at 11.47am.

3 DISCLOSURE OF CONFLICT OF INTERESTS/PECUNIARY AND NON-PECUNIARY INTERESTS

4 DESTINATION REPORTS

4.1 EXPIRED LICENCE AGREEMENT - MR ROBIN PONTON

File Number: S5.10.13 / 23/41750

Author: Kristy Paton, Corporate Support Officer - Publishing

SUMMARY:

The Licence Agreement between Council and Mr Robin Ponton expired on 13 December, 2023. The Committee is requested to consider offering Mr Ponton a new Agreement.

RECOMMENDATION:

The Committee recommends to Council that:

- i) Council renew the agreement with Mr Ponton for Part Lots 4, 5 & 6, DP1101540 Lake Inverell Reserve, Rifle Range Road;*
- ii) The licence agreement be for a further three (3) year term with a three (3) option under the same terms and conditions;*
- iii) The licence Agreement fee amount of \$842.86 including GST with a 3% increase per annum; and*
- iv) The Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.*

COMMENTARY:

The Licence Agreement between Council and Mr Robin Ponton for Part Lots 4, 5 & 6, DP1101540 Lake Inverell Reserve, Rifle Range Road, Inverell expired on 13 December, 2023. The authorised use of the land is for the purpose of grazing stock. Land Area is 34.2 hectares.

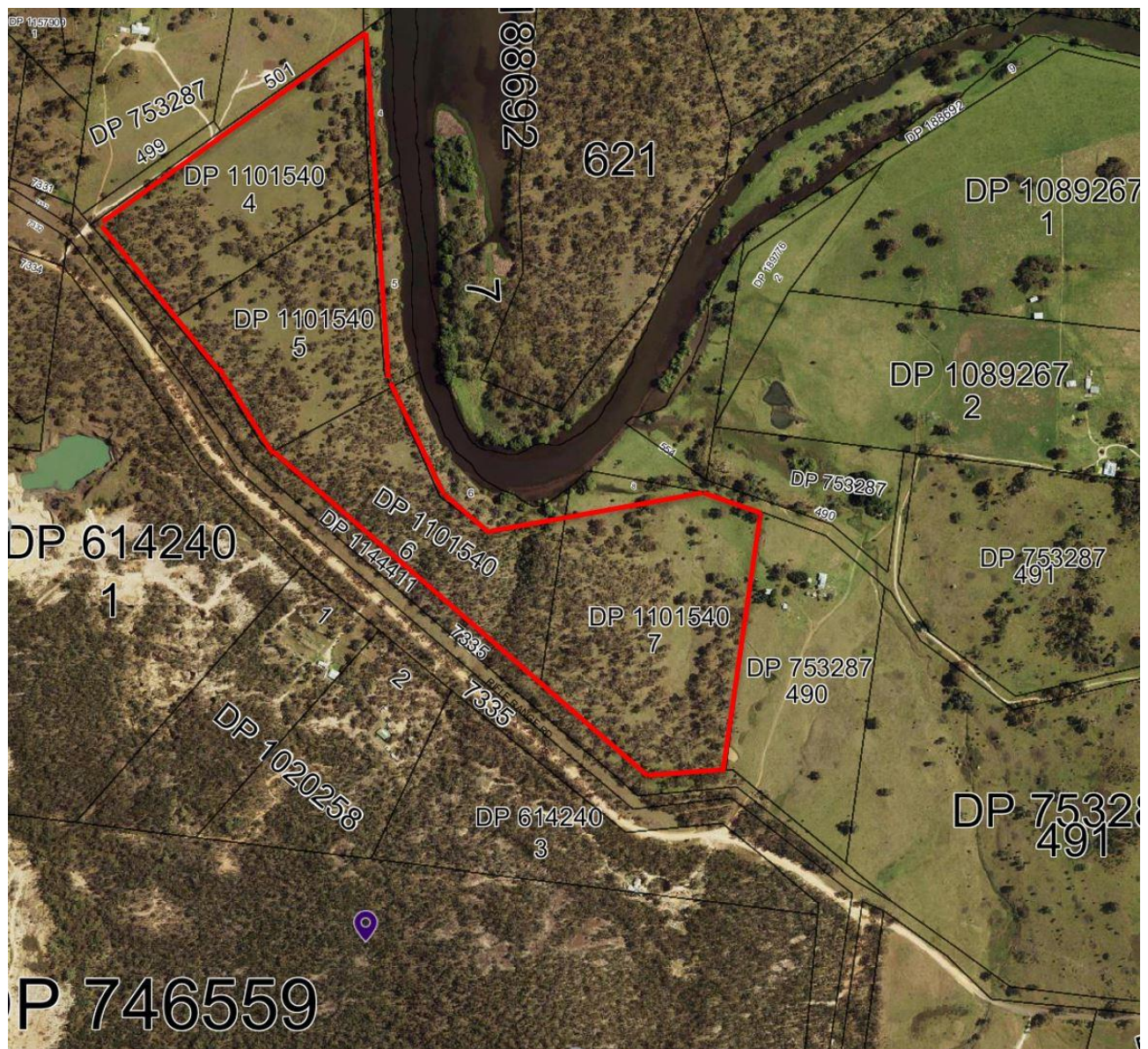
Mr Ponton initially took up this parcel of land in 2011 following Council calling for expressions of interest. During his tenure, Mr Ponton has been responsible for maintaining fences on the land and the control of noxious weeds and vermin. In addition, Mr Ponton expressed an interest in renewing his licence for another term.

It is also noted that the licence is issued subject to the licensee providing Public Liability Insurance for \$10M. These policies now cost over \$500 per annum.

Expressions of Interest for this land were not called for due to the lack of demand and enquiries Council has received.

The last billed amount was \$818.31. Ongoing billing will be subject to yearly 3% increases.

The Committee is asked to consider recommending offering Mr Ponton a new Agreement under the same terms and conditions for a three (3) year term with a further three (3) year option and the licence fee be \$842.86 per annum with a 3% increase per annum.



RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Nil

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil

4.2 EXPIRED LICENCE AGREEMENT - PA AND RL TICEHURST

File Number: S5.10.68 / 23/41963

Author: Kristy Paton, Corporate Support Officer - Publishing

SUMMARY:

The Licence Agreement between Council and PA and RL Ticehurst expired on 18 December, 2023. The Committee is requested to consider offering PA and RL Ticehurst a new Agreement.

RECOMMENDATION:

That the Committee recommends to Council that:

- i) Council renew the agreement with PA and RL Ticehurst for Part Public Road on Southern Boundary of PT Lot 99 DP 750079;*
- ii) The licence agreement be for a five (5) year period with a five (5) year option;*
- iii) The Licence fee be \$231.41 per annum (GST Inclusive) with a 3% increase per annum; and*
- iv) The Licence Agreement be subject to any other terms and conditions as negotiated by Council's General Manager.*

COMMENTARY:

The Licence Agreement between Council and PA and RL Ticehurst for Part Public Road on Southern Boundary of Part Lot 99 DP 750079 expired on 18 December, 2023. The authorised use of the land is for the purpose of grazing stock.

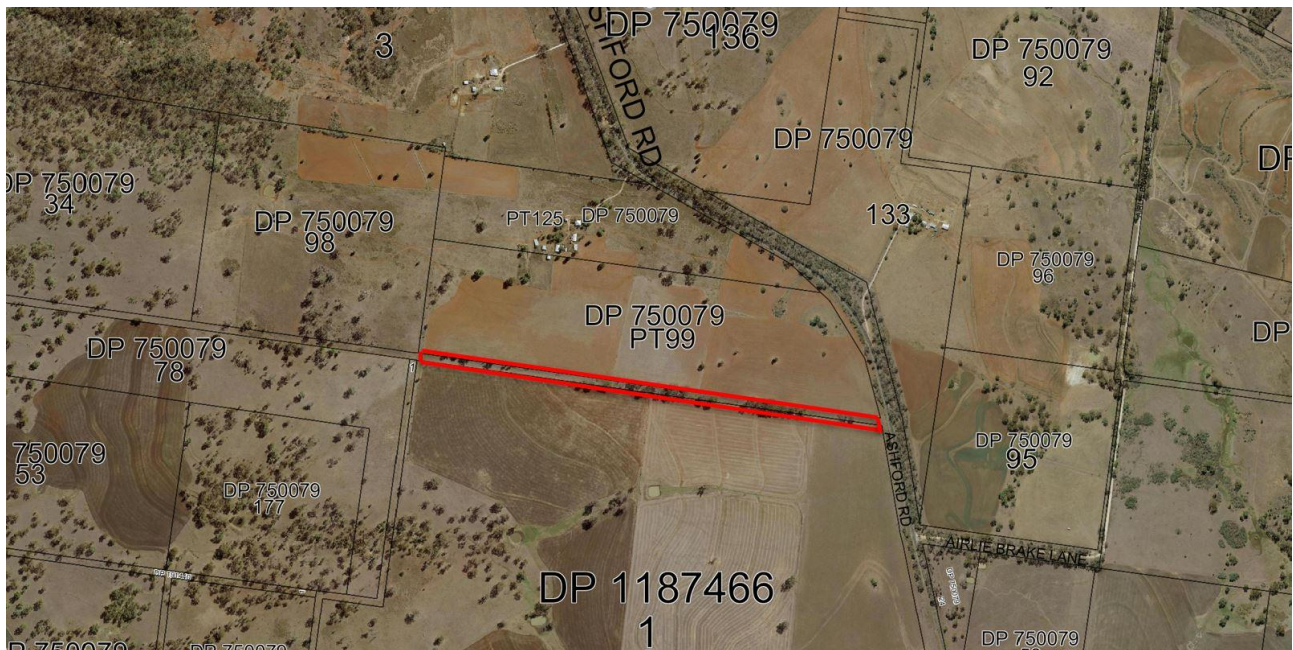
Mr and Mrs Ticehurst initially took up this parcel of land in 2009 following Council receiving an expression of interest. During their tenure, the Ticehursts have been responsible for maintaining fences on the land and the control of noxious weeds and vermin. In addition, Mr and Mrs Ticehurst have expressed an interest in renewing their licence for another term.

It is noted that the licences are issued subject to the licensee providing Public Liability Insurance for \$10M. These Policies now cost over \$500 p.a.

Expressions of Interest for this land were not called for due to the lack of demand and enquiries Council has received.

The last billed amount was \$224.67. Ongoing billing will be subject to yearly 3% increases.

The Committee is asked to consider recommending offering PA and RL Ticehurst a new Agreement under the same terms and conditions for a five (5) year term with a further five (5) year option and the licence fee be \$231.41 per annum with a 3% increase per annum.

**RISK ASSESSMENT:**

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Nil

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil

4.3 REQUEST FOR DONATION - WAIVE OF HIRE FEE FOR LAKE INVERELL OFF-ROAD RECREATION CIRCUIT - INVERELL MOTHER'S DAY CLASSIC 2024 COMMITTEE**File Number:** S12.22.1/17 / 24/3625**Author:** Kristy Paton, Corporate Support Officer - Publishing**SUMMARY:**

Council is in receipt of a request from the Inverell Mother's Day Classic 2024 Committee to waive the hire fee for the exclusive use of the Lake Inverell Off-Road Recreation Circuit for their event being held on Mother's Day, Sunday, 12 May, 2024. The Committee is being asked to consider the request.

RECOMMENDATION:

A matter for the Committee.

COMMENTARY:

Karla Barlow from the Inverell Mother's Day Classic 2024 Committee has written to Council requesting support for the establishment of the Inverell Mother's Day Classic to be held on Sunday, 12 May, 2024.

The Mother's Day Classic is Australia's largest fun run / walk for breast cancer research and since inception in 1998 has donated nearly \$40M to the National Breast Cancer Foundation (NBCF) to fund life-saving breast cancer research.

Local events are organised by volunteers and community groups, with advice and support from the national organisers, and play a very important part in raising the awareness and providing support for people in the local community. Breast Cancer is a disease that impacts 1 in 7 women and improved research means better treatment options and more awareness of early detection.

The Mother's Day Classic being held in Inverell is expected to attract 250 participants and the Lake Inverell Off-Road Recreation Circuit has been booked for this event. The hire fee for the exclusive use of the Recreation Circuit is \$100. The Committee have requested Council's support of this event by way of waiving the hire fee.

The Committee is requested to make a determination regarding the request for the hire fee of the Lake Inverell Off-Road Recreation Circuit to be waived.

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Council's donation budget has funding available of \$34,311 should Council elect to support this event.

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil

4.4 REQUEST FOR DONATION - WAIVE OF TOWN HALL HIRE FEES AND COST OF DJ - INVERELL CHAMBER OF COMMERCE**File Number:** S12.22.1/17 / 24/3719**Author:** Kristy Paton, Corporate Support Officer - Publishing**SUMMARY:**

Council is in receipt of a Request for Donation Application Form from Kylie Wilks, Inverell Chamber of Commerce. The Committee is requested to consider the request.

RECOMMENDATION:

A matter for the Committee.

COMMENTARY:

The Inverell Chamber of Commerce have planned an event, 'SHE' to be held at the Inverell Town Hall on Saturday, 9 March, 2024 to coincide with International Women's Week. Ms Wilks is requesting the hire fee for the Inverell Town Hall be waived and a donation towards the cost of the DJ for their event.

'SHE' is a tribute to the women of Inverell and will include 3 Guest Speakers with a business and education background and a fashion runway show which will highlight local hairdressers, make-up artists, jewellery makers and fashion retailers. The evening will conclude with a DJ performance and dancing. The Town Hall will also act as a backdrop for a lighting display from Mr and Mrs Hill Lighting.

In a letter provided to Council, Ms Wilks provided the following commentary:

"Inverell's fashion retailers have long been a major attraction for visitors from the New England Northwest, and this event provides a platform to showcase their talents professionally."

The Guest Speakers, MC and Mr and Mrs Hill Lighting have a combined following of 38,000 people on Instagram.

"We recognise that our retail space is a great draw card, and we want to celebrate the many women who work in that space."

The cost to hire the Town Hall is \$770, this includes the use of the main hall and the kitchen & annex. \$800 has been allocated in the budget for the cost of the DJ. The estimated cost of the event is approximately \$20,000 and a breakdown of the budget has been provided (**Attachment 1**).

The Committee is requested to make a determination regarding the request for the hire fee of the Inverell Town Hall to be waived and a donation of \$800 towards the cost of a DJ.

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Council's donation budget has funding available of \$34,311 should Council elect to support this event.

As advised on Monday 5 February 2024, the quote for the DJ is \$2,035, not the \$800 as stated in the budget.

Council's State Government grant application to hold a Women's Day event was unsuccessful.

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

1. **SHE Budget - Inverell Chamber of Commerce** [↓](#)

Budget for SHE

9th March 2023 Saturday 6pm

| | Qty | Cost/per | |
|--|-----|-----------|---------------------------|
| Ticket Sales - Row A | 130 | \$ 130.00 | \$ 16,900.00 |
| Ticket Sales - Row B | 80 | \$ 125.00 | \$ 10,000.00 |
| Ticket Sales - Row C | 60 | \$ 120.00 | \$ 7,200.00 |
| Venue ideas - Town Hall - Bond \$1500 | | | |
| Hire of Venue - Set Up 8am to 8pm | | \$ | 180.00 |
| Hire of Venue - Event 6pm to Midnight | | \$ | 530.00 |
| Hire of Venue - Pack up 8am to 12pm | | \$ | 60.00 |
| Fashion Parade & Panel Interview | | | |
| MC - Anna Davis editor of Downtown Mag | | \$ | - |
| Odette Barry - Hack your own PR | | \$ | - |
| Suzanne Hoyne - Pricing your product or service | | \$ | - |
| Peita Mages - Clever Cookie Academy | | \$ | - |
| Fashion Parade | | | |
| 5 outfits from each of our fashion stores | | \$ | - |
| Music | | | |
| DJ to be confirmed | | \$ | 800.00 |
| | | \$ | - |
| Event production | | | |
| Seats from Gold Event Hire | 250 | \$ | 2,044.25 |
| Red Carpet 44m | | \$ | 295.00 |
| Glasses for bar - TBC | | | |
| Fairy Lighting - Red Carpet Entrance Mr & Mrs Hill | | \$ | 2,000.00 |
| Paparazzi Donation to Threatre Company | | \$ | 500.00 |
| Photographer | | \$ | 1,000.00 |
| Cocktails/Bar | | | |
| The Aussie Licenced Bar - TBC | | \$ | - |
| | | \$ | - |
| Meals | | | |
| Smokin BbQ - Box each | 250 | 20 | \$ 5,000.00 |
| Canapes on arrival | | | \$ 500.00 |
| | | | \$ - |
| Event Planning | | | |
| Accomodation The Oxford | 4 | 240 | \$ 960.00 |
| Meals | 12 | 50 | \$ 600.00 |
| Decoration | | | \$ 1,500.00 |
| Advertising/Marketing | | | \$ 1,500.00 |
| Print Media | | | \$ 1,500.00 |
| | | | \$ - |
| | | | \$ 26,900.00 Sales |
| | | | \$ 18,969.25 costs |
| | | | \$ 7,930.75 Profit |

4.5 BANK CLOSURES IN REGIONAL AUSTRALIA**File Number:** S14.5.1 / 24/3747**Author:** Paul Pay, Director Corporate and Community Services**SUMMARY:**

Council has received correspondence from the Hon Barnaby Joyce MP, advising Council that the Senate Inquiry into Bank Closures in Regional Australia has re-opened the deadline to make submissions. The Committee is asked to consider if Council should make a submission to the inquiry.

RECOMMENDATION:

That the Committee determine if Council should make a submission to the Inquiry.

COMMENTARY:

Council has received correspondence from the Hon Barnaby Joyce MP, advising Council that the Senate Inquiry into Bank Closures in Regional Australia has re-opened to allow further submissions to be received. **(Attachment 1).**

On 8 February, 2023 the Federal Government asked the Rural and Regional Affairs and Transport References Committee to conduct an inquiry into Bank Closures in Regional Australia and report by 1 December 2023.

The terms of reference for the inquiry are:

- a) the branch closure process, including the reasons given for closures;
- b) the economic and welfare impacts of bank closures on customers and regional communities;
- c) the effect of bank closures or the removal of face-to-face cash services on access to cash;
- d) the effectiveness of government banking statistics capturing and reporting regional service levels, including the Australian Prudential Regulation Authority's authorised deposit-taking institutions points of presence data; and
- e) consideration of solutions; and any other related matters.

Submissions originally closed on 28 April, 2023. On 14 September, 2023, the Senate granted an extension of time to report until 16 May, 2024. On 18 October, 2023 the committee agreed to reopen submissions until 29 February, 2024.

To date, 569 submissions have been lodged. The large proportion of the submissions have been lodged by individual citizens detailing the impact of bank closures in their towns.

Very few submissions have been lodged by local governments across the country.

Should Council wish to lodge a submission, the focus would likely be on the potential impacts of bank closures in rural and remote communities. It is noted that Inverell has not experienced any significant impacts with regards to bank closures in the last decade, however our smaller rural communities such as Yetman, Tingha and Delungra do not have local banking branches.

A letter to the Rural and Regional Affairs and Transport References Committee addressing the terms of reference may include some of the following points.

The following points represent the collective theme of approximately 12 local government submissions already lodged:

a) the branch closure process, including the reasons given for closures;

No comment.

b) the economic and welfare impacts of bank closures on customers and regional communities;

Bank closures have a disproportionate impact on people in rural and remote areas because of distances between towns and services, and particularly for community groups, older people, people with a disability and marginalised people.

As well as impacts on customer welfare, there are indirect economic impacts from bank branches closing in rural and remote towns. When people go to their local branch to withdraw money they generally spend that money in their local community. This provides stimulus to the local economy and helps town centres remain viable. Similarly, the staff working in local branches, generally work and spend in the local community and this also benefits their town. These actions represent ongoing investment in the vibrancy, cohesion and viability of the local communities and it ensures that money stays within the community.

Personal, face to face banking is essential for many members of our community, particularly the vulnerable and marginalised, those with limited literacy and those lacking digital literacy.

Face-to-face banking services and the comfort of dealing with a familiar face who knows their limitations is far better than the terrifying uncertainty of online banking, where vulnerable and marginalised customers will be all too easy targets for scammers and hackers.

Many people, whether vulnerable or not, appreciate the ability to speak directly with a person face-to face when they require advice regarding loans and investments or when depositing large sums of money.

c) the effect of bank closures or the removal of face-to-face cash services on access to cash;

The closure of banks and the removal of face-to-face cash services can have a significant impact on small businesses in rural and remote communities that rely on cash as a form of payment.

The lack of access to cash can severely impact a business's ability to operate. Although the use of digital payments and credit cards is becoming more prevalent, many small businesses still require cash to manage their daily expenses, such as floats for their tills or for paying suppliers who only accept cash. Internet and mobile services are also critically unreliable in many rural and remote communities, resulting in lost productivity and impacted profitability.

The heart and soul of most rural and remote communities are the volunteer groups who operate sporting clubs, social and community activities and who are required to fundraise to achieve their goals.

Fundraising requires cash, be it for a sausage sizzle, raffle or social event, the "gold coin donation" is still the primary income for many not-for-profits. For these activities to continue, organisations require the means to obtain small denomination bank notes and coin for their 'float' and the means to bank their receipts.

Without this stream of income, community groups become disjointed, disillusioned and eventually inactive. Banks branches are able to provide this service and have adequate security to hold this type of currency at hand and have it readily available to their customers.

d) the effectiveness of government banking statistics capturing and reporting regional service levels, including the Australian Prudential Regulation Authority's authorised deposit-taking institutions points of presence data;

Banks already have very accurate customer data. Banks use the data for decision-making purposes. They use it to make profits and the profits boost 'mum and dad' superannuation accounts.

Council believes that more reporting will not change current behaviours of banks closing branches.

e) consideration of solutions; and any other related matters.

The major Australian banks are meddling in a form of social engineering by forcing their loyal customers into banking practices they do not want or may not be able to access.

With approximately one third of Australia's population residing in regional, rural and remote Australia, the commercial decisions of the major banks in removing bank branches are impacting social and economic outcomes in rural and remote communities.

Whilst it is acknowledged that a Post Office can provide some of the facilities otherwise available through a bank, it is not a replacement for a bank branch. Key banking services are not available through a Post Office. Even less straightforward banking processes such as acquiring bank cheques, opening accounts, conducting large cash transactions and applying for mortgages cannot be undertaken or are significantly more difficult through an Australia Post branch. Australia Post is a franchise, and the financial services offered by franchisees vary.

The role of Government could be to ensure there is universal access to important banking services, similar to the telecommunications code, but that the banks are made accountable to it, not Australia Post.

The Banking Code of Conduct states "We will ensure banking services are accessible, inclusive and provided to you in a fair and ethical manner." In rural and remote areas, banks are failing to uphold this commitment.

The major banks should consider implementing programs which co-locate banking staff and services in one location (a combined banking outlet/hub) to enable customers in rural and remote areas with access to a physical bank to complete everyday banking transactions.

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Nil

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

1. Letter from The Hon Barnaby Joyce - Re: Bank Closurers Inquiry [↓](#)



The Hon Barnaby Joyce MP

Federal Member for New England

Our ref: NE48733

19 December 2023

Mr Brett McInnes
General Manager
Inverell Shire Council
PO Box 138
INVERELL NSW 2360

Via e-mail: council@inverell.nsw.gov.au

Dear Mr McInnes

As Council may be aware, the Senate Rural and Regional Affairs and Transport References Committee has been conducting an Inquiry into Bank Closures in Regional Australia during 2023, and on 18 October 2023 the Committee agreed to reopen submissions until 29 February 2024.

In light of continuing bank branch closures in country communities, such as the recently announced closure of the NAB Branch at Scone scheduled to occur on 7 March 2024, I would encourage Council to consider making a submission to the Inquiry if it hasn't already done so. Information about the Inquiry and making a submission is available online at:

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/BankClosures

Following the commencement of the Inquiry, the Committee called for all banks to immediately cease closing branches in regional towns until a proper assessment is undertaken about their impact. However, despite this request, we are still seeing banks proceeding with branch closures.

I am sure Council would agree that all possible avenues should be explored to retain bank branches in regional locations which provide essential personal and business services and are very much part of the fabric of country communities.

Council's consideration of this matter is appreciated and may be assured I will continue to argue strongly for the retention of bank branches in country communities at every opportunity.

Should any additional information be required, please contact my office on 6761 3080.

Yours sincerely

The Hon Barnaby Joyce MP
Federal Member for New England
Shadow Minister for Veterans' Affairs

CC Cr Paul Harmon
Mayor, Inverell Shire Council
Via e-mail: paul.harmon@inverell.nsw.gov.au

bj.lt.tam

454-456 Peel Street (PO Box 963), Tamworth NSW 2340 | T 02 6761 3080 | F 02 6761 3380 | E Barnaby.Joyce.MP@aph.gov.au

255 Rouse Street, Tenterfield NSW 2372 | T 02 6736 1099 | F 02 6736 1433

4.6 REFERRAL OF CONFIDENTIAL MATTERS**File Number:** S4.11.17/16 / 24/4215**Author:** Kristy Paton, Corporate Support Officer - Publishing**SUMMARY:**

Referral of Confidential Report

RECOMMENDATION:**Item:** 7.1 2024 Rale Rasic Joey's Mini World Cup Sponsorship Proposal**Authority:** Section 10A (2) (c) Information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business**COMMENTARY:**

In accordance with the provisions of Section 9 (2A) *Local Government Act 1993*, the General Manager is of the opinion that consideration of the following item(s) is likely to take place when the meeting is closed to the public.

Item: 2024 Rale Rasic Joey's Mini World Cup Sponsorship Proposal**Description:** Council has received a proposal for Major Sponsorship of the 2024 event. Council is requested to review the available options and make a determination regarding sponsorship of the 2024 tournament.**Reason:** Information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business (s. 10A (2) (c) *Local Government Act 1993*).

5 INFORMATION REPORTS

5.1 VETERAN CAR CLUB OF AUSTRALIA VISIT TO INVERELL

File Number: S26.3.6 / 24/1320

Author: Peter Caddey, Manager Administrative and Marketing Services

SUMMARY:

The Veteran Car Club of Australia (VCCA) will be holding a rally in Inverell in April. Council is asked to receive this report for information.

COMMENTARY:

The NSW branch of the Veteran Car Club of Australia is hosting a Veteran Car Rally, based in Inverell from the 10th to the 14th April 2024. The visit will celebrate the 70th year of the Club.

A **veteran vehicle** is a vehicle built before 1919. At present, VCCA has received 60 expressions of interest from members hailing from NSW, QLD, SA and ACT. Approximately one 100 visitors will be in Inverell for the duration of the rally.

A draft program has been provided to Council.

- *Wednesday 10th April*

Arrival and registration at the National Transport Museum.
Settle in at accommodation.

- *Thursday 11th April*

Assemble at Museum
9:30 - Drive through town to Gum Flat
Lunch provided by Gum Flat School P & C
Visit Copeton Dam
Evening Happy Hour at Fossickers Rest Caravan Park

- *Friday 12th April*

9:30 - Assemble at RSM Car Park
Drive to Graman for BYO morning tea
Wallangra to Ashford for lunch at the Bowling Club
Return via Bukkulla to Inverell

- *Saturday 13th April*

9.30 - Start from RSM Car Park
Drive to Oakwood to visit Tom Horwood's tractor museum for morning tea.
Via Mount Russell to Delungra. Lunch at Delungra Hotel.
Return to Inverell. Inspect private car collections.

- *Sunday 14th April*

Start at Motor Museum
9:30 - Drive to Tingha for morning tea at Wing Hing Long Museum
Return to National Transport Museum for lunch.

Vehicles on Public Display at the Museum until 3:00pm.
Farewell dinner at the RSM.

A majority of these vehicles were built with kerosene headlamps and many have a top speed of approximately 30km per hour. The routes planned by organisers are designed to minimise disruption to traffic, by utilising local roads and avoiding highways and peak times for travel. There will also be minimal travel during evening hours given the low luminescence provided by the kerosene headlamps.

Manager Administrative and Marketing Services (MAMS), Peter Caddey and Project Engineer, Scott Hamilton, met with rally organisers in December to ascertain what assistance could be provided.

Council will provide visitor packs from Council's Visitor Information Centre and help publicise the event, with a focus on the public display to be held at the National Transport Museum on Sunday afternoon 14 April, 2024.

MAMS, Peter Caddey will continue to work with rally organisers in the lead up to the visit to ensure a successful event.

ATTACHMENTS:

Nil

5.2 RESPONSE FROM ADAM MARSHALL - BIPARTISAN SUPPORT - PARLIAMENTARY INQUIRY INTO CRIME, LAW AND ORDER IN REGIONAL NSW**File Number:** S14.11.1/17 / 24/2569**Author:** Brett McInnes, General Manager**SUMMARY:**

Council is in receipt of correspondence from the Hon. Adam Marshall regarding Council's request for Bipartisan support for a Parliamentary Inquiry into Crime, Law and Order in Regional NSW.

COMMENTARY:

At the Ordinary meeting of Council held in November 2023, Council resolved to endorse the recommendations listed in the Country Mayors Association of NSW report into Crime, Law and Order and call on the member for Northern Tablelands the Hon. Adam Marshall MP to support the establishment of a Parliamentary Inquiry.

Council is in receipt of a letter from Mr Marshall outlining his response to this request. In his letter, Mr Marshall states that he had previously made representations to the Premier, the Hon. Chris Minns MP regarding the matter and that he indicated his 'strong support for an inquiry'. Mr Marshall has made further representations to the Minister for Police, the Hon. Yasmin Catley MP seeking her support and 'stressing the urgent need for an inquiry into crime in our region'.

A copy of the media release from October 2023 after Mr Marshall's address to State Parliament is provided for your information. Any further updates on this matter will be provided in a future report to Council.

ATTACHMENTS:

1. **Media Release - Support for Parliamentary Inquiry into Rural and Regional Crime - 19 October 2023** [↓](#)

Hon. Adam Marshall MP

Member for Northern Tablelands

MEDIA RELEASE

Thursday, 19 October 2023

SUPPORT FOR PARLIAMENTARY INQUIRY INTO RURAL & REGIONAL CRIME

NORTHERN Tablelands MP Adam Marshall has today put his full support behind a push from the NSW Country Mayors and NSW Police Associations for a parliamentary inquiry into regional, rural, and remote crime.

Mr Marshall met with Country Mayors Association Chairman, Gunnedah Shire Mayor Jamie Chaffey, today in State Parliament and said an in-depth inquiry into the causes and remedies to a spike in crime across country NSW was warranted.

"Our men and women in blue across country NSW do a fantastic job, but the evidence is clear, crime is consistently on the rise in across our regions and yet our police force is shrinking in numbers by comparison," Mr Marshall said.

"Just as we saw with the health system last year, I believe the time has well and truly come for a root-and-branch review of rural crime and policing to ensure we have the resources and strategies we need to guarantee the safety and well-being of country communities."

Mr Marshall said an inquiry would help shine the spotlight many issues rural and regional communities, including those across the Northern Tablelands, were facing.

"Sadly, we are all too aware of the alarming statistics for vehicle theft, serious break and enters, damage to property and assault offences," Mr Marshall said.

"We now have statistics to back this up, with rates of crime substantially higher in regional, rural, and remote communities compared to our city counterparts, but with substantially less police per head of population than any other State or Territory in Australia

"Bureau of Crime Statistics and Research data also highlights the problem is exacerbated by inadequate police resources in some of our communities."

Mr Marshall said following a recent and terrifying spate of crime in Moree, an inquiry couldn't come at a better time.

"I have seen video footage of vicious, malicious, break-and-enters that terrifies me and the community," he said.

"People need to feel safe in their own homes, particularly the elderly and the vulnerable, and we should be doing everything we can to ensure this happens."

Mr Marshall said the Police Association of New South Wales and NSW Farmers also supported the Country Mayors Association's request for an inquiry.

2

"We need more police in our regions, more resources, and we need to do as much as we can to ensure people feel safe," Mr Marshall said.

"I'm backing the call for a parliamentary inquiry and will be doing everything I can to ensure one is established next month when Parliament returns."

5.3 SUMMER SPLASH WATERSLIDE EVENT**File Number:** S8.12.3/17 / 24/3171**Author:** Peter Caddey, Manager Administrative and Marketing Services**SUMMARY:**

The Summer Splash Waterslide Event was held in January 2024. Council is requested to receive the report for information.

COMMENTARY:

The highly successful Summer Splash Waterslide Event was conducted from the 17th to 21st January, 2024 at Varley Oval. Council recognised that residents were inconvenienced by the closure of the Inverell Memorial Pool and the construction of the new Inverell Aquatic Centre. Council sought to deliver an opportunity for the youth of the district to find respite from the summer heat and enjoy a free fun activity during the school holidays. Summer Splash was limited to youth under 18 years of age. The initiative was funded by the State Government's Reconnecting Regional Communities Grant Scheme.

Three (3) 2-hour sessions were held daily, Wednesday through to Sunday. Due to safety, a maximum of 160 participants were allowed at each session. Bookings were made online, utilising the Trybooking platform and upon arrival at the event, participants were given a coloured wristband to enable them to be identified as ticket holders.

Northern Rivers Jumping Castles were contracted to supply the waterslides and staff to supervise. Council's Manager Administrative and Marketing Services, Peter Caddey and Corporate Support Coordinator, Nikki Baxter were also onsite during the event. There were four (4) waterslides onsite, with three (3) double lanes and one (1) smaller single lane for the younger children.

Summer Splash was sold out with 2,500 tickets being allocated. 86% of ticket holders came from the Inverell Shire, with attendees also coming from Moree Plains Shire, Gwydir Shire, Glen Innes Severn Shire and a bus load of students from a Bush School, north of Texas in Queensland. The average age in attendance was 9, with attendees ranging from 17 years of age, down to 1 years old. It was apparent that the parents who accompanied the younger sliders had just as much fun.

Council arranged for John Castle to provide his food van and Fruitilicious Ice-creams also attended for those who wished to make a purchase of food or drink.

Feedback from the community has been highly positive, praising Council on delivering such a fantastic initiative.

Given the success of the event, Council staff are preparing for a similar event later in the year.



ATTACHMENTS:

Nil

5.4 IPART REVIEW OF THE NSW COUNCIL FINANCIAL MODEL

File Number: S12.2.1/17 / 24/3685

Author: Paul Pay, Director Corporate and Community Services

SUMMARY:

This report provides details of the proposed Independent Pricing and Regulatory Tribunal (IPART) review into the financial sustainability of NSW Local Government.

COMMENTARY:

The NSW Government has asked (IPART) to examine and report on the financial model for councils and key factors impacting councils' financial sustainability.

The Country Mayors Association of NSW (CMA) has welcomed the announcement of a review into NSW Local Government financial sustainability, albeit with some reservations (**Attachment 1**).

The complete draft Terms of Reference can viewed at:

https://www.ipart.nsw.gov.au/documents/terms-reference/draft-terms-reference-nsw-council-financial-model-review-january-2024?timeline_id=16692

The draft Terms of Reference ask IPART to review and make recommendations on the following:

- the visibility of councillors and the community over the financial and operational performance of their councils;
- whether current budget and financial processes used by councils are delivering value-for-money for ratepayers and residents;
- whether the current funding model will sustainably support the needs of communities;
- whether councils (both councillors and staff) have the financial capacity and capability to meet current and future needs of communities;
- how better planning and reporting systems can improve long term budget performance, transparency and accountability to the community;
- any other matters IPART considers relevant.

The above draft Terms of Reference provide a very wide scope for IPART to review Local Government financial sustainability. It's certainly going to make for an interesting review and even more interesting recommendations over the next 12 months.

It is interesting to note that during the media announcement the Minister for Local Government the Hon. Ron Hoenig MP potentially limited the scope of the review when he said *"There needs to be a closer examination so that the solution to financial challenges is not increasing revenue through raising council rates or seeking financial support from the State Government."*

IPART are seeking feedback on the draft Terms of Reference from the community, ratepayers, councils, former and current councillors and council staff. Feedback can be provided until 15 March 2024 by:

- Completing a short survey at: <https://www.haveyoursay.nsw.gov.au/local-government-tor>
- Making a submission via the IPART website

This review was recommended by IPART late last year as part of our review of the rate peg methodology and supported by the Minister for Local Government.

ATTACHMENTS:

1. **CMA Media Release-IPART Review announcement.** [↓](#)



**THE COUNTRY MAYORS
ASSOCIATION OF NSW INC**

"What we want is nothing more than equity"

MEDIA RELEASE

30 January, 2024

CMA welcomes financial model review

The Country Mayors Association of NSW (CMA) has welcomed the announcement of a review into NSW Local Government financial sustainability, albeit with some reservations.

"This review has been a long time coming," CMA Chair and Gunnedah Mayor Jamie Chaffey said.

"Draft Terms of Reference from the NSW Government to the Independent Pricing and Regulatory Tribunal (IPART) for a review of the local government financial model are now on the tribunal's website. IPART took a very professional approach when recently conducting a review into the rate peg methodology.

"IPART is initially seeking input into the draft terms of reference, and it is critical that the review be tailored to optimise what can be learned and what outcomes may result from the review and subsequent report."

The CMA is producing a detailed report on financial sustainability on behalf of its members. Mayor Chaffey said the CMA report would help to inform the review.

"Rural and regional Councils face greater financial sustainability barriers, with a reduced ability to generate their own source revenue than city councils," he said.

"Data analysis of 87 CMA member councils' financials showed that operating expenses are far higher per capita, yet low rate bases mean our smaller councils rely on up to 80 percent of their revenue coming from grants. Grant income is often variable and project funding is subject to cost escalations at little to no notice.

"The NSW and Australian governments have repeatedly shifted their service delivery or infrastructure costs onto councils in NSW. Councils have had no notice of such policy changes that impact their bottom lines.

"Cost shifting has cost NSW councils well over \$1 billion annually in recent years. We will highlight it in our submission and will be encouraging IPART to factor it into their investigation."

www.nswcountrymayors.com.au



THE COUNTRY MAYORS ASSOCIATION OF NSW INC

"What we want is nothing more than equity"

Commonwealth-legislated annual Financial Assistance Grants first established in 1974 were originally set at one percent of Commonwealth revenue. They have been decreasing in value since the freeze in indexation in the 2014/15 budget, and are now estimated to be just .55% of Commonwealth revenue.

Rate pegging also remains a limiting factor and a barrier to financial sustainability for local government, according to Mayor Chaffey.

"There has been some improvement to the rate pegging methodology in the past 12 months, but the process is far too arduous in a time when under-resourced Councils are being told to be more efficient. A cursory review of the number of NSW Council Special Rate Variations (SRV) approved by IPART over the last 10 years, and more recently the quantum of those increases, demonstrates the financial pressures on Councils. The process for an SRV application is arduous and yet our member council surveys indicate that many more will need to consider undertaking the process in the near future."

Mayor Chaffey said a vast majority of councillors and council staff were extremely professional, capable and dedicated to their roles in regional NSW communities- and they were also rate payers and community members.

Deputy Chair and Mayor of Temora Shire Rick Firman OAM said any investigation and report on the financial model for councils in NSW needed to be open-minded and deliver constructive recommendations.

"It must also recognise the extra responsibilities on rural and regional Councils," Mayor Firman said. "Many of our members fill the gap by providing services where State and Commonwealth governments are absent, such as:

- Operation aged care facilities
- Child care facilities
- Transportation services to the vulnerable
- Subsidised housing to doctors and other key workers
- Underwriting air transport services
- Underwriting provision of primary health services.

"And the list goes on - all with a low ratepayer base and limited ability to generate own source revenue without impacting commercial small businesses within there council area."

Mayor Chaffey said many of the NSW Governments Draft Terms of Reference to IPART for the review were focused on issues that were already prescribed under the Local Government Act 1993 relating to the IP&R process, reporting and consultation to government and communities plus the audit requirements.

www.nswcountrymayors.com.au



THE COUNTRY MAYORS ASSOCIATION OF NSW INC

"What we want is nothing more than equity"

"This review should be focused on the financial sustainability of local government to ensure the critical services we provide can and will continue to the level of expectation of our residents," he said.

"A number of the proposed terms of reference may be better covered in a holistic review of the Local Government Act rather than serving as a potential distraction from the real issue of insufficient revenue for many of our member councils.

"The perceptions and expectations of councils differ greatly from city to country. In most rural and regional communities, Council is the major employer and people tend to see us as the public service provider. From rate revenue to building certifications, parking fees to charges at the local library, council fees and charges are all published on council websites and the cost differences between city and country is significant," Mayor Chaffey said.

"Better and more consistent funding of rural and regional councils, particularly in relation to roads, is critical to financial sustainability. Simplistically questioning and therefore tarnishing the professional capacities of elected members and staff is far from helpful and demonstrates the need for well-informed common sense submissions to IPART regarding the draft Terms of Reference."

For further information, contact

Chairman CMA - Cr Jamie Chaffey on 0467 402 412

Deputy Chairman CMA - Cr Rick Firman OAM on 0429 204 060

www.nswcountrymayors.com.au

6 GOVERNANCE REPORTS**6.1 QUARTERLY BUDGET AND OPERATIONAL PLAN 2023/2024****File Number:** S12.5.1/16 / 24/1838**Author:** Robert Kimmince, Manager Financial Services**SUMMARY:**

Each quarter Council is required to report on its Operational Plan and Council's Responsible Accounting Officer is required to report as to whether they believe the Budget Review Statement indicates that the financial position of the Council is satisfactory, having regard to the original estimate of income and expenditure, and if unsatisfactory, make recommendations for remedial action. The Committee is being asked to consider the report.

RECOMMENDATION:

The Committee recommends to Council that:

- i) Council's Quarterly Operational Plan and Budget Review for 31 December, 2023 be adopted; and*
- ii) The proposed variations to budget votes for the 2023/2024 Financial Year be adopted providing an estimated Cash Surplus at 31 December, 2023 from operations of \$7,834.*

COMMENTARY:**2023/2024 BUDGET VARIATIONS:**

It is advised that Council's financial position remains sound.

The following table represents variations required to be made to budget votes as a result of changes since the last meeting to ensure the 2023/2024 budget remains in balance (see attachment). Those items identified as requiring funding since the adoption of the 2023/2024 budget have now been funded in full.

The Budget Variations for 2023/2024 are as follows:

COMBINED FUND - BUDGET VARIATION SUMMARY REPORT
ESTIMATED CASH POSITION 31 DECEMBER 2023
FOR 2023/2024 ACTIVITIES

| | General | Water | Sewer | Total | |
|---|---------------------|--------------------|--------------------|---------------------|----------------|
| Adopted Budget 2023/2024 | 28,220,069 | 1,633,165 | 1,099,419 | 30,952,653 | Deficit |
| Add Back Depreciation | (10,867,692) | (1,636,000) | (1,101,500) | (13,605,192) | (Non-cash) |
| Add Back Carry Amount Assets Sold | (577,720) | - | - | (577,720) | (Non-Cash) |
| Internally Restricted Cash Utilised | (16,777,575) | - | - | (16,777,575) | |
| Transferred to Internally Restricted Cash | - | - | - | - | |
| ESTIMATED CASH RESULT FOR 2023/2024 ACTIVITIES | (2,918) | (2,835) | (2,081) | (7,834) | SURPLUS |
| <i>2023/2024 Budget Variations Required to Maintain a Balanced Budget</i> | | | | | |
| REVOTES | 8,251,750 | 3,786,517 | 4,834,826 | 16,873,093 | |
| UNEXPENDED GRANTS & CONTRACT LIABILITIES | 8,620,135 | - | - | 8,620,135 | |
| Budget Review Adjustments 30-9-2023 | - | - | - | - | |
| Budget Review Adjustments 31-12-2023 | 48,450 | - | - | 48,450 | |
| Budget Review Adjustments 31-3-2024 | - | - | - | - | |
| | | | | | |
| SUB TOTAL | 16,920,335 | 3,786,517 | 4,834,826 | 25,541,678 | |
| Internally Restricted Cash Utilised | (48,450) | | | (48,450) | |
| FUNDED FROM EQUITY | (16,871,885) | (3,786,517) | (4,834,826) | (25,493,228) | |
| NET BUDGET VARIATIONS | - | - | - | - | |
| REVISED CASH RESULT FOR 2023/2024 ACTIVITIES | (2,918) | (2,835) | (2,081) | (7,834) | SURPLUS |

DEFINITIONS:**REVOTES**

Revotes are works budgeted and funded in the previous Financial Year, carried forward for completion in the current financial year. Revotes only occur if cash funding remains available from that previous Financial Years Budget to fund the works. The cash is held as equity.

FUNDED FROM EQUITY

Represents Cash funding received in previous financial years from Revenues, Grants and Other Sources and held as Cash due to its non-expenditure, carried forward to fund the required works in the current Financial Year.

INTERNALLY RESTRICTED CASH

Is cash held in investments to fund future financial obligations, for example Employee Leave Entitlements, Future Projects etc. These funds are not part of Council's Working Capital. The expenditure of funds from Council's Internally Restricted Cash does not impact on Council's ability to undertake its regular activities. Internally Restricted Cash does not include unexpended Grant Funds or Funds which are subject to External Restrictions and Legislative Restrictions in respect of their use.

BALANCED BUDGETS

Council has adopted the principle of delivering "Balanced Budgets" as a major means of ensuring its operations are sustainable in the medium and long term. In determining that this objective is being met, the "Revised Cash Result" must be a "Surplus" for each of the three funds, and equal or exceed the "Original Cash Result" amount.

These Budget Variation adjustment reports indicate that the net budget variations for 2023/2024 continue to remain at “Zero”. Councillors will note that expenditure has increased by \$6.593M, while being offset by the same increase in revenue. This results in a “zero” change position. This means that all budget variations required to be made to this point, to cover increased or additional expenditures, have been fully funded from either Council receiving additional income or alternately from reductions in expenditures in other areas. There has been no reduction in working capital.

The attached Consolidated Income and Expense Statement indicates a surplus from all activities to 31 December 2023, of \$6.899M, against a budgeted annual result of \$7,834. This current result indicates that sufficient funding remains available to fund Council's 2023/2024 continuing operations for the next 6 months to the end of the 2023/2024 Financial Year.

QUARTERLY BUDGET REVIEW REPORT:

Council's 31 December, 2023 Quarterly Combined Budget Review Summary Report and Income and Expense Statement by function are attached. A review of the report indicates that Council's actual revenue/expenditure compares favourably with Council's revised budget.

Council retains a strong Internally Restricted Asset balance, see attached. These restricted balances fund liabilities, future works and emergencies. The quantum of these funds adds significantly to Council's investment income and therefore capacity to undertake recurrent maintenance and capital works.

GENERAL FUND – OPERATIONAL PLAN REVIEW:

The General Fund remains in balance with the predicted Cash Surplus in respect of 2023/2024 operations remaining unchanged following approval of the Budget Variations attached to this report. This is after transfers to/from Internally Restricted Assets and Revotes from previous years and the bringing forward of grant funding received in 2022/2023 which will be expended in 2023/2024.

A range of additional costs have and are expected to be incurred in the General Fund over the year. These are to be funded as indicated in the Budget Variation Report, from cost savings in other areas and from additional income received.

A comprehensive review of the General Fund Budget indicates that overall, incomes and expenditures to 31 December, 2023 are in accordance with the adopted budget. All matters not in accordance with the adopted budget are included in the Budget Variation Report.

Capital Works

Progress on the major Road Construction Program, has been reported to Council through the Civil and Environmental Services Committee. Many of Council's revenue funded road projects from 2022/2023 have been deferred to 2023/2024 as a result of grant funded projects taking priority.

Work on Gilgai South Stage 2 has commenced under the “Rural Sealed Roads Rehabilitation Plan 2020-2024” that was approved by Council on 26 August, 2020 together with an information report to Civil and Environmental Services Committee on 10 August, 2022.

Investments

The General Fund investments remain sound.

Council's General Fund investment portfolio of \$60.130M is almost entirely invested in fixed term deposits. The portfolio aligns with Council's adopted Investment Policy. While Council's General Fund cash at bank is \$7.024M.

Council's term deposit portfolio was yielding 4.68% p.a. at 31 December, 2023, with a weighted average duration of around 241 days or 8 months. As existing deposits mature however, they will inevitably be reinvested at much higher prevailing rates.

Given official rates have stabilised over the last few months; Council is likely to see an increase in interest income over future financial years. Its budgeted income over the medium-longer term will

need to be revised to reflect the increasing interest rate environment. Returns of close to or above 4.0 to 5.0% p.a. may potentially be the “norm” over the next financial years.

Given our strong investment balances together with increasing rates, Council is expected to exceed interest revenue targets in 2023/2024. Any additional interest received during 2023/2024 will be allocated to special projects during 2024/2025.

A copy of Council’s Cash and Investment Budget Review Statement as at 31 December, 2023 is attached. Council retains a sound investment position to fund all of Council’s internal and external restrictions and Council’s working capital/cash flow needs. Overall, Council’s portfolio is highly liquid, highly rated and short dated from a counterparty perspective.

A detailed investment report is provided to Council on a monthly basis and all investments continue to comply with Council’s Investment Policy.

Contracts, Consultancy & Legal Expenses

The attached Contracts Summary indicates any contracts entered into with a value of over \$50,000 by Council during the quarter ending 31 December, 2023. Other consultancy and legal expenses are summarised in the attached Consultancy & Legal Expense summary.

General Fund Summary

Overall, the operational and financial position of the General Fund function is sound.

WATER FUND – OPERATIONAL PLAN REVIEW:

The Water Fund continues to show a sound operational and financial position. This position is as always dependant on water sales which is very much dependent upon the weather. Water sales were \$2,676K in 2017/2018; \$3,043K in 2018/2019 (drought years); \$3,017K in 2019/2020 (drought year); \$2,491K in 2020/2021 (wet year); \$2,161K in 2021/22 (wet year); \$2,815 in 2022/23.

Water Sales have been up and down over the last couple of years largely due to extreme wet weather conditions followed by dry conditions. When water sales are down the cost of production to produce water is also down and vice versa.

Water sales for the first two quarters were \$1,751K, which is 52% of the annual budgeted water sales income. At present water sales are on track to achieve the budgeted income for 2023/2024, but this is very much dependent upon future weather conditions.

The Water Fund holds investments totalling \$14.142M and cash at bank of \$1.703M.

Overall, the operational and financial position of the Water Fund function is sound.

SEWERAGE FUND OPERATIONAL PLAN REVIEW:

The Sewerage Fund continues to hold a sound operational and financial position.

The Committee will be aware that the main priority for the Sewer Fund is the completion of the refurbishment/expansion of the Inverell Sewerage Treatment Plant in 2023/2024. This project is funded from Loans and Cash Reserves.

The Sewerage Fund holds Term Deposits totalling \$8.084M plus cash at bank of \$1.794M.

OPERATIONAL PLAN – COMBINED FUND

Overall Council’s operational and financial position in respect of its four (4) objectives is sound. The following information is provided in respect of major issues and projects that Council is leading, participating in, or delivering in 2023/2024.

Objective 1 – Leadership:

“We will be an accountable and responsible Council that will be involved with the community and responsibly manage public resources”

- Participated in road funding meetings with the Roads and Maritime Services;
- Participated in New England High Country Destination Management Hub;
- Participated in Border Region Organisation of Councils Meeting;
- Participated in NAIDOC Committee meetings;
- Seeking grants for the benefit of the community;
- Sponsor acquisition prize of Inverell Art Prize;
- Participated in the Northern Inland Risk Management Group;
- Participation in New England Cooperative Library;
- Participated in Cross Borders Working Group on weed control meetings;
- Participated in Northern Inland Regional Waste meetings;
- Participated in Inverell promotional activities with the Inverell Chamber of Commerce and Industry;
- Participated in the OLG Code of Accounting Practice Work Group to review the current code for Financial Statements preparation;
- Liaised with NSW Electoral Commission to prepare for 2024 Local Government Elections; and
- Partnered with “New England High Country” to promote the region to visitors.

Objective 2 – Prosperity:

“The Shire has a diverse, strong local economy that provides opportunities that contribute to the quality of life for the community”

- Assisted with Sapphire City Festival;
- Participation in work experience programs with local schools;
- Conduct summer and winter school holiday youth activities program;
- Completed works under “Bushfire Local Economic Recovery Fund (BLERF)” for amenities upgrades at Ashford cemetery and Lake Inverell;
- Secured funding for new bus shelters across the Shire;
- Commenced works for “Crown Reserves Improvement Program-(CRIP)” for upgrade of Joseph Wills Park at Elsmore;
- Delivered multiple events under “Reconnecting Regional NSW-Community Events Program” for Community events within the Inverell local Government area;
- Completed “Heritage Engagements Grants” for Self- Guided Heritage Walk;
- Commenced tourism promotion in partnership with “Regional Lifestyle Magazine”;
- Development of new Tourism guide;
- Facilitated a round of Sapphire Wind Farm Community Benefit Fund allocation;
- New television campaign to promote Inverell “Choose your Own Adventure”;
- Secured funding from “Department of Customer Service” for NSW Small Business Month;
- Completed 2022/2023 Financial Statements – sound financial result achieved;
- RLX Stage Two upgrade of Inverell Saleyards 80% complete; and
- Promoted Inverell as a destination at Metropolitan Trade shows.

Objective 3 – Liveability:

“Our community is healthy, safe, educated and offers opportunities for people of all ages and abilities, we value our natural and built environment”

- Completed works on “Local Roads Community Infrastructure Program (LRCI)-3” for Pedestrian footpath network at athletics precinct sports complex in Inverell;
- Completed works on “Stronger Country Communities Fund (SCCF) 4” for Inverell Netball Courts Upgrade;
- Completed works on “Bushfire Local Economic Recovery Fund (BLERF)-5” for the construction of a pump track at Inverell;
- Commenced works on “Black Summer Bushfire Recovery Fund” for Upgrade of 3 residential parks in Inverell;

- Completed works on “Black Summer Bushfire Recovery Fund” for Upgrade of Waratah Park in Inverell;
- Partnering with Local Land Services in River Rehabilitation & Weeds Removal Programs;
- Ongoing works to improve riverbank environment in Inverell;
- Host chemical collect event to collect hazardous waste;
- Commenced works on (Bushfire Recovery Program for Council Landfills) for remediation of Tingha Waste Management Facility;
- Secured funding for management of invasive grass on Ross Hill Reserve;
- Commenced planning works on “Black Summer Bushfire Recovery Fund” for Protecting Local Heritage in the Inverell Local Government area;
- Commenced works under “NSW Office of Sport” for Inverell Aquatic Centre Inclusive Redevelopment and Expansion;
- Completed works under the “Local Roads and Community Infrastructure Program-(LRICI)-3” for pedestrian Footpath Network athletics precinct – sport complex, Inverell;
- Secured funding from “National Australia Day Council” for Australia Day celebrations;
- Commenced planning works from “Stronger Country Communities Fund (SCCF-5)” for Inverell Aquatic Centre Redevelopment – Provision of Splashpad and water play area; and
- Assist Inverell Community Health Forum to address local health issues.

Objective 4 – Services and infrastructure:

“Our community is enhanced by the provision of civic services and infrastructure. These services are planned and financially sustainable”

- Commenced works on Inverell Aquatic Centre Redevelopment;
- Commenced and completed a range of Road Upgrade Projects on the Regional Road and Local Road Network;
- Progress upgrade to Bonshaw water supply;
- Commenced a significant quantum of Shire Roads Gravel Resheeting;
- Commenced a significant quantum of heavy patching throughout the Shire;
- Completed Council’s 2023/2024 bitumen reseal program;
- Progressing with upgrade works at the Inverell Sewerage Treatment Plant;
- Commence upgrade of Mathers Bridge, Nullamanna;
- Progressing with Moore Street and hospital access upgrade;
- Commence upgrade of Walkers Bridge, Tingha;
- Completed installation of 4 bus shelters under the Country Passenger Transport Infrastructure Program;
- Completed work on construction of new roundabout located at intersection of SH12 and Tingha Road;
- Commenced planning under “Black Summer Bushfire Recovery Fund” for Inverell Footbridge upgrade and shared path;
- Commenced planning under “Community Local Infrastructure Recovery Program (CLIR)” for Footbridge (Macintyre River below Girl Guides Hall);
- Completed works under “Community Local Infrastructure Recovery Program (CLIR)” for upgrade Drainage and pathways at Lake Inverell;
- Commenced works under “Community Local Infrastructure Recovery Program (CLIR)” for Upgrade of Inverell Cemetery Internal Roads & Drainage;
- Commenced works under “Local Roads and Community Infrastructure Program-(LRICI)-3” for the construction of a new Dog pound;
- Completed works under the “Local Roads and Community Infrastructure Program-(LRICI)-3” for rehabilitation of MR73 Gilgai south (Schwenkes Lane to Gilgai Creek);
- Commenced works under “Local Roads and Community Infrastructure Program-(LRICI)-3” for Enhancement All Abilities playgrounds;
- Completed works under the “Black Summer Bushfire Recovery Fund” for the Installation of Electronic Fire Danger Rating signs in Local Government area;

- Commenced planning works on “Community Local Infrastructure Recovery Program (CLIR)” for the maintenance of riverbank retaining wall behind library;
- Commenced planning works on “Community Local Infrastructure Recovery Program (CLIR)” for riverbank tree replacement;
- Commenced works on “Community Local Infrastructure Recovery Program (CLIR)” for Drainage Structures at Ashford Waste Transfer Station;
- Completed work on the beautification of the new SH12 / Tingha Road roundabout following completion;
- Commenced planning under the “Remote Road Upgrade Pilot Program – (RRUPP) for the upgrade of New Valley Road and Jones Road at Tingha;
- Commenced planning under the Disaster Recovery Funding Arrangement (DRFA – Category D) grant of \$1M. Selected works to be approved by the OLG “Office of Local Government”;
- Completed works under the “Fixing Local Roads Pothole Repair Round” (\$794K) for road projects;
- Commenced works under the “Regional and Local Roads Repair Program” grant of \$4.2M for road projects;
- Commenced planning under the “Regional Emergency Road Repair Fund” (RERRF) grant of \$5.912M for road projects; and
- Assisted Tingha Tigers RLFC to secure funding under “Club Grants Category 3” to construct a new canteen at the Tingha Sport & Recreation Club.

Also attached is a copy of Council’s Key Financial Performance Indicators.

POLICY IMPLICATIONS:

No Council or Management Policy is relevant at this time; however, adoption of the recommendation will ensure that Council’s philosophy of maintaining “balanced budgets” is continued.

CHIEF FINANCIAL OFFICERS COMMENT:

In accordance with the Local Government (General) Regulation 2005, it is my opinion that the Quarterly Budget Review Statement for Inverell Shire Council for the quarter ended 31 December, 2023 indicates that Council’s projected financial position at 30 June, 2024 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Adoption of the proposed budget variations as indicated above will maintain Council’s 2023/2024 budget in balance, with an indicative surplus of \$7,834.

LEGAL IMPLICATIONS:

Council is required to comply with the provisions of the *Local Government Act, 1993* and Local Government Regulation, 2005 in these matters.

ATTACHMENTS:

1. **QBRs Statements December 2023** [↓](#)

| BUDGET VARIATIONS - FINANCE MEETING 14-2-2024 | | | |
|--|--|-----------|--|
| ITEM/LEDGER NO. | DESCRIPTION | AMOUNT \$ | COMMENT/REASON |
| GENERAL FUND | | | |
| Increase/Decrease in INCOME | | | |
| | | | |
| PJ-122480-1000-44007 | Grant - Regional Emergency Road Repair Fund (RERRF) | 5,911,811 | New Grant Funding becoming available under a new program (RERRF) |
| PJ-122460-1000-46004 | Grant - Repair Program | -544,993 | Repair Program Grant Funding Suspended till 2026/2027 - Replaced by RERRF program above |
| PJ-122370-5999-42201 | Grant - SH 12 Maintenance - Work Orders - Heavy Patching / Resealing Works | 1,051,032 | Additional Grant Funding for works on SH 12 |
| PJ-121110-1000-44008 | Grant - Bush Fire Protection - Subsidised Expenses | 2,785 | Additional Rural Fire Service (RFS) Grant Funding becoming available |
| PJ-121120-1000-44008 | Grant - Bush Fire Protection - Operating Equipment | -14,000 | Reduction in Rural Fire Service (RFS) grant funding |
| PJ-121121-1000-45011 | Grant - Bush Fire Protection - Capital Equipment | -185,000 | Reduction in Rural Fire Service (RFS) grant funding |
| PJ-132325-1000-44018 | Grant - Australia Day 2024 Community Grants Program | 10,000 | Grant Funding for Australia Day 2024 |
| PJ-127540-1000-46011 | Contribution to Roads & Bridges | 50,000 | Contribution from Tingha Common Trust for Grid installation on roads around Tingha |
| PJ-169030-9908-41012 | Sale of Land | 155,000 | Sale of Land - Taylor Avenue - Offset Rifle Range Road Subdivision Power upgrade |
| PJ-127120-1000-41302 | Insurance Proceeds | 50,600 | Insurance Proceeds for Hail Damage at Ashford Pool |
| PJ-160389-1000-41415 | Grant - Library Local Priority Funding | 40,812 | Additional Grant funding for 2023/24 |
| PJ-123340-1000-43029 | Administration - Sundry Income | 6,600 | Local Government Procurement Rebate |
| PJ-127810-1000-46012 | Contribution / Donation of Equipment | 3,182 | Group Donation for Seat installation outside Doctors surgery Byron Street by Inverell Prostrate Cancer |
| PJ-132019-1000-43025 | Workers Comp Reimbursement / Rebate | 10,050 | Workers Comp Premium Rebate & Work Health & Safety Rebate |
| | | | |
| TOTAL INCREASE IN INCOME | | 6,547,879 | Positive figure indicates increased income,(Negative) figure indicates decreased income) |
| Increase/Decrease in EXPENDITURE | | | |
| | | | |
| | | | |
| PJ-143199-1000-61001 | Grant-Regional Emergency Road Repair Fund (RERRF) - Total Allocation | 5,911,811 | New Grant Funding becoming available for the RERRF program |
| PJ-143199-1000-61001 | Grant-Regional Emergency Road Repair Fund (RERRF) - Total Allocation | -544,993 | Reallocation of RERRF funding for Suspended Repair Program-MR 73-Bundarra Road-Racecourse Project |
| PJ-138280-1000-16033 | Grant-Regional Emergency Road Repair Fund (RERRF) - MR 73 Bundarra Road-Racecourse Project | 544,993 | RERRF Grant funding of MR 73- Bundarra Road - Racecourse Project |
| PJ-138280-1000-16033 | Grant-Repair Program - MR 73 -Bundarra Road Pavement Rehabilitation - Racecourse Project | -544,993 | Repair Program Grant Funding Suspended till 2026/2027 - Replaced by RERRF program above |
| PJ-138820-1000-61001 | Grant Exps - SH 12 Maintenance - Work Orders - Heavy patching | 465,370 | Additional Grant Funding for works on SH 12 |
| PJ-138830-1000-61001 | Grant Exps - SH 12 Maintenance - Work Orders - Resealing Works | 585,662 | Additional Grant Funding for works on SH 12 |
| PJ-132550-5370-61001 | Grant Exps - Bushfire - Subsidised Expenditure | 2,785 | Additional Grant Funding becoming available |
| PJ-159140-1000-61001 | Grant Exps - Bushfire - Operating Equipment | -14,000 | Reduction in Rural Fire Service (RFS) grant funding |
| PJ-159141-4450-16003 | Grant Exps - Bushfire - Capital Equipment | -200,000 | Reduction in Rural Fire Service (RFS) grant funding - Appliances |
| PJ-159143-1000-16030 | Grant Exps - Bushfire - Infrastructure Projects across Multiple Brigades | 15,000 | Increase in Rural Fire Service (RFS) grant funding - Building Fitout |
| PJ-132326-1000-61001 | Grant Exps - Australia Day 2024 Community Grants Program | 10,000 | Grant Funding for Australia Day 2024 |
| PJ-137660-3200-61001 | Block - MRT135 - West of Guyra | 50,000 | Contribution from Tingha Common Trust for Grid installation on roads around Tingha |
| PJ-148671-1000-61001 | Rifle Range Road Subdivision Costs | 155,000 | Power upgrade at Rifle Range Road Subdivision - Offset by Land sales |
| PJ-151040-1000-16030 | Insurance Rectification Works on Council Assets | 50,600 | Hail damage at Ashford Pool 2022 |
| PJ-160385-1000-16048 | Grant Exps - Library Local Priority Funding | 40,812 | Additional State Government Grant funding for 2023/24 |
| PJ-137503-1000-61001 | Public Hall - Delungra | 21,125 | Water Proofing Delunfra Hall Squash Courts |
| PJ-137500-1000-61001 | Civic Hall - Inverell | 9,500 | Certification & Retard of Inverell Town Hall stage curtains |
| PJ-151131-1000-61001 | Council Facilities - Minor Upgrades / Maintenance | -30,625 | Funding for above items |
| PJ-137515-1000-61001 | Public Halls - Myall Creek | 750 | Emergency Lighting Repairs in Halls |
| PJ-137517-1000-61001 | Public Halls - Long Plain | 100 | Emergency Lighting Repairs in Halls |
| PJ-137518-1000-61001 | Public Halls - Wallangra | 400 | Emergency Lighting Repairs in Halls |
| PJ-137513-1000-61001 | Public Hall - Band Hall | 515 | Emergency Lighting Repairs in Halls |
| PJ-137510-1000-61001 | Public Halls - Other | -1,765 | Funding for above |
| PJ-131030-1000-61001 | Council Chamber - Furniture & fittings | 6,600 | New seating Council Chambers |
| PJ-141340-1000-61001 | CBD - Capital Upgrade Works | 3,182 | Seat Installation funded by Inverell Prostrate Cancer Group |
| PJ-132450-1000-61001 | Sundries - Union Delegate Expenses | 2,700 | Extra Cost for Training of New Union Delegate |
| PJ-132030-1000-63015 | Workers Comp Insurance Top Up | 3,700 | Extra Insurance costs |
| PJ-130366-1000-63015 | Insurance - Crime | 1,000 | Extra Insurance costs |
| PJ-132960-1000-61001 | Flood Public Address System - Maintenance | 2,650 | Upgrade to to P.A System |
| PJ-146310-4570-61001 | Inverell Depot - Maintenance | 48,450 | Recertification & Rectification Works on Overhead Gantry Cranes at Inverell Depot |
| PJ-137805-1100-16033 | Block Grant - Resealing Program - Final seal Allocation | -548,517 | Reallocation of Resealing budget between programs |
| PJ-139185-1000-16031 | ACRD - Rural Resealing Program | 548,517 | Reallocation of Resealing budget between programs |
| PJ-139200-1000-16031 | Bitumen Sealing - Villages | -25,860 | Reallocation of Resealing budget between programs |
| PJ-138680-1100-16031 | ACRD - Urban Reseals | 25,860 | Reallocation of Resealing budget between programs |
| PJ-137805-1100-16033 | Block Grant - Resealing Program - Final seal Allocation | 17,400 | Reallocation of Resealing budget between programs |
| PJ-137800-1100-16031 | Block Grant - Reseals Classified roads | 90,700 | Reallocation of Resealing budget between programs |
| PJ-139401-1100-16033 | Fit for the Future - Bitumen Reseals | -108,100 | Reallocation of Resealing budget between programs |
| PJ-138815-1100-16031 | ACRD - Village Reseals | -27,385 | Reallocation of Resealing budget between programs |
| PJ-139401-1100-16033 | Fit for the Future - Bitumen Reseals | -162,715 | Reallocation of Resealing budget between programs |
| PJ-139185-1000-16031 | ACRD - Rural Resealing Program | 190,100 | Reallocation of Resealing budget between programs |
| PK139450-1000-16033 | Walkers Bridge Tingha - Construction | 798,721 | Council Allocation for Walkers Bridge construction |
| PJ-143666-1100-16033 | Roads to Recovery - Reseals Local / Rural Roads | -89,946 | Funding for Walkers Bridge Construction |
| PJ-143667-1100-16033 | Roads to Recovery - Bitumen Renewal | -281,084 | Funding for Walkers Bridge Construction |
| PJ-143668-1100-16033 | Roads to Recovery - Heavy Patching | -427,691 | Funding for Walkers Bridge Construction |
| PJ-139460-1000-16033 | Mathers Bridge Nullamanna - Construction | 528,414 | Additional cost incurred due to unknown foundation problems |
| PJ-139469-1000-16033 | MR73 Gilgai South - Stage 2 (Council funded works) | -160,000 | Reallocation of Funding for Mathers Bridge Construction |
| PJ-138730-4450-16033 | Grant - 3x3 Allocation | -160,000 | Reallocation of Funding for Mathers Bridge Construction |
| PJ-139469-1000-16033 | MR73 Gilgai South - Stage 2 (Council funded works) | 160,000 | Reallocation of Funding for Mathers Bridge Construction |
| PJ-139401-1100-16033 | Fit for the Future - Bitumen Reseals | -28,428 | Reallocation of Funding for Mathers Bridge Construction |
| PJ-142515-1100-16033 | ACRD - Culverts & Causeways | -339,986 | Reallocation of Funding for Mathers Bridge Construction |
| PJ-139465-1000-16033 | MR73 Gilgai South - Stage 1 (Local Roads Community Infrastructure Program Grant) | 42,500 | Additional Construction costs incurred |
| PJ-139469-1000-16033 | MR73 Gilgai South - Stage 2 (Council funded works) | -42,500 | Funding for above |
| PJ-137650-1120-61001 | Block Grant - MR 134 South - Bingara / Ashford | 20,000 | Additional maintenance costs incurred |
| PJ-137720-1000-61001 | Block Grant - MR 187 South - Inverell / Rocky Dam | -20,000 | Funding for above |
| PJ-139170-1000-61001 | Maintenance Roadside Furnishing - South | 5,000 | Additional maintenance costs incurred |
| PJ-140140-1000-61001 | Roadside Furnishings | -5,000 | Funding for above |
| PJ-160900-1000-16030 | Bus Shelter Construction - (under the CPTIGS grant Program) | 6,700 | Council Contribution to the CPTIGS |
| PJ-140470-1000-61001 | Cycleway Maintenance | -6,700 | Funding for above |
| PJ-141330-4570-61001 | Central Business District - Maintenance | 8,170 | Additional maintenance costs incurred - Traffic Island Maintenance |
| PJ-141340-1000-61001 | Central Business District - Upgrade Works | 11,400 | Cost of New street furniture |
| PJ-141331-1000-16033 | Central Business District - Capital | -19,570 | Funding for above |
| PJ-139435-1000-16033 | RESTART Program - MR 187 - Yetman Road Upgrade | 62,000 | Additional Construction costs incurred |
| PJ-148408-1000-61001 | DCES-Maintenance Activity from Asset Management System | -62,000 | Funding for above |
| PJ-139468-1000-61001 | LRCIP Phase 3 - Gwydir Highway Roundabout Beautification | 39,000 | Additional Construction costs incurred |
| PJ-140500-1000-61001 | Kerb & gutter Maintenance | -39,000 | Funding for above |
| | | | |
| TOTAL INCREASE IN EXPENDITURE | | 6,596,329 | Positive figure indicates increased expenditure, (Negative) figure decreased expenditure) |
| NET CHANGE TO CURRENT BUDGET Surplus/(Deficit) | | 48,450 | Positive figure indicates increased expenditure, (Negative) figure decreased expenditure) |
| Restricted Assets | | | |
| PJ-161680-6220-31537 | Plant Replacement Reserve | 48,450 | Funding for Recertification of Overhead Gantry Cranes at Works depot |
| | | | |
| TOTAL FUNDING FROM RESTRICTED ASSETS | | 48,450 | |
| Section 94's | | | |
| NET CHANGE TO FINANCIAL POSITION Surplus/(Deficit) | | - | |

| WATER FUND | | | |
|--|--|-----------|---|
| <i>Increase/Decrease in INCOME</i> | | | |
| PJ-812233-1000-45005 | Grant - Dept. Planning, Industry,Environment - Water Utilities | 32,070 | Ashford Water Treatment Plant - Drought Emergency Funding - Manganese Removal |
| PJ-812240-1000-42200 | Installation / Repairs / Private works | 10,542 | Water Main Extension for RSM - Wood street |
| TOTAL INCREASE IN INCOME | | 42,612 | Positive figure indicates increased income,(Negative) figure indicates decreased income) |
| <i>Increase/Decrease in EXPENDITURE</i> | | | |
| PJ-813260-3001-16039 | Ashford Water Treatment Plant -Manganese Removal | 32,070 | Grant funding under the Drought Emergency Funding for Manganese Removal |
| PJ-813230-1000-16039 | Mains Reticulation - Minor Mains extensions | 10,542 | Water Main Extension for RSM - Wood street |
| PJ-814650-1000-61001 | Reservoir - Lake Inverell | 107,500 | Review of Lake Inverell by NSW Public Works Advisory |
| PJ-813342-1000-16039 | Reservoir - Capital Upgrades | (107,500) | Funding for above |
| PJ-814950-1000-61001 | Water Meter Disconnection Costs | 5,000 | Cost of Paddlocks for deconnection purposes |
| PJ-815015-1000-61001 | Water Mains Maintenance - Tingha Village | 15,000 | Increased cost for mains maintenance |
| PJ-815020-1000-61001 | Water Mains Maintenance - Inverell | (20,000) | Funding for above |
| TOTAL INCREASE IN EXPENDITURE | | 42,612 | Positive figure indicates increased expenditure, (Negative) figure decreased expenditure) |
| NET CHANGE TO CURRENT BUDGET Surplus/(Deficit) | | - | Positive figure indicates increased expenditure, (Negative) figure decreased expenditure) |
| SEWER FUND | | | |
| <i>Increase/Decrease in INCOME</i> | | | |
| PJ-906200-1000-42200 | Fitting & Installation Income | 2,000 | Additional Income |
| TOTAL INCREASE IN INCOME | | 2,000 | Positive figure indicates increased income,(Negative) figure indicates decreased income) |
| <i>Increase/Decrease in EXPENDITURE</i> | | | |
| PJ-906541-1000-61001 | Fitting & Installation Expenses | 2,000 | Additional cost offset by additional income |
| PJ-907290-1100-16042 | Mains Extension - Minor (Capital Expenditure) | 14,000 | Installation of Minor mains |
| PJ-907250-3100-16042 | Reticulation Mains - (Capital expenditure) | (14,000) | Funding for above |
| TOTAL INCREASE IN EXPENDITURE | | 2,000 | Positive figure indicates increased expenditure, (Negative) figure decreased expenditure) |
| NET CHANGE TO CURRENT BUDGET Surplus/(Deficit) | | - | Positive figure indicates increased expenditure, (Negative) figure decreased expenditure) |

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31-12-2023
CONSOLIDATED INCOME AND EXPENSE STATEMENT

| | ORIGINAL BUDGET 2023/2024 (000's) | Approved Changes | | | | | | REVISED BUDGET (000's) | Recommended Changes for Council Resolution (000's) | PROJECTED Year End Result 2023/2024 (000's) | ACTUAL YTD (000's) | % OF PROJECTED BUDGET |
|---|--|--------------------|---|--------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------------------|--|---|--------------------------|-----------------------------|
| | | Revotes (000's) | Unexpended Grants & Contract Liabilities B/FW (000's) | Sept 2023 Review (000's) | Dec 2023 Review (000's) | Mar 2024 Review (000's) | June 2024 Review (000's) | | | | | |
| INCOME | | | | | | | | | | | | |
| Rates & Annual Charges | 25,007 | | | 6 | | | | 25,013 | | 25,013 | 25,066 | 100.21% |
| User Charges & Fees | 5,870 | | | (18) | | | | 5,852 | 1,064 | 6,916 | 1,844 | 26.66% |
| Interest | 1,224 | | | 20 | | | | 1,244 | | 1,244 | 1,658 | 133.28% |
| Other revenues from ordinary activities | 710 | | | | | | | 710 | 67 | 777 | 491 | 63.19% |
| Grants & Contributions provided for non capital purposes | 12,694 | | 2,634 | 2,770 | | | | 18,098 | 5,911 | 24,009 | 8,032 | 33.45% |
| Grants & Contributions provided for Capital Purposes | 6,764 | | 5,987 | 4,318 | | | | 17,069 | (604) | 16,465 | 1,089 | 6.61% |
| Gain from the sale of assets | 137 | | | | | | | 137 | 155 | 292 | - | 100.00% |
| Gain from interest in joint ventures & associates | - | | | | | | | - | | | | |
| TOTAL INCOME FROM CONTINUING OPERATIONS | 52,406 | - | 8,621 | 7,096 | | | | 68,123 | 6,593 | 74,716 | 38,180 | 56.05% |
| EXPENSES | | | | | | | | | | | | |
| Employee Costs | 16,735 | | | 6 | | | | 16,741 | | 16,741 | 6,627 | 39.59% |
| Borrowing Costs | 572 | | | | | | | 572 | | 572 | 429 | 75.00% |
| Materials and Contracts | 13,465 | 2,737 | 2,714 | 161 | | | | 19,077 | 6,748 | 25,825 | 8,847 | 34.26% |
| Depreciation | 13,605 | | | | | | | 13,605 | | 13,605 | 6,803 | 50.00% |
| Other Expenses from ordinary activities | 979 | 137 | | 6 | | | | 1,122 | | 1,122 | 676 | 60.25% |
| Loss from the disposal of assets | | | | | | | | - | | - | 72 | 100.00% |
| Loss from interest in joint ventures & associates | - | | | | | | | - | | - | | - |
| TOTAL EXPENSES FROM CONTINUING OPERATIONS | 45,356 | 2,874 | 2,714 | 173 | - | - | - | 51,117 | 6,748 | 57,865 | 23,454 | 45.88% |
| NET OPERATING RESULT FROM CONTINUING OPERATIONS SURPLUS/(DEFICIT) | 7,050 | (2,874) | 5,907 | 6,923 | - | - | - | 17,006 | (155) | 16,851 | 14,726 | 86.59% |
| ADD BACK Non Cash Amounts | | | | | | | | | | | | |
| Depreciation | 13,605 | | | | | | | 13,605 | - | 13,605 | 6,803 | 50.00% |
| Carrying Amount of Assets Sold | 578 | | | | | | | 578 | | 578 | 813 | 140.66% |
| Capital Amounts | 21,233 | (2,874) | 5,907 | 6,923 | - | - | - | 31,189 | (155) | 31,034 | 22,342 | 71.63% |
| Repayments by deferred Debtors | - | | | | | | | | | | | |
| Acquisition of Assets | (37,274) | (13,999) | (5,907) | (6,923) | | | | (64,103) | 107 | (63,996) | (14,817) | 23.11% |
| Loan Repayments | (729) | | | | | | | (729) | | (729) | (626) | 85.87% |
| Advance to Deferred Debtors | | | | | | | | | | | | |
| Loan Funds | - | | | | | | | - | | - | | |
| Less Net Transfers to IRA | 16,778 | | | | | | | 16,778 | 48 | 16,826 | | 0.00% |
| Plus Equity Funding | - | 16,873 | | | | | | 16,873 | | 16,873 | | 0.00% |
| Unallocated Consolidation Net Profit/(Loss) | 8 | - | - | - | - | - | - | 8 | - | 8 | 6,899 | |
| NET OPERATING RESULT BEFORE CAPITAL ITEMS SURPLUS/(DEFICIT) | 286 | | | | | | | 286 | | 286 | 13,637 | |

* Favourable / (Unfavourable) variance

EXPLANATION OF MATERIAL VARIANCES

YTD Variances

| Item | Explanation |
|--|---|
| INCOME | |
| Rates & Annual Charges | Includes rate levy for 2023/2024 |
| User Charges & Fees | 2nd Quarter Water sales (\$1,106k) not raised until first week of January 2024. |
| Interest | Additional interest income due to increase in investment rates |
| Grants & Contributions provided for non capital purposes | Works have not yet commenced on these projects and grant funding for road projects are normally paid in arrears |
| Grants & Contributions provided for Capital Purposes | Works have not yet commenced on these projects and grant funding for road projects are normally paid in arrears |
| EXPENSES | |
| Other Expenses from ordinary activities | Includes yearly payments for Rates, insurances, emergency levies and memberships/subscriptions |
| CAPITAL AMOUNTS | |

RECOMMENDED CHANGES TO REVISED BUDGET

The budget variations recommended above are required to be made to budget votes as a result of changes since the last budget review. Refer to attached appendix "Budget Variations" for commentary on each budget variation. Those items identified as requiring funding since the adoption of the 2023/2024 budget have now been funded.

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31-12-2023
INCOME & EXPENSES BY FUNCTION

| | ORIGINAL BUDGET 2023/2024 (000's) | Approved Changes | | | | | | REVISED BUDGET (000's) | Recommended Changes for Council Resolution (000's) | PROJECTED Year End Result 2023/2024 (000's) | ACTUAL YTD (000's) | % OF PROJECTED BUDGET (000'S) |
|--|--|--------------------|---|--------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------------------|--|---|--------------------------|--|
| | | Revotes (000's) | Unexpended Grants B/FW (000's) | Sept 2023 Review (000's) | Dec 2023 Review (000's) | Mar 2024 Review (000's) | June 2024 Review (000's) | | | | | |
| EXPENSES | | | | | | | | | | | | |
| Governance | 282 | | | 57 | | | | 339 | | 339 | 119 | 35.10% |
| Administration | 8,365 | 450 | 45 | (4) | | | | 8,856 | 62 | 8,918 | 3,578 | 40.12% |
| Public Order and Safety | 1,326 | 26 | 1,000 | 6 | | | | 2,358 | (9) | 2,349 | 867 | 36.91% |
| Health & Environment | 4,991 | 6 | 63 | 20 | | | | 5,080 | | 5,080 | 1,968 | 38.74% |
| Community Services and Education | 108 | 44 | | | | | | 152 | | 152 | 22 | 14.47% |
| Housing and Community Amenities | 1,345 | 39 | 253 | 142 | | | | 1,779 | | 1,779 | 604 | 33.95% |
| Water Supplies | 4,562 | | | | | | | 4,562 | 109 | 4,671 | 2,257 | 48.32% |
| Sewerage and Drainage Services | 2,269 | | | | | | | 2,269 | | 2,269 | 1,117 | 49.23% |
| Recreation and Culture | 3,047 | 440 | 21 | 78 | | | | 3,586 | 41 | 3,627 | 1,735 | 47.84% |
| Mining, Manufacturing and Construction | 422 | 6 | | | | | | 428 | | 428 | 291 | 67.99% |
| Transport and Communication | 6,796 | 867 | 1,332 | (129) | | | | 8,866 | 6422 | 15,288 | 5,672 | 37.10% |
| Economic Affairs | 1,506 | 996 | | 3 | | | | 2,505 | 124 | 2,629 | 817 | 31.08% |
| TOTAL EXPENSES | 35,019 | 2,874 | 2,714 | 173 | 0 | 0 | 0 | 40,780 | 6,749 | 47,529 | 19,047 | 40.07% |
| REVENUES | | | | | | | | | | | | |
| Governance | - | | | | | | | - | | - | | - |
| Administration | 29,910 | | 45 | 2579 | | | | 32,534 | 20 | 32,554 | 20,175 | 61.97% |
| Public Order and Safety | 416 | | 1,031 | 604 | | | | 2,051 | (196) | 1,855 | 685 | 36.93% |
| Health & Environment | 5,629 | | 72 | | | | | 5,701 | | 5,701 | 4,564 | 80.06% |
| Community Services and Education | 25 | | | | | | | 25 | | 25 | 15 | 60.00% |
| Housing and Community Amenities | 317 | | 490 | 1023 | | | | 1,830 | | 1,830 | 274 | 14.97% |
| Water Supplies | 6,503 | | | | | | | 6,503 | 43 | 6,546 | 4,116 | 62.88% |
| Sewerage and Drainage Services | 3,490 | | | | | | | 3,490 | 2 | 3,492 | 3,335 | 95.50% |
| Recreation and Culture | 6,115 | | 999 | 681 | | | | 7,795 | 51 | 7,846 | 222 | 2.83% |
| Mining, Manufacturing and Construction | 213 | | | | | | | 213 | | 213 | 115 | 53.99% |
| Transport and Communication | 5,580 | | 5,976 | 2206 | | | | 13,762 | 6468 | 20,230 | 7,717 | 38.15% |
| Economic Affairs | 327 | | 8 | 3 | | | | 338 | 51 | 389 | 187 | 48.07% |
| TOTAL REVENUE | 58,525 | - | 8,621 | 7,096 | - | - | - | 74,242 | 6,439 | 80,681 | 41,405 | 51.32% |
| OPERATING RESULT: (Surplus) | (23,506) | 2,874 | (5,907) | (6,923) | - | - | - | (33,462) | 310 | (33,152) | (22,358) | |
| Depreciation | 13,605 | | | | | | | 13,605 | | 13,605 | 6,803 | 50.00% |
| Increase in Employee Leave Entitlements | 2,988 | | | | | | | 2,988 | | | 757 | 25.33% |
| (PROFIT)/LOSS BEFORE CAPITAL AMOUNTS | (6,913) | 2,874 | (5,907) | (6,923) | - | - | - | (16,869) | 310 | (16,559) | (14,799) | |
| Carrying Amount of Assets Sold | 578 | | | | | | | 578 | | 578 | 813 | 140.66% |
| Proceeds Sale of Assets | (715) | | | | | | | (715) | (155) | (870) | (741) | 85.17% |
| Cost Real Estate Assets Sold | | | | | | | | - | | - | | |
| Loan Funds Used | | | | | | | | - | | - | | |
| Other Debt Finance | | | | | | | | - | | - | | |
| Repayments by Deferred Debtors | | | | | | | | - | | - | | |
| Acquisition of Assets | 37,274 | 13,999 | 5,907 | 6,923 | | | | 64,103 | (107) | 63,996 | 14,817 | 23.15% |
| Development of Real Estate | | | | | | | | - | | - | | |
| Advance to Deferred Debtors | | | | | | | | - | | - | | |
| Repayment of Loans | 729 | | | | | | | 729 | | 729 | 626 | 85.87% |
| Repayment of Other Debts | | | | | | | | - | | - | | |
| ESTIMATED BUDGET RESULT: (SURPLUS)/DEFICIT | 30,953 | 16,873 | - | - | - | - | - | 47,826 | 48 | 47,874 | 717 | |
| ADD BACK Non Cash Amounts | | | | | | | | | | | | |
| Depreciation | 13,605 | | | | | | | 13,605 | | 13,605 | 6,803 | |
| Carrying Amount of Assets Sold | 578 | | | | | | | 578 | | 578 | 813 | |
| Plus Net Transfers | (16,778) | | | | | | | (16,778) | (48) | (16,826) | | |
| Plus Equity Funding** | | (16,873) | | | | | | -16,873 | | -16,873 | | |
| BUDGET (SURPLUS)/DEFICIT | (8) | - | - | - | - | - | - | (8) | - | (8) | (6,899) | |
| ** Equity Funding is Unexpended Grants, Contributions and incomplete works from pervious years were money is held in equity at end of year | | | | | | | | | | | | |
| Transfers to Internally Restricted Assets | 2,504 | | | | | | | 2,504 | | 2,504 | 2,504 | |
| Transfers from Internally Restricted Assets | 19,282 | | | | | | | 19,282 | 48 | 19,330 | 19,330 | |
| Net Transfers | (16,778) | - | - | - | - | - | - | (16,778) | (48) | (16,826) | (16,826) | |

EXPLANATION OF MATERIAL VARIANCES

YTD Variances

| Item | Explanation |
|--------------------------------|---|
| EXPENSES | |
| Sewerage and Drainage Services | Includes yearly payments for Rates, insurances |
| INCOME | |
| Administration | Includes entire Rate Levy for 2023/24 |
| Public Order & Safety | Bush Fire Subsidies not received until latter in the year |
| Health & Environment | Includes entire DWM levy Charges for 2023/24 |
| Water Supplies | Includes entire Annual Water charges levy for 2023/24 |
| Sewerage and Drainage Services | Includes entire Annual Sewer charges levy for 2023/24 |

CAPITAL AMOUNTS

RECOMMENDED CHANGES TO REVISED BUDGET

The budget variations recommended above are required to be made to budget votes as a result of changes since the last budget review. Refer to attached appendix "Budget Variations" for commentary on each budget variation. Those items identified as requiring funding since the adoption of the 2023/2024 budget have now been funded.

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-12-2023
CAPITAL BUDGET

| | ORIGINAL BUDGET 2023/2024 | Approved Changes | | | | | | REVISED BUDGET | Recommended Changes for Council Resolution | PROJECTED Year End Result 2023/2024 | ACTUAL YTD |
|--|---------------------------------|------------------|----------------------|---------------------|--------------------|--------------------|---------------------|-------------------|---|--|---------------|
| | | Revotes | Unexpended Grants | Sept 2023 Review | Dec 2023 Review | Mar 2024 Review | June 2024 Review | | | | |
| | | | | | | | | | | | |
| | (000's) | (000's) | (000's) | (000's) | (000's) | (000's) | (000's) | (000's) | (000's) | (000's) | (000's) |
| CAPITAL FUNDING | | | | | | | | | | | |
| Rates and Other untied Funding | | | | | | | | | | | |
| General Fund | 4,469 | | | (466) | | | | 4,003 | (287) | 3,716 | 3,716 |
| Sewer Fund | 924 | | | | | | | 924 | 2 | 926 | 926 |
| Water Fund | 1,737 | | | | | | | 1,737 | (97) | 1,640 | 1,640 |
| Capital Grants & Contributions | | | | | | | | | | | |
| Dog Pound | | | 150 | 400 | | | | 550 | | 550 | 550 |
| Bushfire | 200 | | | | | | | 200 | (185) | 15 | - |
| Sporting Fields | 10 | | 1 | 19 | | | | 30 | | 30 | 21 |
| Library | 27 | | 53 | | | | | 80 | 41 | 121 | 33 |
| Roads | 5,569 | | 4,733 | 6,484 | | | | 16,786 | 387 | 17,173 | 8,790 |
| Open Space | | | 121 | 486 | | | | 607 | | 607 | 365 |
| Aquatic Centre | 5,862 | | 848 | | | | | 6,710 | | 6,710 | 1,477 |
| Water | | | | | | | | - | 32 | 32 | |
| | | | | | | | | - | | | |
| Internal Restricted Assets | | | | | | | | - | | | |
| Community Infrastructure | 17,097 | | | | | | | 17,097 | | 17,097 | 17,097 |
| Plant Replacement | 1,379 | | | | | | | 1,379 | | 1,379 | 1,379 |
| Roads Program | | | | | | | | - | | - | - |
| Sewerage Future Capital Works | | | | | | | | - | | - | - |
| Water Future Capital Works | | | | | | | | - | | - | - |
| Strategic Capital Projects Fund | | | | | | | | - | | - | - |
| Building Infrastructure Reserve | | | | | | | | - | | - | - |
| Loan Funding | | | | | | | | - | | - | |
| Equity (Unexpended Grants and Contributions from pervious years) | | 13,999 | | | | | | 13,999 | | 13,999 | 13,999 |
| TOTAL CAPITAL FUNDING | 37,274 | 13,999 | 5,906 | 6,923 | - | | | 64,102 | (107) | 63,995 | 49,993 |
| CAPITAL EXPENDITURE | | | | | | | | | | | |
| Administrative Services | 15 | | | | | | | 15 | | 15 | 3 |
| Aerodrome | | 55 | | | | | | 55 | | 55 | |
| Engineering Equipment | 2 | | | | | | | 2 | | 2 | 2 |
| SES/Bushfire | 207 | | | | | | | 207 | (185) | 22 | 3 |
| Information Services | 148 | 235 | | | | | | 383 | | 383 | 20 |
| Sporting Fields | 23,405 | 12 | 849 | 19 | | | | 24,285 | | 24,285 | 1,498 |
| Open Space | | 478 | 93 | 486 | | | | 1,057 | | 1,057 | 365 |
| Cemetery | 15 | 30 | | | | | | 45 | | 45 | |
| Library | 130 | 43 | 53 | | | | | 226 | 41 | 267 | 102 |
| Plant | 2,809 | | | 4 | | | | 2,813 | | 2,813 | 2,413 |
| Land | | 64 | | | | | | 64 | | 64 | |
| Minor Community Infrastructure Assets | 191 | 466 | 178 | 400 | | | | 1,235 | 51 | 1,286 | 891 |
| Strategic Capital Infrastructure Program | - | | | | | | | - | | - | |
| Sewerage Services | 925 | 4,835 | | | | | | 5,760 | | 5,760 | 87 |
| Water Services | 1,737 | 3,787 | | | | | | 5,524 | (63) | 5,461 | 110 |
| Roads | 7,690 | 3,994 | 4,733 | 6,014 | | | | 22,431 | 49 | 22,480 | 9,323 |
| TOTAL CAPITAL EXPENDITURE | 37,274 | 13,999 | 5,906 | 6,923 | - | | | 64,102 | (107) | 63,995 | 14,817 |

RECOMMENDED CHANGES TO REVISED BUDGET

The budget variations recommended above are required to be made to budget votes as a result of changes since the last budget review. Refer to attached appendix "Budget Variations" for commentary on each budget variation. Those items identified as requiring funding since the adoption of the 2023/2024 budget have now been funded.

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-12-2023
CASH & INVESTMENTS

| | ORIGINAL BUDGET 2023/2024 (000's) | Approved Changes | | | | | | REVISED BUDGET (000's) | Recommended Changes for Council Resolution (000's) | PROJECTED Year End Result 2023/2024 (000's) | ACTUALS (000's) |
|---|--|--------------------|---|--------------------------------|-------------------------------|-------------------------------|--------------------------------|------------------------------|--|---|--------------------|
| | | Revotes (000's) | Unexpended Grants B/FW (000's) | Sept 2023 Review (000's) | Dec 2023 Review (000's) | Mar 2024 Review (000's) | June 2024 Review (000's) | | | | |
| | | | | | | | | | | | |
| EXTERNALLY RESTRICTED | | | | | | | | | | | |
| Water Services | 14,532 | - | - | - | | | | 14,532 | - | 14,532 | 14,532 |
| Sewerage Services | 9,072 | | - | - | | | | 9,072 | - | 9,072 | 9,072 |
| Waste Management | 1,006 | - | - | - | | | | 1,006 | - | 1,006 | 1,006 |
| Special Purpose Grants (Contract Liabilities) | 8,620 | - | - | - | | | | 8,620 | - | 8,620 | 4,483 |
| Developer Contributions | 428 | - | - | - | | | | 428 | - | 428 | 481 |
| Bonds & Deposits | 752 | - | - | - | | | | 752 | - | 752 | 954 |
| Stormwater Management | - | | | | | | | - | - | - | 147 |
| Unexpended Loans | - | | | | | | | - | | | |
| Net Account Payable / Receivables | 3,675 | | | | | | | 3,675 | - | 3,675 | 914 |
| | - | | | | | | | | | | |
| TOTAL EXTERNALLY RESTRICTED | 38,085 | - | - | - | - | - | - | 38,085 | - | 38,085 | 31,589 |
| INTERNALLY RESTRICTED | | | | | | | | | | | |
| Financial Assistance Grants | 10,331 | - | - | - | | | | 10,331 | - | 10,331 | 10,331 |
| Emergency Services Reserve | 379 | - | - | - | | | | 379 | - | 379 | 379 |
| Building Infrastructure Reserve | 999 | - | - | - | | | | 999 | - | 999 | 999 |
| Community Infrastructure Reserve | 4,675 | - | - | - | | | | 4,675 | - | 4,675 | 4,675 |
| Waste Management Reserve | 5,000 | - | - | - | | | | 5,000 | - | 5,000 | 5,000 |
| Economic Development Reserve | 1,656 | - | - | - | | | | 1,656 | - | 1,656 | 1,656 |
| Transport Infrastructure Reserve | 1,982 | - | - | - | | | | 1,982 | - | 1,982 | 1,982 |
| Employee Provision Reserve | 2,062 | - | - | - | | | | 2,062 | - | 2,062 | 2,062 |
| Information Technology Reserve | 1,989 | - | - | - | | | | 1,989 | - | 1,989 | 1,989 |
| Fleet Replacement Reserve | 3,943 | - | - | - | | | | 3,943 | - | 3,943 | 3,943 |
| Financial Risk Reserve | 2,021 | - | - | - | | | | 2,021 | (48) | 1,973 | 1,973 |
| | - | - | - | - | | | | - | | - | - |
| Revotes | 8,252 | - | - | - | | | | 8,252 | - | 8,252 | 8,252 |
| | - | - | - | - | | | | - | - | - | - |
| | - | - | - | - | | | | - | - | - | - |
| TOTAL INTERNALLY RESTRICTED | 43,289 | - | - | - | - | - | - | 43,289 | (48) | 43,241 | 43,241 |
| | | | | | | | | | | | |
| TOTAL RESTRICTED | 81,374 | | | | | | - | 81,374 | (48) | 81,326 | 74,830 |
| | | | | | | | | | | | |
| TOTAL CASH & INVESTMENTS | 85,317 | | | | | | | 85,317 | (48) | 85,269 | 92,877 |
| | | | | | | | | | | | |
| AVAILABLE WORKING CAPITAL | 3,943 | | | | | | - | 3,943 | - | 3,943 | 18,047 |

COMMENT ON CASH & INVESTMENT POSITION

Councils overall Investment Portfolio remains sounds and as at 31st December 2023 Councils Cash and Investment Portfolio totalled \$82.356 million plus \$10.521 million Cash at bank (Water Fund \$1.703m, Sewer Fund \$1.794m, General Fund \$7.024m).

STATEMENTS

INVESTMENTS

I PAUL PAY, as Council's Responsible Accounting Officer, hereby certify that the restricted funds listed above are invested in accordance with Section 625 of the Local Government Act 1993, Clause 212 of the Local Government (General) Regulations 2005 and Council's Investment Policy. For further information about Councils investment portfolio and performance refer to Councils Monthly Investment Report included in Councils Business Paper

| | |
|--|--------|
| General | |
| | \$000 |
| Total External Restricted Funds | 31,589 |
| Total Internal Restricted Funds | 43,241 |
| Total Restricted | 74,830 |
| | |
| Total Funds Invested as per Investment Report (31-12-23) | 82,356 |
| Total Cash at Bank (31-12-23) | 10,521 |
| | 92,877 |
| Total Available Working Capital | 18,047 |

CASH

I, PAUL PAY, as Council's Responsible Accounting Officer, hereby certify that the bank balances, as per General Ledger, have been reconciled with the bank statements for the month of December 2023, and the details have been recorded. For further information about Councils bank reconciliations refer to Councils Monthly Financial Statements report included in the Council Business Paper

RECONCILIATION

I, PAUL PAY, as Council's Responsible Accounting Officer, hereby certify that the investment balances, as per General Ledger, have been reconciled with the investment report for the month of December 2023, and the details have been recorded. For further information about Councils investment portfolio and performance refer to Councils Monthly Investment Report included in the Councils Business Paper.

| INVERELL SHIRE COUNCIL INVESTMENTS HELD 30-12-2023 | | | | | | | | | | |
|---|----------------------------|--------------|---------|--------------------|---------------|---------------|---------------|-------------------|------------------|-------------|
| Term Deposit Investment Group | | | | | | | | | | |
| Investment | Borrower | FUND | Rating | Interest Frequency | Purchase Date | Maturity Date | Current Yield | Principal Value | Current value | Term (days) |
| 23/20 | ING Bank | General | A | Annually | 23-Jan-23 | 23-Jan-24 | 4.50% | 1,500,000 | 1,500,000 | 365 |
| 23/25 | Bank of Sydney | General | Unrated | Quarterly | 24-Mar-23 | 24-Jan-24 | 4.70% | 2,000,000 | 2,000,000 | 306 |
| 23/28 | BoQ | General | BBB | Annually | 19-Apr-23 | 19-Jan-24 | 4.70% | 2,000,000 | 2,000,000 | 275 |
| 23/21 | Commonwealth Bank | Sewer | AA | Annually | 27-Feb-23 | 27-Feb-24 | 5.06% | 2,000,000 | 2,000,000 | 365 |
| 23/36 | Bendigo & Adelaide | General | BBB | Maturity | 31-May-23 | 29-Feb-24 | 5.00% | 1,500,000 | 1,500,000 | 274 |
| 22/20 | MyState Bank | General | BBB | Maturity | 02-Mar-22 | 04-Mar-24 | 1.70% | 2,000,000 | 2,000,000 | 733 |
| 22/21 | Bank of Queensland | General | BBB+ | Quarterly | 02-Mar-22 | 04-Mar-24 | 1.70% | 1,000,000 | 1,000,000 | 733 |
| 23/22 | AMP BANK | General | BBB+ | Annually | 20-Mar-23 | 20-Mar-24 | 4.80% | 1,000,000 | 1,000,000 | 366 |
| 23/23 | Bank of Sydney | Water | BBB+ | Maturity | 20-Mar-23 | 20-Mar-24 | 4.85% | 1,500,000 | 1,500,000 | 366 |
| 21/11 | ICBC - Industrial and Comm | Water | A | Annually | 26-Mar-21 | 26-Mar-24 | 0.82% | 2,000,000 | 2,000,000 | 1096 |
| 23/43 | MyState Bank | General | | Maturity | 28-Jun-23 | 28-Mar-24 | 5.60% | 2,000,000 | 2,000,000 | 274 |
| 23/30 | Police Credit Union | General | Unrated | Maturity | 08-May-23 | 08-May-24 | 4.85% | 1,000,000 | 1,000,000 | 366 |
| 23/37 | Suncorp | General | A+ | Maturity | 31-May-23 | 30-Apr-24 | 4.96% | 2,000,000 | 2,000,000 | 335 |
| 23/29 | Police Credit Union | Water | Unrated | Maturity | 08-May-23 | 08-May-24 | 4.85% | 1,000,000 | 1,000,000 | 366 |
| 23/31 | AMP BANK | General | BBB+ | Annually | 25-May-23 | 27-May-24 | 5.15% | 1,000,000 | 1,000,000 | 368 |
| 23/38 | ING Bank | General | A | Maturity | 31-May-23 | 30-May-24 | 5.10% | 1,500,000 | 1,500,000 | 365 |
| 23/32 | AMP BANK | General | BBB+ | Annually | 25-May-23 | 27-May-24 | 5.15% | 1,000,000 | 1,000,000 | 368 |
| 23/39 | Suncorp | Sewer | A | Maturity | 07-Jun-23 | 07-Jun-24 | 5.26% | 1,000,000 | 1,000,000 | 366 |
| 23/40 | Aunstralian Unity Bank | General | BBB+ | Annually | 20-Jun-23 | 20-Jun-24 | 5.60% | 1,500,000 | 1,500,000 | 366 |
| 23/45 | National Australia Bank | Water | AA- | Annually | 29-Jun-23 | 28-Jun-24 | 5.45% | 2,000,000 | 2,000,000 | 365 |
| 23/41 | National Australia Bank | Water | AA- | Annually | 28-Jun-23 | 28-Jun-24 | 5.55% | 1,000,000 | 1,000,000 | 366 |
| 24/02 | Bank of Sydney | General | Unrated | Annually | 27-Jul-23 | 29-Jul-24 | 5.45% | 2,000,000 | 2,000,000 | 368 |
| 24/01 | AMP BANK | General | BBB | Annually | 27-Jul-23 | 29-Jul-24 | 5.55% | 2,000,000 | 2,000,000 | 368 |
| 24/04 | Police Credit Union | General | Unrated | Maturity | 08-Aug-23 | 08-Aug-24 | 5.35% | 1,000,000 | 1,000,000 | 366 |
| 22/03 | National Australia Bank | General | AA- | Annually | 27-Aug-21 | 27-Aug-24 | 0.85% | 2,000,000 | 2,000,000 | 1096 |
| 24/05 | National Australia Bank | General | AA- | Maturity | 29-Aug-23 | 29-Aug-24 | 5.24% | 1,500,000 | 1,500,000 | 366 |
| 24/03 | Police Credit Union | General | Unrated | Maturity | 04-Aug-23 | 06-Aug-24 | 5.35% | 1,000,000 | 1,000,000 | 368 |
| 24/06 | National Bank Australia | General | BBB+ | Maturity | 07-Sep-23 | 09-Sep-24 | 5.23% | 2,000,000 | 2,000,000 | 368 |
| 24/07 | National Australia Bank | General | AA | Annually | 13-Sep-23 | 13-Sep-24 | 5.24% | 1,000,000 | 1,000,000 | 366 |
| 24/08 | National Australia Bank | General | AA- | Maturity | 13-Sep-23 | 13-Sep-24 | 5.24% | 2,000,000 | 2,000,000 | 366 |
| 24/09 | National Australia Bank | General | AA- | Maturity | 13-Sep-23 | 13-Sep-24 | 5.24% | 2,000,000 | 2,000,000 | 366 |
| 24/10 | NAB | Water | AA- | Annually | 20-Sep-23 | 20-Sep-24 | 5.30% | 1,000,000 | 1,000,000 | 366 |
| 24/11 | NAB | Sewer | AA- | Annually | 20-Sep-23 | 20-Sep-24 | 5.30% | 1,000,000 | 1,000,000 | 366 |
| 24/13 | ING Bank | General | A | Annually | 07-Oct-23 | 07-Oct-25 | 5.30% | 2,000,000 | 2,000,000 | 731 |
| 24/14 | National Australia Bank | General | AA- | Annually | 06-Oct-23 | 08-Oct-24 | 5.25% | 1,000,000 | 1,000,000 | 368 |
| 23/11 | ING Bank | General | A | Quarterly | 05-Oct-22 | 08-Oct-24 | 4.75% | 2,000,000 | 2,000,000 | 734 |
| 24/12 | NAB | Sewer | AA- | Quarterly | 05-Oct-23 | 08-Oct-24 | 5.27% | 1,500,000 | 1,500,000 | 369 |
| 24/15 | Westpac Bank | General | AA- | Quarterly | 19-Oct-23 | 21-Oct-24 | 5.30% | 2,000,000 | 2,000,000 | 368 |
| 24/16 | Westpac Bank | General | AA- | Annually | 25-Oct-23 | 25-Oct-24 | 5.34% | 2,000,000 | 2,000,000 | 366 |
| 24/17 | Westpac Bank | General | AA- | Annually | 27-Nov-23 | 27-Nov-24 | 5.47% | 1,000,000 | 1,000,000 | 366 |
| 24/18 | AMP BANK | General | BBB+ | Maturity | 27-Nov-23 | 27-Nov-24 | 5.50% | 2,000,000 | 2,000,000 | 366 |
| 24/19 | AMP Bank | Water | BBB | Annually | 27-Nov-23 | 27-Nov-24 | 5.50% | 1,000,000 | 1,000,000 | 366 |
| 24/20 | Australian Unity Bank | General | BBB | Annually | 27-Nov-23 | 27-Nov-24 | 5.47% | 1,000,000 | 1,000,000 | 366 |
| 24/21 | Auswide Bank | General | BBB | Maturity | 29-Nov-23 | 29-Nov-24 | 5.67% | 1,500,000 | 1,500,000 | 366 |
| 24/22 | ICBC - Industrial and Comm | General | A | Annually | 04-Dec-23 | 04-Dec-24 | 5.45% | 2,000,000 | 2,000,000 | 366 |
| 24/23 | Bank of Sydney | General | NR | Annually | 07-Dec-23 | 07-Dec-24 | 5.46% | 2,000,000 | 2,000,000 | 366 |
| 23/26 | Auswide Bank | General | BBB | Monthly | 24-Mar-23 | 24-Mar-25 | 4.80% | 1,000,000 | 1,000,000 | 731 |
| 23/24 | Auswide Bank | Water | BBB | Monthly | 24-Mar-23 | 24-Mar-25 | 4.80% | 1,000,000 | 1,000,000 | 731 |
| 21/13 | ICBC - Industrial and Comm | Water | A | Annually | 27-May-21 | 27-May-26 | 1.40% | 1,000,000 | 1,000,000 | 1826 |
| 21/14 | ICBC - Industrial and Comm | Sewer | A | Annually | 27-May-21 | 27-May-26 | 1.40% | 1,000,000 | 1,000,000 | 1826 |
| 21/15 | ICBC - Industrial and Comm | General | A | Annually | 27-May-21 | 27-May-26 | 1.40% | 1,000,000 | 1,000,000 | 1826 |
| | | | | | | | TOTALS | 76,000,000 | 76,000,000 | |
| Cash Deposit Accounts | | | | | | | | | | |
| As at Date | Borrower | FUND | Rating | | Purchase Date | Maturity Date | Current Yield | Value at beg year | Current value | Term |
| 31/10/23 | Commonwealth Bank | General | A | | 9/11/2020 | | 0.00% | | 1,194.89 | |
| 31/10/23 | Macquarie Bank | General | AA- | Monthly | 9/11/2020 | | 3.90% | 2,086,371 | 2,129,458.56 | |
| 31/10/23 | Macquarie Bank | Water | AA- | Monthly | 9/11/2020 | | 3.90% | 2,588,269 | 2,641,721.50 | |
| 31/10/23 | Macquarie Bank | Sewer | AA- | Monthly | 9/11/2020 | | 3.90% | 1,551,712 | 1,583,757.87 | |
| Sub Total - Cash Deposit Accounts | | | | | | | - | - | 6,356,132.82 | - |
| | | | | | | | | | TOTAL 82,356,133 | |
| Balances | | | | | | | | | | |
| Portfolio by Fund | 31/11/2023 | 31/12/2023 | | | | | | | | |
| General Fund | \$66,123,337 | \$60,130,653 | | | | | | | | |
| Water Fund | \$15,132,645 | \$14,141,722 | | | | | | | | |
| Sewer Fund | \$8,078,316 | \$8,083,758 | | | | | | | | |
| TOTAL | \$89,334,298 | \$82,356,133 | | | | | | | | |

| CAPITAL EXPENDITURE 2023/2024 | | | | | | | | | | | |
|---------------------------------|---|---|-------------------------|---------------|-------------------------|---------------|----------------|------------|-------------------------------|---------------|------------|
| PROGRAM | LEDGER NUMBER | DESCRIPTION | ORIGINAL CAPITAL BUDGET | | ADJUSTED CAPITAL BUDGET | | Classification | % Complete | FUNDING | | AMOUNT |
| | | | AMOUNT | SECTION TOTAL | AMOUNT | SECTION TOTAL | | | | | |
| ADMINISTRATIVE SERV. | 159060-1000 | OFFICE FURNITURE & EQUIPMENT-DESKS, CHAIRS | 5,200 | | 5,200 | | Renewal | 0% | | | |
| | 134940-1000 | ACQUISITION OF ART PRIZE | 4,500 | | 4,500 | | New Asset | 72% | | | |
| | 160470-1000 | ART GALLERY REFURBISHMENTS | 5,000 | 14,700 | 5,000 | 14,700 | Renewal | 0% | | | |
| ENGINEERING | 160800-1100 | ENGINEERS INSTRUMENTS & EQUIPMENT | 2,100 | 2,100 | 2,100 | 2,100 | New Asset | 100% | | | |
| BUSH FIRE | 159141-1000 | EQUIPMENT ISSUES | 200,000 | 200,000 | - | - | New Asset | 0% | GRANT | 121121-1000 | - |
| | 159170-3150 | BUSH FIRE SHEDS - NULLAMANNA | | | | | | | | | |
| | 159143-1000 | BUSH INFRASTRUCTUE PROJECTS-Across multiple Brigades | | | 15,000 | 15,000 | New Asset | 0% | GRANT | 121121-1000 | 15,000 |
| SES | 132851-4450 | SES BUILDING UPGRADE | 7,150 | 7,150 | 7,150 | 7,150 | Renewal | 0% | | | |
| INFORMATION SERVICES | 130101-1000 | COMPUTER EQUIPMENT | 76,290 | | 263,489 | | Renewal | 0% | | | |
| | 130111-5130 | COMPUTER EQUIPMENT - NEW PRINTING EQUIPMENT | 39,200 | | 77,184 | | Renewal | 24% | | | |
| | 130111-5162 | COMPUTER EQUIPMENT - NEW HARDWARE | 32,000 | 147,490 | 32,000 | | Renewal | 4% | | | |
| | 131061-1000 | CCTV SECURITY SYSTEM - CBD | | | 10,000 | 382,673 | Renewal | 2% | | | |
| SPORTING FIELDS | 134929-1000 | EQUESTRIAN CENTRE UPGRADE | 4,000 | | 4,000 | | Renewal | 0% | | | |
| | 139467-1000 | SPORTS COMPLEX-ATHLETICS PRECINCT FOOTPATH-LRCIP3 FUNDING | | | 5,219 | | New Asset | 26% | | | |
| | 160541-1000 | INVERELL NETBALL COURTS UPGRADE-SCCF4 FUNDING | | | 12,433 | | Renewal | 100% | | | |
| | 160660-1100 | SPORTS GROUND IMPROVEMENT-SPORT CNL | 20,000 | | 20,000 | | New Asset | 0% | CONTRIBUTION | 127090-1000 | 10,000 |
| | 160671-1000 | ASHFORD SPORTS GROUND-SCCF FUNDING | | | 14,613 | | New Asset | 0% | | | |
| | 137103-1000 | INVERELL SWIMMING POOL REDEVELOPMENT | 23,380,789 | 23,404,789 | 24,228,789 | 24,285,054 | New Asset | 6% | POOL REPLACEMENT IRA | 161950-6220 | 17,096,959 |
| | | | | | | | | | GRANTS | 121220-1000 | 212,000 |
| OPEN SPACE | | | | | | | | | GRANTS | 137104-1000 | 4,250,000 |
| | | | | | | | | | GRANTS | 121982-1000 | 1,400,000 |
| | 137377-1000 | LAKE INVERELL PRECINCT | | | 109,000 | | New Asset | 0% | | | |
| | 139466-1000 | PARKS UPGRADE-ALL ABILITIES PLAYGROUNDS-LRCIP3 FUNDING | | | 150,000 | | Renewal | 0% | | | |
| | 147998-1000 | PUMP TRACK CONSTRUCTION - BLERF5 FUNDING | | | | | New Asset | 0% | | | |
| | 147999-1000 | LAKE INVERELL TOILET BLOCK CONSTRUCTION-BLERF3 FUNDING | | | - | | Renewal | 0% | | | |
| | 148003-1000 | TINGHA RECREATION RESERVE-SOLAR LIGHTING-BRRF2 | | | 2,750 | | New Asset | 0% | | | |
| | 160546-1000 | JOSEPH WILLS PARK UPGRADE-CRIF FUNDING | | | 75,901 | | New Asset | 58% | | | |
| | 160551-1000 | UPGRADE 3 RESIDENTIAL PARKS INVERELL-BSBRGP FUNDING | | | 40,000 | | Renewal | 92% | | | |
| | 160552-1000 | UPGRADE WARATAH PARK-BSBRGP FUNDING | | | 35,684 | | Renewal | 100% | | | |
| | 160560-3540 | PASSIVE PARK UPGRADE - LAKE INVERELL | | | 50,000 | | Renewal | 0% | | | |
| | 160562-1000 | CAMPBELL PARK UPGRADE | | | 19,035 | | Renewal | 0% | | | |
| | 160563-1000 | VICTORIA PARK UPGRADE | | | 60,000 | | Renewal | 0% | | | |
| | 160567-1000 | RUBY PARK TINGHA - TOILET BLOCK | | | 200,000 | | Renewal | 3% | | | |
| | 160670-1000 | LIGHTING HALF BASKETBALL COURTS-SCCF FUNDING | | | 28,416 | | New Asset | 0% | | | |
| 160770-1000 | LAKE INVERELL - DRAINAGE & FOOTPATHS-CLIR FUNDING | | | 12 | | New Asset | 0% | | | | |
| 160776-1000 | ASHFORD BUSINESS COUNCIL-GRANT FUNDED WORKS | | | 285,808 | 1,056,606 | New Asset | 82% | | | | |
| CEMETERY | 136391-4450 | CEMETERY - INVERELL | 15,300 | 15,300 | 45,300 | 45,300 | New Asset | 0% | | | |
| LIBRARY | 160180-1100 | LIBRARY-CORPORATE SERVICE COLLECTION | 1,520 | | 1,520 | | Renewal | 0% | | | |
| | 160190-1000 | LIBRARY BOOKS | 63,610 | | 92,580 | | Renewal | 39% | | | |
| | 160200-1000 | LIBRARY BOOKS - CO-OPERATIVE CONTRIBUTION | 23,650 | | 23,650 | | Renewal | 100% | | | |
| | 160240-1000 | NON BOOK MATERIALS-VIDEOS CASSETTES ETC. | 10,410 | | 10,410 | | Renewal | 53% | | | |
| | 160245-1000 | LIBRARY - OFFICE EQUIPMENT | 2,000 | | 16,380 | | Renewal | 12% | | | |
| | 160270-1000 | LIBRARY SECURITY SYSTEM | 2,430 | | 2,430 | | Renewal | 33% | | | |
| | 160386-1000 | LIBRARY LOCAL PRIORITY FUNDING 2022/23 | | | 53,340 | | Renewal | 51% | | | |
| | 160385-1000 | LIBRARY LOCAL PRIORITY FUNDING 2023/24 | 26,500 | 130,120 | 67,312 | 267,622 | Renewal | 10% | GRANT | 160389-1000 | 67,312 |
| OTHER NEW INFRASTRUCTURE ASSETS | 129381-1000 | MINOR COMMUNITY INFRASTRUCTURE ASSETS | 75,613 | | 190,807 | | New Asset | 0% | | | |
| | 129391-1000 | SPECIAL PROJECTS | 75,613 | | 75,613 | | Renewal | 9% | | | |
| | 134319-1000 | CULTURAL & ARTS INITIATIVES | | | 85,000 | | New Asset | 63% | | | |
| | 139463-1000 | DOG POUND CONSTRUCTION - LRCIP3 FUNDING | | | 570,000 | | Renewal | 100% | | | |
| | 147835-1000 | TINGHA CARAVAN PARK | | | 61,086 | | Renewal | 8% | | | |
| | 159772-1000 | ENERGY EFFICIENCY PROGRAM | 40,000 | 191,226 | 232,333 | | New Asset | 0% | | | |
| | 160674-1000 | NSW PARTNERSHIP-LOCAL COUNCIL PROGRAM | | | 20,000 | | New Asset | 0% | | | |
| | 151040-1000 | INSURANCE RECIFICATION WORKS | | | 50,600 | 1,285,439 | Renewal | 99% | | | |
| AERODROME | 147124-1000 | AERODROME | | | 55,000 | 55,000 | Renewal | 0% | | | |
| LAND | 159000-1000 | LAND PURCHASE | | | 63,904 | 63,904 | New Asset | 0% | | | |
| PLANT | 161590-1000 | SMALL PLANT | 80,000 | | 83,900 | | Renewal | 64% | PLANT REPLACE. IRA | 161680-6220 | 2,094,000 |
| | 161610-1000 | WORKSHOP EQUIPMENT | 40,000 | | 40,000 | | Renewal | 0% | Less Sales | 168100/168110 | (715,000) |
| | 161600-1000 | LIGHT CARS/TRUCKS | 744,000 | | 744,000 | | Renewal | 100% | | | |
| | 161620-1000 | HEAVY PLANT | 1,945,000 | 2,809,000 | 1,945,000 | 2,812,900 | Renewal | 81% | | | 1,379,000 |
| TOTAL | | | 26,921,875 | 26,921,875 | | 30,293,448 | | | TOTAL GRANT / OTHER FUNDING | | 5,954,312 |
| | | | | | | | | | LOAN FUNDS | | |
| | | | | | | | | | TOTAL 22/23 UNEXPENDED GRANTS | | 1,173,164 |
| | | | | | | | | | TOTAL REVOTES/EQUITY | | 1,393,822 |
| | | | | | | | | | TOTAL IRA FUNDING | | 18,475,959 |
| | | | | | | | | | REVENUE FUNDING REQUIRED | | 3,306,191 |
| SEWERAGE | 907170-1000 | OTHER EQUIPMENT | 14,000 | | 14,000 | | New Asset | 0% | CAPITAL WORKS IRA | 907360-6220 | - |
| | 907110-1100 | MAINS RELINING PROGRAM | 630,000 | | 762,278 | | Renewal | 0% | | | |
| | 906541-1100 | FITTING AND INSTALLATIONS | 10,000 | | 12,000 | | Renewal | 91% | | | |
| | 907250-3100 | RETICULATION MAINS | 109,840 | | 561,318 | | Renewal | 0% | | | |
| | 907290-1100 | MAINS EXTENSIONS - MINOR | | | 14,000 | | New Asset | 99% | | | |
| | 907240-1000 | CAPITAL INFRASTRUCTURE WORKS | 21,000 | | 21,000 | | Renewal | 0% | | | |
| | 907272-3100 | TELEENTRY UPGRADES - INVERELL | | | 133,940 | | Renewal | 0% | | | |
| | 907320-3050 | SEWER TREATMENT WORKS - DELUNGRA | | | 100,000 | | Renewal | 0% | | | |
| | 907320-3070 | SEWER TREATMENT WORKS - GILGAI | | | 280,000 | | Renewal | 0% | | | |
| | 907320-3100 | SEWER TREATMENT WORKS - INVERELL | | | - | | Renewal | 0% | | | |
| | 907321-3100 | SEWER TREATMENT WORKS - INVERELL | | | 2,327,839 | | Renewal | 1% | | | |
| | 907322-1000 | PUMPING STATIONS-TINGHA POD REPLACEMENT | 50,000 | | 71,019 | | Renewal | 53% | | | |
| | 907270-1000 | PUMPING STATIONS | 90,000 | | 1,464,272 | | Renewal | 0% | | | |
| | 907280-1100 | SEWER INVESTIGATIONS | | | | | Renewal | 0% | | | |
| | | | | | | | | | TOTAL 22/23 UNEXPENDED GRANTS | | - |
| | | | | | | | | | TOTAL IRA FUNDING | | - |
| | | | | | | | | | LOAN FUNDS | | - |
| TOTAL | | | 924,840 | 924,840 | | 5,761,666 | | | TOTAL REVOTES/EQUITY | | 4,834,826 |
| | | | | | | | | | REVENUE FUNDING REQUIRED | | 926,840 |
| WATER | 813220-1100 | MAINS REPLACEMENT - INVERELL | 120,830 | | 120,830 | | Renewal | 0% | CAPITAL WORKS IRA | 813380-6220 | - |
| | 813230-3100 | MINOR MAINS EXTENSIONS-INVERELL | 54,920 | | 65,462 | | New Asset | 10% | | | |
| | 813282-1000 | PUMP STATION UPGRADES | 50,000 | | 267,229 | | Renewal | 16% | | | |
| | 813290-3100 | OTHER EQUIPMENT | 11,220 | | 76,338 | | New Asset | 0% | | | |
| | 813285-1000 | BACKFLOW PREVENTION | 50,000 | | 1,028,750 | | Renewal | 0% | | | |
| | 813260-3100 | TREATMENT PLANTS | 297,840 | | 2,097,770 | | Renewal | 1% | GRANT | 812233-1000 | 32,070 |
| | 813342-1000 | RESERVOIRS CAPITAL UPGRADES | 235,000 | | 667,742 | | Renewal | 0% | | | |
| | 813180-1000 | CAPITAL INFRASTRUCTURE WORKS | 842,000 | | 842,000 | | Renewal | 0% | | | |
| | 813280-3100 | METERING - INVERELL | 75,380 | | 292,698 | | Renewal | 14% | | | |
| | | | | | | | | | TOTAL 22/23 UNEXPENDED GRANTS | | - |
| | | | | | | | | | TOTAL IRA FUNDING | | - |
| | | | | | | | | | TOTAL GRANT / OTHER FUNDING | | 32,070 |
| TOTAL | | | 1,737,190 | 1,737,190 | | 5,458,819 | | | TOTAL REVOTES/EQUITY | | 3,786,517 |
| | | | | | | | | | REVENUE FUNDING REQUIRED | | 1,640,232 |
| ROADS | 135960-3100 | URBAN DRAINAGE RECONSTRUCTION-Construction Costs | 146,770 | | 804,145 | | Renewal | 0% | | | |
| | 138270-1000 | URBAN WORKS PROGRAM | 531,136 | | 531,136 | | Renewal | 2% | | | |
| | 141331-4450 | CBD WORKS | 19,570 | | - | | Renewal | 0% | | | |
| | 142230-1000 | EVANS STREET PRECINT | | | 20,000 | | Renewal | 30% | | | |
| | 160280-1000 | CBD CARPARKING UPGRADES | | | - | | New Asset | 0% | | | |
| | 137561-1000 | BLOCK GRANT WORKS | 722,537 | | 887,637 | | Renewal | 74% | GRANT | 122400-4450 | 722,537 |
| | 138691-1000 | ACRD GRANT WORKS | 2,194,190 | | 4,554,217 | | Renewal | 58% | GRANT | 122760-1000 | 2,194,190 |
| | 138730-4450 | 3x4 GRANT WORKS | 160,000 | | - | | Renewal | 0% | GRANT | 122860-4450 | 160,000 |
| | 139271-1000 | ACTIVE TRANSPORT PROGRAM (PAMP) | 48,690 | | 105,995 | | New Asset | 0% | | | |
| | 138280-1000 | REPAIR PROGRAM WORKS - Total Allocation | 1,089,986 | | 1,779,986 | | Renewal | 64% | GRANT | 122460-1000 | 1,089,986 |
| | 138400-1000 | ROADS TO RECOVERY PROGRAM WORKS | 1,402,055 | | 603,334 | | Renewal | 100% | GRANT | 122880-1000 | 1,402,055 |
| | 139120 | VILLAGES DEVELOPMENT WORKS | 46,480 | | 214,176 | | Renewal | 0% | | | |
| | 139200-1000 | VILLAGES BITUMEN RESEALS | 25,860 | | - | | Renewal | 0% | | | |
| | 139450-1000 | BUSHFIRE PAYMENT-WALKER BRIDGE REPLACEMENT | | | 1,309,597 | | Renewal | 1% | | | |
| | 139460-1000 | FIXING COUNTRY BRIDGES - MATHER BRIDGE REPLACEMENT | | | 4,634,021 | | Renewal | 44% | | | |
| | 139465-1000 | LRCIP3 - MR 73 GILGAI SOUTH REHABILITATION-STAGE 1 | | | 263,395 | | Renewal | 100% | | | |
| | 139469-1000 | MR 73 GILGAI SOUTH REHABILITATION - STAGE 2 | | | 1,665,549 | | Renewal | 31% | | | |
| | 139503-1000 | FIXING LOCAL ROADS - Howell road | | | 39,573 | | Renewal | 23% | | | |

INVERELL SHIRE COUNCIL FINANCIAL RESERVES

| 31 December 2023 | | | | | | | | | |
|--------------------------------------|----------------------------------|--|----------------------------|----------------------|------------------------|--------------------------------|----------------------|------------------------|--------------------------------|
| RESERVE TYPE | FINANCIAL RESERVE | PURPOSE | BALANCE 30/6/2022 \$ | TRANSFER TO \$ | TRANSFER FROM \$ | EST BALANCE 30/6/2023 \$ | TRANSFER TO \$ | TRANSFER FROM \$ | EST BALANCE 30/6/2024 \$ |
| EXTERNALLY RESTRICTED RESERVES | Domestic Waste Management | To fund the development, operation, maintenance and capital expenditure waste collection operations | 1,144,772.26 | 300,088.00 | 450,000.00 | 994,860.26 | 11,044.00 | - | 1,005,904.26 |
| | Water Fund Reserve | To fund the development, operation, maintenance and capital expenditure for Council's water network. | 8,154,530.00 | 681,000.00 | - | 8,835,530.00 | - | - | 8,835,530.00 |
| | Sewerage Services | To fund the development, operation, maintenance and capital expenditure for Council's sewer network | 3,588,498.82 | 250,000.00 | 415,500.00 | 3,422,998.82 | - | - | 3,422,998.82 |
| | TOTAL EXTERNALLY RESTRICTED | | 12,887,801.08 | 1,231,088.00 | 865,500.00 | 13,253,389.08 | 11,044.00 | - | 13,264,433.08 |
| INTERNALLY RESTRICTED RESERVES | Emergency Services Reserve | To ensure that adequate funds are to support emergency service volunteers | 379,359.00 | - | - | 379,359.00 | - | - | 379,359.00 |
| | Building Infrastructure Reserve | To fund the maintenance and capital improvement/ refurbishments of Councils large building assets | 1,079,020.79 | 20,451.00 | 100,000.00 | 999,471.79 | - | - | 999,471.79 |
| | Community Infrastructure Reserve | To fund the maintenance and capital improvement/ refurbishments of Councils community assets | 9,404,263.00 | 4,088,599.00 | 1,720,751.00 | 11,772,111.00 | - | 6,248,959.00 | 5,523,152.00 |
| | Economic Development Reserve | To provide funds for strategic projects, land purchase and development and industry and tourism promotions as included in Councils Community Strategic Plan, Delivery Plan, Operation Plan | 1,225,559.77 | 600,040.00 | 170,000.00 | 1,655,599.77 | - | - | 1,655,599.77 |
| | Transport Infrastructure Reserve | To fund major transport infrastructure projects as identified by Council | 6,050,129.00 | 92,632.00 | 4,169,778.00 | 1,972,983.00 | 100,000.00 | 90,660.00 | 1,982,323.00 |
| | Employee Provisions Reserve | To ensure that adequate funds are available to finance employee entitlements, training and work compensation | 1,962,505.46 | 99,361.00 | - | 2,061,866.46 | - | - | 2,061,866.46 |
| | Information Technology Reserve | To fund the replacement and expansion of existing information technology systems and equipment | 1,739,344.00 | 250,000.00 | - | 1,989,344.00 | - | - | 1,989,344.00 |
| | Plant Replacement Reserve | Cash restricted for use in replacing plant and equipment to enable a continuity of operations to meet the needs and expectations of Council and the community | 2,542,438.00 | 2,119,391.00 | 592,984.00 | 4,068,845.00 | 1,968,000.00 | 2,094,000.00 | 3,942,845.00 |
| | Financial Risk Reserve | To provide funds to mitigate against financial risks including, unanticipated increase insurance, work compensation, decreases in investment returns | 2,323,722.00 | 121,838.00 | 425,000.00 | 2,020,560.00 | - | - | 2,020,560.00 |
| | Waste Management Services | To fund the development, operation, maintenance and capital expenditure for Council's waste management facilities including landfill and transfer stations | 4,614,558.74 | 460,401.00 | 500,000.00 | 4,574,959.74 | 425,000.00 | - | 4,999,959.74 |
| | TOTAL INTERNALLY RESTRICTED | | 31,320,899.76 | 7,852,713.00 | 7,678,513.00 | 31,495,099.76 | 2,493,000.00 | 8,433,619.00 | 25,554,480.76 |
| TOTAL FINANCIAL RESERVES | | 44,208,700.84 | 9,083,801.00 | 8,544,013.00 | 44,748,488.84 | 2,504,044.00 | 8,433,619.00 | 38,818,913.84 | |
| General Fund - Internally Restricted | | 31,320,899.76 | 7,852,713.00 | 7,678,513.00 | 31,495,099.76 | 2,493,000.00 | 8,433,619.00 | 25,554,480.76 | |
| General Fund - Externally Restricted | | 1,144,772.26 | 300,088.00 | 450,000.00 | 994,860.26 | 11,044.00 | - | 1,005,904.26 | |
| Water Fund - Externally Restricted | | 8,154,530.00 | 681,000.00 | - | 8,835,530.00 | - | - | 8,835,530.00 | |
| Sewer Fund - Externally Restricted | | 3,588,498.82 | 250,000.00 | 415,500.00 | 3,422,998.82 | - | - | 3,422,998.82 | |
| | | 44,208,700.84 | 9,083,801.00 | 8,544,013.00 | 44,748,488.84 | 2,504,044.00 | 8,433,619.00 | 38,818,913.84 | |

INVERELL SHIRE COUNCIL DETAILED FINANCIAL RESERVES BALANCES

31 December 2023

| FINANCIAL RESERVE | PURPOSE | BALANCE 30/6/2022 \$ | TRANSFER TO \$ | TRANSFER FROM \$ | BALANCE 30/6/2023 \$ | TRANSFER TO \$ | TRANSFER FROM \$ | ESTIMATED BALANCE 30/6/2024 \$ | COMMENTS |
|--|---|----------------------------|----------------------|------------------------|----------------------------|----------------------|------------------------|---|--|
| EMERGENCY SERVICES RESERVE | | | | | | | | | |
| SES Building | SES Building maintenance and refurbishments | 168,554.00 | | | 168,554.00 | | | 168,554.00 | |
| Emergency Services Equipment | SES and RFS Equipment maintenance and replacement | 210,805.00 | | | 210,805.00 | | | 210,805.00 | |
| | | 379,359.00 | - | - | 379,359.00 | - | - | 379,359.00 | |
| BUILDING INFRASTRUCTURE RESERVE | | | | | | | | | |
| Library Building | Library Building maintenance and Refurbishments | 202,000.00 | | | 202,000.00 | | | 202,000.00 | |
| Connections Building | Connections Building maintenance and Refurbishments | 72,183.61 | | | 72,183.61 | | | 72,183.61 | |
| Town Hall | Town Hall Building maintenance and Refurbishments | 100,000.00 | | | 100,000.00 | | | 100,000.00 | |
| Other Buildings | Other Building maintenance and Refurbishments | 704,837.18 | 20,451.00 | 100,000.00 | 625,288.18 | | | 625,288.18 | Building Maintenance 175,288.00 Refurbish Tingha Toilets 50,000.00 Council Contribution towards new Dog Pound 400,000.00 |
| | | 1,079,020.79 | 20,451.00 | 100,000.00 | 999,471.79 | - | - | 999,471.79 | |
| COMMUNITY INFRASTRUCTURE RESERVE | | | | | | | | | |
| Copeton Northern Foreshores (CNFS) | Maintenance and improvements at CNFS | 267,419.00 | | | 267,419.00 | | | 267,419.00 | |
| Inverell Hockey Facility | Field Resurfacing - Provision for Surface Renewal | 450,000.00 | | 450,000.00 | - | | | - | Transferred to IAC |
| Swimming Pools Upgrade/Fencing | Future Upgrades (includes Transfer from Provisions) | 8,380,514.00 | 3,738,599.00 | 1,235,751.00 | 10,883,362.00 | | 6,248,959.00 | 4,634,403.00 | Included \$1867M transferred from other RA as per Council Resolution, 22/23 S134/27 from additional interest on investments, 22/23 \$640,730 moved to management |
| Open Spaces Upgrades | | 110,000.00 | 350,000.00 | | 460,000.00 | | | 460,000.00 | |
| Aerodrome Upgrade/Mtc | Future capital improvements at Inverell Airport | 196,330.00 | | 35,000.00 | 161,330.00 | | | 161,330.00 | |
| | | 9,404,263.00 | 4,088,599.00 | 1,720,751.00 | 11,772,111.00 | - | 6,248,959.00 | 5,523,152.00 | |
| WASTE MANAGEMENT RESERVE | | | | | | | | | |
| Garbage Depot Land Purchase Etc | Provisions for fund garbage depot land purchases | 261,036.00 | | | 261,036.00 | | | 261,036.00 | |
| Garbage Degradation/Rehab. | Rehabilitation Provisions for waste landfills | 527,475.90 | 150,000.00 | | 677,475.90 | 150,000.00 | | 827,475.90 | |
| Waste Infrastructure | Purchase of waste infrastructure in accordance with Council Waste Implementation Strategy | 3,157,766.84 | 210,401.00 | | 3,368,167.84 | 150,000.00 | | 3,518,167.84 | |
| Waste-Externality Sustainability | | 668,280.00 | 100,000.00 | 500,000.00 | 268,280.00 | 125,000.00 | | 393,280.00 | \$500K transferred to IAC |
| | | 4,614,558.74 | 460,401.00 | 500,000.00 | 4,574,959.74 | 425,000.00 | - | 4,999,959.74 | |
| ECONOMIC DEVELOPMENT RESERVE | | | | | | | | | |
| Land Purchases | Funding for Strategic Land Purchases | 450,000.00 | | 70,000.00 | 380,000.00 | | | 380,000.00 | |
| Industrial Development | Industrial Land Development - Subdivision costs | 287,595.00 | 340,040.00 | | 627,635.00 | | | 627,635.00 | |
| Residential Development | Residential Land Development - Subdivision costs | 7,309.77 | | | 7,309.77 | | | 7,309.77 | |
| Strategic Capital Infrastructure Fund | Residual allocations of Council's Strategic Capital Infrastructure Fund | 4,450.00 | 170,000.00 | | 174,450.00 | | | 174,450.00 | |
| Strategic Development Fund | Funding for strategic projects | 100,611.00 | | | 100,611.00 | | | 100,611.00 | Inverell Community Gardens 65,000.00 |
| General Practitioner (GP) Support Program | Funding to attract new Doctors | 0.00 | 90,000.00 | | 90,000.00 | | | 90,000.00 | |
| Industry/Tourism Promotion | Tourism Brochure, initiatives to support local business | 375,594.00 | | 100,000.00 | 275,594.00 | | | 275,594.00 | \$100K transferred to IAC |
| | | 1,225,599.77 | 600,040.00 | 170,000.00 | 1,655,599.77 | - | - | 1,655,599.77 | |
| TRANSPORT INFRASTRUCTURE RESERVE | | | | | | | | | |
| Road Resumptions | Funding for road resumptions | 20,000.00 | | | 20,000.00 | | | 20,000.00 | |
| Gravel Pit Restoration | Funding for gravel pit rehabilitation | 267,707.00 | 46,316.00 | 56,172.00 | 257,851.00 | 50,000.00 | 45,330.00 | 262,521.00 | |
| Gravel Pit Restoration -Roads | Funding for gravel pit road access rehabilitation | 204,988.00 | 46,316.00 | 56,172.00 | 195,132.00 | 50,000.00 | 45,330.00 | 199,802.00 | |
| Economic Develop/Growth Assets | Gwydir Highway/Mansfield St Intersection | 5,557,434.00 | | 4,057,434.00 | 1,500,000.00 | | | 1,500,000.00 | Gwydir Highway/Mansfield St Intersection 500,000.00 Chester Street Renewal - Heavy vehicle route 1,000,000.00 |
| | Chester Street Renewal - Heavy vehicle route | 6,050,129.00 | 92,632.00 | 4,169,778.00 | 1,972,983.00 | 100,000.00 | 90,660.00 | 1,982,323.00 | |
| EMPLOYEE PROVISIONS RESERVE | | | | | | | | | |
| Employee Training (Statutory) | Provisions for statutory training | 460,795.00 | 99,361.00 | | 560,156.00 | | | 560,156.00 | |
| Employee Leave Entitlements | Restricted - Minimum Statutory Requirement | 1,501,710.46 | | | 1,501,710.46 | | | 1,501,710.46 | |
| | | 1,962,505.46 | 99,361.00 | - | 2,061,866.46 | - | - | 2,061,866.46 | |
| INFORMATION TECHNOLOGY RESERVE | | | | | | | | | |
| Computer/IT Systems Upgrades | Replacement of key IT equipment and essential Software upgrades/replacements | 1,739,344.00 | 250,000.00 | | 1,989,344.00 | | | 1,989,344.00 | |
| FLEET REPLACEMENT RESERVE | | | | | | | | | |
| Plant Replacement | Plant Fleet Asset Renewals, new truck wash and fleet storage shed | 2,542,438.00 | 2,119,391.00 | 592,984.00 | 4,066,845.00 | 1,968,000.00 | 2,094,000.00 | 3,942,845.00 | |
| FINANCIAL RISK RESERVE | | | | | | | | | |
| Workers Comp Insurance | Provisions for increase in workers compensation base on claims history | 857,301.00 | 86,838.00 | 200,000.00 | 744,139.00 | | | 744,139.00 | \$200K Transferred to IAC |
| Insurance Excess/Self Insurance | Provision for increases in insurance | 209,848.00 | | | 209,848.00 | | | 209,848.00 | |
| Interest Equalisation | Provision to fund unanticipated movements in interest rates | 827,737.00 | | | 827,737.00 | | | 827,737.00 | |
| Local Government Elections | Provision to fund Local Government Elections | 42,970.00 | 35,000.00 | | 77,970.00 | | | 77,970.00 | |
| Emergency Services Levy | Provision for increases in Emergency Services Levy | 160,866.00 | | | 160,866.00 | | | 160,866.00 | |
| Emergency Management (Fire, Flood, Storm) | Council Contribution towards natural disasters | 225,000.00 | | 225,000.00 | - | | | - | |
| | | 2,323,722.00 | 121,838.00 | 425,000.00 | 2,020,560.00 | - | - | 2,020,560.00 | |
| FUND TOTAL INTERNALLY RESTRICTED FUNDS | | 31,320,899.76 | 7,862,713.00 | 7,678,513.00 | 31,495,099.76 | 2,493,000.00 | 8,433,619.00 | 25,554,480.76 | |
| DOMESTIC WASTE MANAGEMENT | | | | | | | | | |
| Domestic Waste Management | Restricted - Statutory Requirement | 1,144,772.26 | 300,088.00 | 450,000.00 | 994,860.26 | 11,044.00 | | 1,005,904.26 | Replacement of Garbage Bins and Implementation of FOGO service |
| DOMESTIC WASTE MANAGEMENT FUND TOTAL | | 1,144,772.26 | 300,088.00 | 450,000.00 | 994,860.26 | 11,044.00 | - | 1,005,904.26 | |
| WATER FUND RESERVE | | | | | | | | | |
| Employee Leave Entitlements | Restricted - Statutory Requirement | 130,000.00 | | | 130,000.00 | | | 130,000.00 | |
| Equipment Breakdown | Promoting Better Practice Recommendation | 534,446.00 | | | 534,446.00 | | | 534,446.00 | |
| Revenue Equalisation | Best Practice Guidelines - Funds movements in water sales | 1,876,763.00 | | | 1,876,763.00 | | | 1,876,763.00 | |
| Interest Equalisation | Interest equalisation reserve - Funds moves in interest rates | 409,251.00 | | | 409,251.00 | | | 409,251.00 | |
| Future Capital Works | Water augmentation and mains replacement | 5,204,070.00 | 681,000.00 | - | 5,885,070.00 | | | 5,885,070.00 | |
| WATER FUND TOTAL | | 8,154,530.00 | 681,000.00 | - | 8,835,530.00 | - | - | 8,835,530.00 | |
| SEWERAGE SERVICES | | | | | | | | | |
| Employee Leave Entitlements | Restricted - Statutory Requirement | 67,000.00 | | | 67,000.00 | | | 67,000.00 | |
| Interest Equalisation | Interest equalisation reserve - Funds moves in interest rates | 304,734.00 | | | 304,734.00 | | | 304,734.00 | |
| Equipment Breakdown | Promoting Better Practice Recommendation | 327,064.82 | | | 327,064.82 | | | 327,064.82 | |
| Future Capital Works | Inverell Sewer Treatment Plant and Pump Station 1 renewal and mains relining | 2,889,700.00 | 250,000.00 | 415,500.00 | 2,724,200.00 | | | 2,724,200.00 | |
| SEWER FUND TOTAL | | 3,588,498.82 | 250,000.00 | 415,500.00 | 3,422,998.82 | - | - | 3,422,998.82 | |
| FUND TOTAL EXTERNALLY RESTRICTED FUNDS | | 12,887,801.08 | 1,231,088.00 | 865,500.00 | 13,253,389.08 | 11,044.00 | 0.00 | 13,264,433.08 | |
| TOTAL OF ALL RESTRICTED FUNDS | | 44,208,700.84 | 9,083,801.00 | 8,544,013.00 | 44,748,488.84 | 2,504,044.00 | 8,433,619.00 | 38,818,913.84 | |
| These funds are held as Cash and Investments, primarily as Term Deposits | | | | | | | | | |

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-12-2023
CONTRACTS

| Contractor | Contract Details & purpose | Contract Value | Commencement Date | Duration of Contract | Budgeted (Y/N) |
|---|--|----------------|-------------------|----------------------|----------------|
| | | | | | |
| FLEET PURCHASES | | | | | |
| Tait Hino (Inverell) | Tipper Truck - Hino FM2632 (Unit 9527) | \$ 216,746.00 | 15/12/2023 | 3 Months | Y |
| Westrac Pty Ltd | Backhoe Loader - Caterpillar 432 (Unit 9033) | \$ 233,725.68 | 15/12/2023 | 3 Months | Y |
| Double R Trucks | Prime Mover - Western Star 48X DD16 (Unit 9548) | \$ 362,877.69 | 15/12/2023 | 3 Months | Y |
| RDO Equipment Pty Ltd | Mowers x 3 - John Deere 1570 (72" Decks) | \$ 132,800.00 | 15/12/2023 | 3 Months | Y |
| Servco Australia Tamworth Pty Ltd- (New England Toyota) | Toyota Kluger Hybrid-GXL AWD 2.5L Auto CVT Wagon | \$ 63,587.96 | 27/10/2023 | 3 Months | Y |
| Gaukrogers Sales Pty Ltd | Isuzu D-Max MY23 - 4x4 Space Cab - 3L | \$ 51,198.08 | 15/11/2023 | 3 Months | Y |
| Inverell Motors Pty Ltd (Inverell Ford) | Ford Ranger XL - 4x4 Cab | \$ 53,698.00 | 7/12/2023 | 3 Months | Y |
| Gaukrogers Sales Pty Ltd | Isuzu D-Max MY23 - 4x4 Crew Cab - 3L | \$ 53,025.54 | 15/12/2023 | 3 Months | Y |
| Inverell Power Farm | Tractor - New Holland FWD Cab T6020 Plus 112HP | \$ 168,300.00 | 12/10/2023 | 3 Months | Y |
| | | | | | |
| | | | | | |
| Aquatec Maxcon Pty Ltd | Inverell Sewer Treatment Plant Aeration System Upgrade | \$ 961,106.00 | 22/11/2023 | 12 Months | Y |
| | | | | | |

- Notes
- 1. Minimum reporting level is 1% of estimated income from continuing operations or \$50,000 whichever is the lesser
 - 2. Contractors to be listed are those entered into during the quarter and have yet to be fully performed, excluding contractors that are on Council's Preferred supplier list.
 - 3. Contracts for employment are not included

Explanation of Unbudgeted Contracts

No unbudgeted contracts as at 31st December 2023

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-12-2023
CONSULTANCY & LEGAL EXPENSES

| EXPENSE | EXPENDITURE YTD | BUDGETED (Y/N) |
|-------------------------------------|-----------------|----------------|
| | | |
| CONSULTANCIES | | |
| - Heritage Advisor | 4,500.00 | Y |
| - Investment Advisor | 2,499.96 | Y |
| - Inverell Aquatic Centre | 7,474.50 | Y |
| - Waste Management | 3,261.25 | Y |
| - Senior Staff Recruitment | 24,906.88 | Y |
| - Lake Inverell (Dam Safety Review) | 30,000.00 | Y |
| | | |
| LEGAL FEES | 15,149.02 | Y |

Definition of Consultant
A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level special or professional advice to assist decision making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors

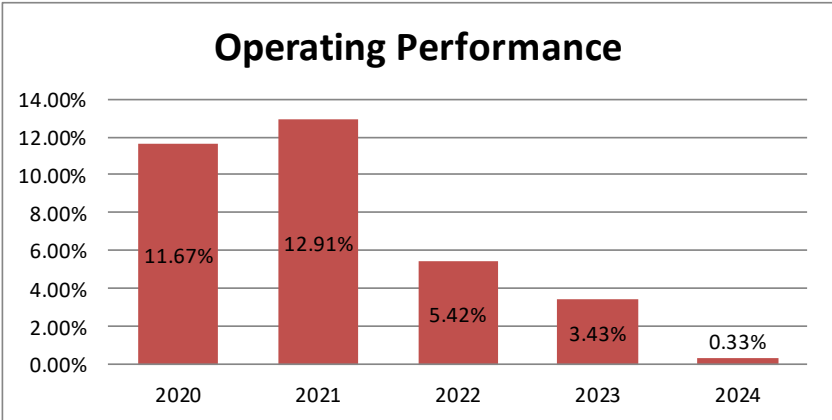
Explanation of Unbudgeted Consultancy & Legal Fees

No unbudgeted Consultancy or Legal Fees as at 31st December 2023

INVERELL SHIRE COUNCIL

BUDGET REVIEW FOR THE QUARTER ENDING 31-12-2023

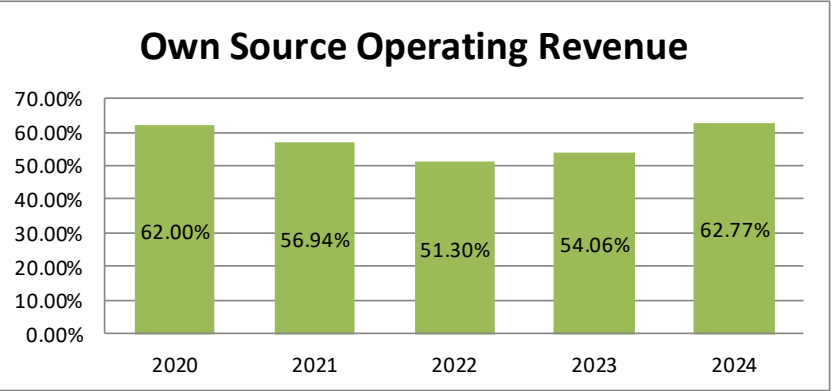
KEY PERFORMANCE INDICATORS



The **Operating Performance Ratio** indicates that Council operating revenue, excluding capital grants and contributions are sufficient to cover operating expenditure. Council has exceeded both the benchmarks listed below

The Tcorp benchmark for the ratio is to have a deficit of less than 4%.

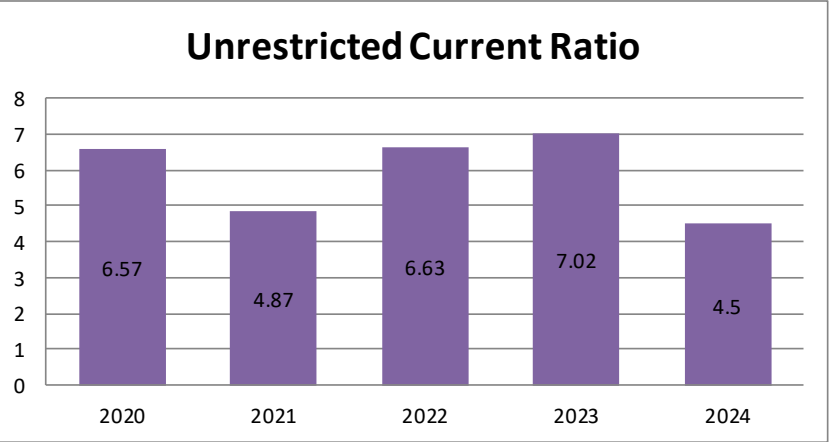
The "fit for the future" benchmark is that council should have a breakeven or better operating performance ratio over a three year period.



The **Own Source Operating Revenue** indicates that Council has a low dependence on grants and contributions. Council has exceeded both the benchmarks listed below

The Tcorp benchmark for sustainability is to have a ratio of greater than 60%

The "fit for the future" benchmark is that councils should have own source revenue of greater than 60% over a three year period.

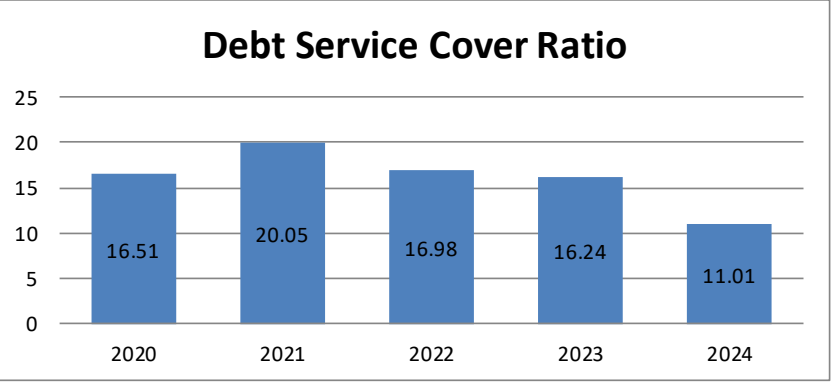


The **Unrestricted Current Ratio** excludes all current assets and liabilities that are restricted for specific purposes. These include the water, sewer, domestic waste management functions and specific purpose unexpended grants and contributions

This ratio is before setting aside cash to fund internal restrictions in the General Fund.

The Tcorp benchmark is greater than 1.5

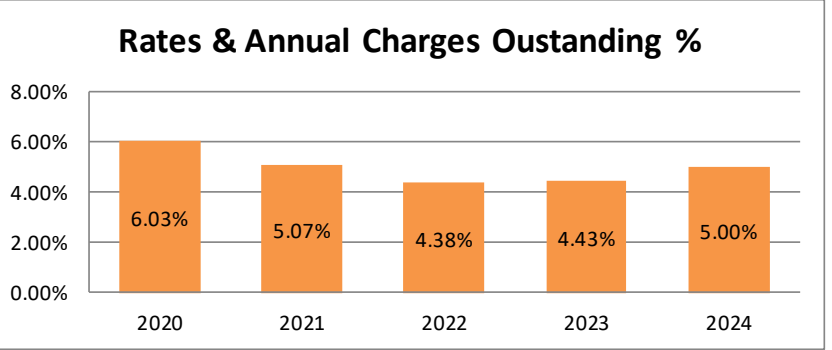
The increase in 2023 was primarily due to an increase in current investments held



The **Debt Service Ratio** indicates the extent to which council's operating revenues are committed to servicing both interest and the repayment of principal repayments on existing loans.

Council's ability to generate sufficient cash to cover its debt payments is sound and is in excess of Tcorp benchmark.

The Tcorp benchmark is to have a ratio of greater than 2.

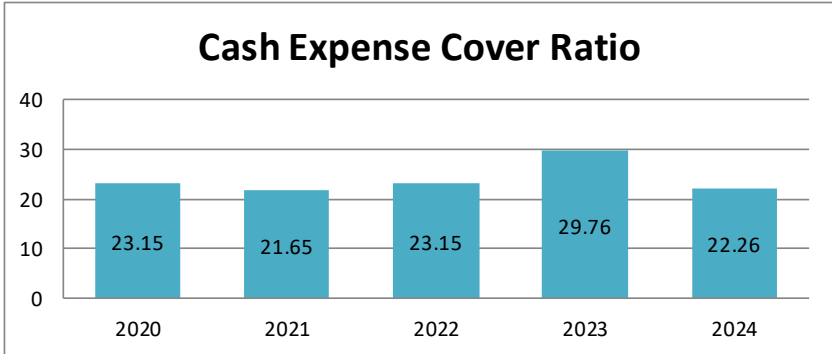


The **Outstanding Rates Ratio** indicates the percentage of uncollected rates and charges and the adequacy of recovery efforts.

Council's ratio remains at a low level and is within benchmarks for group 11 Councils and reflects good recovery procedures as advised by Councils Auditor

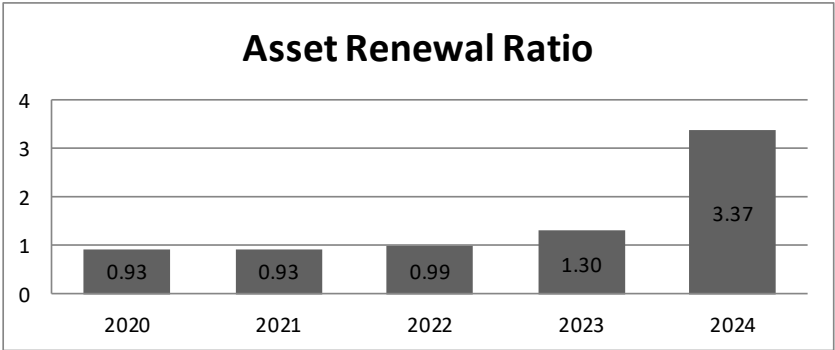
The Tcorp benchmark is to have a ratio of less than 10%

INVERELL SHIRE COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDING 31-12-2023
KEY PERFORMANCE INDICATORS



The **Cash Expense Cover Ratio** indicates the number of months Council can pay its expenses without additional cash flow.

The Tcorp benchmark is to have reserves to meet at least three months of operating expenditure

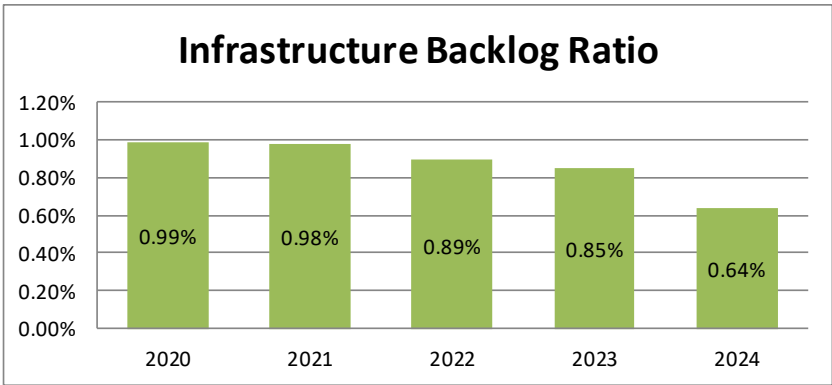


The **Asset Renewal Ratio** indicates the rate at which assets are being renewed against the rate they are being depreciated.

Council's ratio indicates that Council is expending more on asset renewals compared to the estimated asset deterioration (depreciation) across the General, Water and Sewerage Funds. This is largely due to the quantum of grant funded works being undertaken on the Shire Road Network.

The Tcorp benchmark is to have a ratio of greater than 1.

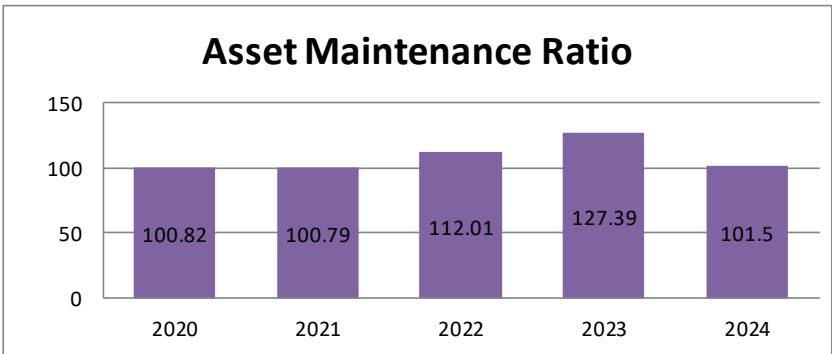
The "fit for the future" benchmark is that councils should have a ratio of greater than 1 over a three year period



The **Infrastructure Backlog Ratio** assess Council infrastructure backlog against the total value of councils infrastructure.

The Tcorp benchmark is a ratio of less than 20%.

The "fit for the future" benchmark is less than 2%



The **Asset Maintenance Ratio** compares actual asset maintenance expenses against the estimated asset maintenance required for each year.

The Tcorp benchmark is a ratio of greater than 1

The "fit for the future" benchmark is greater than 1

6.2 AUDIT ARRANGEMENTS FOR THE YEAR-ENDING 30 JUNE 2024 AND BEYOND

File Number: S12.2.1/17 / 24/3612

Author: Paul Pay, Director Corporate and Community Services

SUMMARY:

Council has received correspondence from the NSW Audit Office advising that the Auditor-General for NSW has appointed Forsyths to conduct the audit of Inverell Shire Council's financial statements for the years ending 30 June 2024 to 30 June 2026, with an option to extend for up to a further two years.

The Committee is requested to determine if a letter should be written to the NSW Audit Office expressing Council's disappointment in the significant increase in audit fees when compared to our "Rate Peg" increase.

RECOMMENDATION:

That the Committee determine if a letter should be written to the NSW Audit Office expressing Council's disappointment with respect to the significant increase in audit fees.

COMMENTARY:

Council has received correspondence from the NSW Audit Office advising that the Auditor-General for NSW has appointed Forsyths to conduct the audit of Inverell Shire Council's financial statements for the years ending 30 June 2024 to 30 June 2026, with an option to extend for up to a further two years (**Attachment 1**).

The NSW Audit Office recently completed a competitive, open tender process inviting audit firms to tender for Council's audit (and other surrounding councils).

Forsyths were the successful tenderer and have been appointed as the Audit Office's Audit Service Provider (ASP) under section 422(2) of the *Local Government Act 1993*, and will continue performing the audits for years ending 30 June 2024 to 30 June 2026, with an option to extend for up to a further two years.

Michael Kharzoo, Director - Financial Audit, NSW Audit Office indicated that private sector audit firms are pricing the cost of audits at a higher amount than previous years, mainly due to the increase in costs post COVID.

Forsyths have completed Council's external audit function for over 20 years prior to the appointment of the NSW Audit Office. Forsyths last completed Council's audit under contract in 2015/2016 for \$27,000. The table below shows the audit fee has increased significantly from 2016/2017 after the appointment of the NSW Audit Office.

Since the appointment of the NSW Audit Office, audit fees have increase significantly more than increase in revenue as limited by "Rate Peg". As shown in the table below, the most recent increase of \$23,940 or 40.81% is significantly higher than our 3.7% "Rate Peg".

The Committee is asked to determine if a letter should be written to the NSW Audit Office expressing Council's disappointment with the significant increase in audit fees.

AUDIT FEES

| Year | Audit Fee | Increase | % Increase | Rate Peg | Comment |
|-----------|--------------|--------------|------------|----------|--|
| 2015/2016 | \$ 27,000.00 | | | | Last audit Completed by Forsyth's under contract |
| 2016/2017 | \$ 44,240.00 | \$ 17,240.00 | 63.85% | 1.8% | First year of NSW Audit Office |
| 2017/2018 | \$ 46,700.00 | \$ 2,460.00 | 5.56% | 1.5% | |
| 2018/2019 | \$ 47,800.00 | \$ 1,100.00 | 2.36% | 2.3% | |
| 2019/2020 | \$ 48,995.00 | \$ 1,195.00 | 2.50% | 2.7% | |
| 2020/2021 | \$ 49,387.00 | \$ 392.00 | 0.80% | 2.5% | the initial rate peg was 0.7% |
| 2021/2022 | \$ 55,492.00 | \$ 6,105.00 | 12.36% | 2.0% | |
| 2022/2023 | \$ 58,660.00 | \$ 3,168.00 | 5.71% | 2.5% | |
| 2023/2024 | \$ 82,600.00 | \$ 23,940.00 | 40.81% | 3.7% | |

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Council's 2023/2024 budget for Audit Fees is \$66,110, which will result in a short fall of \$16,490. A budget variation will be included in the March 2024 Quarterly Budget Review to allocate additional funding to audit fees.

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

1. Audit Arrangements for the Year-Ending 30 June 2024 and Beyond [↓](#)

OFFICIAL



Mr Brett McInnes
General Manager
Inverell Shire Council
brett.mcinnnes@inverell.nsw.gov.au

Contact: Michael Kharzoo
Phone no: 02 9275 7188
Our ref: R008-16585809-50226

30 January 2024

Dear Mr McInnes

Audit arrangements for the year-ending 30 June 2024 and beyond

The purpose of this letter is to inform you that the Auditor-General for NSW has appointed Forsyths to conduct the audit of Inverell Shire Council's financial statements for the years ending 30 June 2024 to 30 June 2026, with an option to extend for up to a further two years. The appointment of Forsyths follows a competitive open tender process conducted by the Audit Office.

Forsyths has been appointed as the Audit Office's Audit Service Provider (ASP) under section 422(2) of the *Local Government Act 1993*. While Forsyths has been appointed to conduct the audit, overall responsibility for the audit and the signing of the independent auditor's report remains with the Audit Office. We will be overseeing the conduct and the quality of the audit to ensure it complies with professional requirements and Audit Office methods and policies.

Private sector audit firms are pricing the cost of the audit at an amount higher than last year's audit fee. Before agreeing to Forsyths' fee, we carefully analysed it to be satisfied that it was reasonable and commensurate with professional requirements and the specific factors unique to your audit, including risks, financial reporting maturity, systems and governance arrangements.

The Audit Office sets its fees to ensure the audit is conducted in accordance with Australian Auditing Standards. As an independent agency, our financial audits are conducted on a cost recovery basis and are not subsidised. As discussed, we anticipate the audit fee for next year's audit will be \$82,600 (excluding any out of scope work).

Shortly Forsyths and the Audit Office representative will reach out to you and your finance team to start planning for the 2023–24 audit. This will be an opportunity to further discuss the new arrangements, as well as discuss the key matters and risks that may impact next year's audit. We plan to issue our Annual Engagement Plan, which will contain detailed information regarding the 2023–24 audit, in February/March 2024.

In the interim, should you require any further information about the new arrangements, please call me on 9275 7188 or via email at michael.kharzoo@audit.nsw.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "M. Kharzoo".

Michael Kharzoo

Director, Financial Audit

Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney NSW 2000
GPO Box 12, Sydney NSW 2001 | t 02 9275 7100 | mail@audit.nsw.gov.au | audit.nsw.gov.au

OFFICIAL

6.3 GOVERNANCE - MONTHLY INVESTMENT REPORT**File Number:** S12.12.2 / 24/3809**Author:** Paul Pay, Director Corporate and Community Services**SUMMARY:**

To report the balance of investments held as at 31 January, 2024.

RECOMMENDATION:

The Committee recommends to Council that:

- i) the report indicating Council's Fund Management position be received and noted; and*
- ii) the Certification of the Responsible Accounting Officer be noted.*

COMMENTARY:

Contained within this report are the following items that highlight Council's Investment Portfolio performance for the month to 31 January, 2024 and an update of the investment environment:

- (a) Council's Investments as at 31 January, 2024;
- (b) Council Investments by Fund as at 31 January, 2024;
- (c) Interest – Budgeted vs. Actual;
- (d) Investment Portfolio Performance;
- (e) Investment Commentary; and
- (f) Certification – Responsible Accounting Officer.

A) Council Investments as at 31 January, 2024

| Term Deposit Investment Group | | | | | | | | | | | |
|-------------------------------|--|---------|---------|-------------|--------------------|---------------|---------------|---------------|-------------------|-------------------|-------------|
| Investment | Borrower | FUND | Rating | Risk Rating | Interest Frequency | Purchase Date | Maturity Date | Current Yield | Principal Value | Current value | Term (days) |
| 23/21 | Commonwealth Bank | Sewer | AA | 2 | Annually | 27-Feb-23 | 27-Feb-24 | 5.06% | 2,000,000 | 2,000,000 | 365 |
| 23/36 | Bendigo & Adelaide | General | BBB | | Maturity | 31-May-23 | 29-Feb-24 | 5.00% | 1,500,000 | 1,500,000 | 274 |
| 22/20 | MyState Bank | General | BBB | | Maturity | 02-Mar-22 | 04-Mar-24 | 1.70% | 2,000,000 | 2,000,000 | 733 |
| 22/21 | Bank of Queensland | General | BBB+ | 2 | Quarterly | 02-Mar-22 | 04-Mar-24 | 1.70% | 1,000,000 | 1,000,000 | 733 |
| 23/22 | AMP BANK | General | BBB+ | 2 | Annually | 20-Mar-23 | 20-Mar-24 | 4.80% | 1,000,000 | 1,000,000 | 366 |
| 23/23 | Bank of Sydney | Water | BBB+ | | Maturity | 20-Mar-23 | 20-Mar-24 | 4.85% | 1,500,000 | 1,500,000 | 366 |
| 21/11 | ICBC - Industrial and Commercial Bank of China | Water | A | 1 | Annually | 26-Mar-21 | 26-Mar-24 | 0.82% | 2,000,000 | 2,000,000 | 1096 |
| 23/43 | MyState Bank | General | BBB+ | | Maturity | 28-Jun-23 | 28-Mar-24 | 5.60% | 2,000,000 | 2,000,000 | 274 |
| 23/30 | Police Credit Union | General | Unrated | | Maturity | 08-May-23 | 08-May-24 | 4.85% | 1,000,000 | 1,000,000 | 366 |
| 23/37 | Suncorp | General | A+ | | Maturity | 31-May-23 | 30-Apr-24 | 4.96% | 2,000,000 | 2,000,000 | 335 |
| 23/29 | Police Credit Union | Water | Unrated | | Maturity | 08-May-23 | 08-May-24 | 4.85% | 1,000,000 | 1,000,000 | 366 |
| 23/31 | AMP BANK | General | BBB+ | 2 | Annually | 25-May-23 | 27-May-24 | 5.15% | 1,000,000 | 1,000,000 | 368 |
| 23/38 | ING Bank | General | A | | Maturity | 31-May-23 | 30-May-24 | 5.10% | 1,500,000 | 1,500,000 | 365 |
| 23/32 | AMP BANK | General | BBB+ | 2 | Annually | 25-May-23 | 27-May-24 | 5.15% | 1,000,000 | 1,000,000 | 368 |
| 23/39 | Suncorp | Sewer | A | 1 | Maturity | 07-Jun-23 | 07-Jun-24 | 5.26% | 1,000,000 | 1,000,000 | 366 |
| 23/40 | Australian Unity Bank | General | BBB+ | | Annually | 20-Jun-23 | 20-Jun-24 | 5.60% | 1,500,000 | 1,500,000 | 366 |
| 23/45 | National Australia Bank | Water | AA- | 1 | Annually | 29-Jun-23 | 28-Jun-24 | 5.45% | 2,000,000 | 2,000,000 | 365 |
| 23/41 | National Australia Bank | Water | AA- | 1 | Annually | 28-Jun-23 | 28-Jun-24 | 5.55% | 1,000,000 | 1,000,000 | 366 |
| 24/02 | Bank of Sydney | General | Unrated | 1 | Annually | 27-Jul-23 | 29-Jul-24 | 5.45% | 2,000,000 | 2,000,000 | 368 |
| 24/01 | AMP BANK | General | BBB | 1 | Annually | 27-Jul-23 | 29-Jul-24 | 5.55% | 2,000,000 | 2,000,000 | 368 |
| 24/04 | Police Credit Union | General | Unrated | | Maturity | 08-Aug-23 | 08-Aug-24 | 5.35% | 1,000,000 | 1,000,000 | 366 |
| 22/03 | National Australia Bank | General | AA- | 1 | Annually | 27-Aug-21 | 27-Aug-24 | 0.85% | 2,000,000 | 2,000,000 | 1096 |
| 24/05 | National Australia Bank | General | AA- | | Maturity | 29-Aug-23 | 29-Aug-24 | 5.24% | 1,500,000 | 1,500,000 | 366 |
| 24/03 | Police Credit Union | General | Unrated | | Maturity | 04-Aug-23 | 06-Aug-24 | 5.35% | 1,000,000 | 1,000,000 | 368 |
| 24/06 | National Bank Australia | General | BBB+ | | Maturity | 07-Sep-23 | 09-Sep-24 | 5.23% | 2,000,000 | 2,000,000 | 368 |
| 24/07 | National Australia Bank | General | AA | 2 | Annually | 13-Sep-23 | 13-Sep-24 | 5.24% | 1,000,000 | 1,000,000 | 366 |
| 24/08 | National Australia Bank | General | AA- | 1 | Maturity | 13-Sep-23 | 13-Sep-24 | 5.24% | 2,000,000 | 2,000,000 | 366 |
| 24/09 | National Australia Bank | General | AA- | 1 | Maturity | 13-Sep-23 | 13-Sep-24 | 5.24% | 2,000,000 | 2,000,000 | 366 |
| 24/10 | NAB | Water | AA- | | Annually | 20-Sep-23 | 20-Sep-24 | 5.30% | 1,000,000 | 1,000,000 | 366 |
| 24/11 | NAB | Sewer | AA- | | Annually | 20-Sep-23 | 20-Sep-24 | 5.30% | 1,000,000 | 1,000,000 | 366 |
| 24/13 | ING Bank | General | A | | Annually | 07-Oct-23 | 07-Oct-25 | 5.30% | 2,000,000 | 2,000,000 | 731 |
| 24/14 | National Australia Bank | General | AA- | 1 | Annually | 06-Oct-23 | 08-Oct-24 | 5.25% | 1,000,000 | 1,000,000 | 368 |
| 23/11 | ING Bank | General | A | | Quarterly | 05-Oct-22 | 08-Oct-24 | 4.75% | 2,000,000 | 2,000,000 | 734 |
| 24/12 | NAB | Sewer | AA- | | Quarterly | 05-Oct-23 | 08-Oct-24 | 5.27% | 1,500,000 | 1,500,000 | 369 |
| 24/15 | Westpac Bank | General | AA- | | Quarterly | 19-Oct-23 | 21-Oct-24 | 5.30% | 2,000,000 | 2,000,000 | 368 |
| 24/16 | Westpac Bank | General | AA- | 1 | Annually | 25-Oct-23 | 25-Oct-24 | 5.34% | 2,000,000 | 2,000,000 | 366 |
| 24/17 | Westpac Bank | General | AA- | 1 | Annually | 27-Nov-23 | 27-Nov-24 | 5.47% | 1,000,000 | 1,000,000 | 366 |
| 24/18 | AMP BANK | General | BBB+ | 2 | Maturity | 27-Nov-23 | 27-Nov-24 | 5.50% | 2,000,000 | 2,000,000 | 366 |
| 24/19 | AMP BANK | Water | BBB | | Annually | 27-Nov-23 | 27-Nov-24 | 5.50% | 1,000,000 | 1,000,000 | 366 |
| 24/20 | Australian Unity Bank | General | BBB | 2 | Annually | 27-Nov-23 | 27-Nov-24 | 5.47% | 1,000,000 | 1,000,000 | 366 |
| 24/21 | Auswide Bank | General | BBB | | Maturity | 29-Nov-23 | 29-Nov-24 | 5.67% | 1,500,000 | 1,500,000 | 366 |
| 24/22 | BankVic | General | A | 1 | Annually | 04-Dec-23 | 04-Dec-24 | 5.45% | 2,000,000 | 2,000,000 | 366 |
| 24/23 | Bank of Sydney | General | NR | | Annually | 07-Dec-23 | 07-Dec-24 | 5.46% | 2,000,000 | 2,000,000 | 366 |
| 24/27 | ING Bank | Sewer | A | | Annually | 24-Jan-24 | 24-Jan-25 | 5.22% | 1,000,000 | 1,000,000 | 366 |
| 24/28 | ING Bank | Water | A | | Annually | 24-Jan-24 | 24-Jan-25 | 5.22% | 1,000,000 | 1,000,000 | 366 |
| 24/25 | ING Bank | General | A | | Annually | 23-Jan-24 | 23-Jan-26 | 5.02% | 1,500,000 | 1,500,000 | 731 |
| 24/26 | ING Bank | General | A | | Annually | 24-Jan-24 | 24-Jan-25 | 5.22% | 2,000,000 | 2,000,000 | 366 |
| 23/26 | Auswide Bank | General | BBB | | Monthly | 24-Mar-23 | 24-Mar-25 | 4.80% | 1,000,000 | 1,000,000 | 731 |
| 23/24 | Auswide Bank | Water | BBB | | Monthly | 24-Mar-23 | 24-Mar-25 | 4.80% | 1,000,000 | 1,000,000 | 731 |
| 24/24 | Suncorp | General | A | 1 | Annually | 19-Jan-24 | 19-Jan-26 | 5.05% | 2,000,000 | 2,000,000 | 731 |
| 24/29 | ING Bank | General | A | | Annually | 24-Jan-24 | 27-Jan-26 | 5.02% | 1,000,000 | 1,000,000 | 734 |
| 21/13 | ICBC - Industrial and Commercial Bank of China | Water | A | 1 | Annually | 27-May-21 | 27-May-26 | 1.40% | 1,000,000 | 1,000,000 | 1826 |
| 21/14 | ICBC - Industrial and Commercial Bank of China | Sewer | A | 1 | Annually | 27-May-21 | 27-May-26 | 1.40% | 1,000,000 | 1,000,000 | 1826 |
| 21/15 | ICBC - Industrial and Commercial Bank of China | General | A | 1 | Annually | 27-May-21 | 27-May-26 | 1.40% | 1,000,000 | 1,000,000 | 1826 |
| | | | | | | | | TOTALS | 79,000,000 | 79,000,000 | |

| Cash Deposit Accounts | | | | | | | | | | | |
|--|-------------------|---------|--------|-------------|---------|---------------|---------------|---------------|-------------------|---------------------|----------|
| As at Date | Borrower | FUND | Rating | Risk Rating | | Purchase Date | Maturity Date | Current Yield | Value at beg year | Current value | Term |
| 31/01/2024 | Commonwealth Bank | General | A | 1 | | 31/1/2024 | | 0.00% | | 1,194.89 | |
| 31/01/2024 | Nab At Call | General | AA- | 1 | Monthly | 31/1/2024 | | 4.25% | 6,000,000 | 6,008,096.40 | |
| Sub Total - Cash Deposit Accounts | | | | | | | | | | 6,009,291.29 | - |

B) Council Investments by Fund 31 January, 2024

| Portfolio by Fund | 31/12/2023 | 31/01/2024 |
|-------------------|---------------------|---------------------|
| General Fund | \$60,130,653 | \$63,009,291 |
| Water Fund | \$14,141,722 | \$14,500,000 |
| Sewer Fund | \$8,083,758 | \$7,500,000 |
| TOTAL | \$82,356,133 | \$85,009,291 |

Council's investment portfolio increased throughout January 2024 by \$2,653,158. This was in respect of normal cash flow movements for receipts collected and payments made during January 2024 and investing grant monies received during December and January.

Interest – Budgeted verses Actual Result to Date

| | Ledger | 2023/2024 Budget \$ | Actuals to Date \$ | Accrued Interest to Date \$ | TOTAL \$ |
|--------------|--------|---------------------------|--------------------------|-----------------------------------|------------------|
| General Fund | 128820 | 884,000 | 705,052 | 952,836 | 1,657,888 |
| Water Fund | 812350 | 182,000 | 81,731 | 218,111 | 299,842 |
| Sewer Fund | 906320 | 130,000 | 58,715 | 125,600 | 184,315 |
| TOTAL | | 1,196,000 | 845,498 | 1,296,547 | 2,142,045 |

Term deposit interest rates have improved recently with a 12-month term deposit now yielding 4-50 – 4.9%. Given our strong investment balances, Council is expected to exceed interest revenue targets in 2023/2024. This additional interest received during 2023/2024 will be allocated to special projects during 2024/2025.

C) Investment Portfolio Performance

| Investment Portfolio Return | | Benchmarks | | |
|-----------------------------|-------|---------------|-----------------------|-------------------|
| | % pa | RBA Cash Rate | Aus Bond Bank Bill | 11am Cash Rate |
| Benchmark as at 31-1-2024 | | 4.35% | 4.35% | 4.35% |
| Term Deposits | 4.72% | | | |
| Cash Deposit Accounts | 4.10% | | | |
| 180 Day Call Account | 0.00% | | | |
| Floating Rate Notes | 0.00% | | | |

D) Investment Commentary

Council's investment portfolio returns exceeded the above benchmarks in all investment categories except for Council's cash deposit accounts. These accounts are held for liquidity purposes.

Council's investment portfolio of \$85M is almost entirely invested in fixed term deposits. Overall, the portfolio is highly liquid, highly rated and short-dated from a counterparty perspective.

Certification – Responsible Accounting Officer

I Paul Pay, hereby certify that the investments listed in this report have been made in accordance with Section 625 of the *Local Government Act 1993*, Clause 212 of the Local Government (General) Regulations 2005 and Council's Investment Policy.

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Council's term deposit portfolio was yielding 4.72% p.a. at month-end, with a weighted average duration of around 241 days or 8.03 months. Council is well positioned to take advantage of increasing term deposit rates as investments mature.

LEGAL IMPLICATIONS:

Nil

ATTACHMENTS:

Nil

6.4 AUDIT, RISK AND IMPROVEMENT COMMITTEE - TERMS OF REFERENCE

File Number: S4.11.21/02 / 24/3826

Author: Paul Pay, Director Corporate and Community Services

SUMMARY:

On 1 December, 2023 the State Government adopted the *Guidelines for Risk Management and Internal Audit for Local Government in NSW*. These guidelines require Council to adopt Terms of Reference (Charter) which give consideration to the provided model terms of reference. The Committee is asked to adopt the new Terms of Reference as presented.

RECOMMENDATION:

That the Committee recommend to Council the adoption of the proposed Audit, Risk and Improvement Committee Terms of Reference.

COMMENTARY:**SUMMARY:**

On 1 December, 2023 the State Government adopted by regulation the *Guidelines for Risk Management and Internal Audit for Local Government in NSW*. A copy of the *Local Government (General) Amendment (Audit, Risk and Improvement Committee) Regulation 2023* is attached (**Attachment 1**).

A copy of the adopted *Guidelines for Risk Management and Internal Audit for Local Government in NSW* can be found at:

<https://www.olg.nsw.gov.au/councils/governance/risk-management-audit-and-internal-controls/risk-management-and-internal-audit-framework-for-local-councils-in-nsw/>

These guidelines require Council to adopt Terms of Reference which give consideration to the provided model terms of reference. ARIC has reviewed the model terms of reference and has recommended to Council that the model terms of reference be adopted.

A copy of Council's current Audit, Risk and Improvement Committee Charter is attached for your reference (**Attachment 2**).

The proposed new Audit, Risk and Improvement Committee Terms of Reference is attached for consideration (**Attachment 3**).

The proposed Terms of Reference is similar to Council's current Charter except it is far more prescriptive. The proposed Terms of Reference has the following differences:

1. Includes a new section on "Independence".

The committee is to be independent to ensure it has no real or perceived bias or conflicts of interest that may interfere with its ability to act independently and to provide Council with robust, objective and unbiased advice and assurance.

2. Composition and tenure

Our current Charter prescribes the following membership:

- One Councillor (excluding the Mayor)
- A minimum of two (2) and a maximum of three (3) Independent external members (one member shall be appointed as chairperson)

The proposed Terms of Reference prescribes the following membership:

- One Independent Chair
- Two Independent Members
- One non-voting Councillor (optional)

All members must meet the independence and eligibility criteria prescribed in the Guidelines.

3. Includes a new section on “Work Plans”

The committee must develop a strategic work plan every four years to ensure that the matters listed in Schedule 1 are reviewed by the committee and considered by the internal audit function when developing their risk-based program of internal audits. The strategic work plan must be reviewed at least annually to ensure it remains appropriate.

The committee must also develop an annual work plan to guide its work, and the work of the internal audit function over the forward year.

4. Includes a new section on “Resignation and dismissal of members”

Outlines the process to follow.

5. Schedule 1 – Audit, risk and improvement committee responsibilities

Provides a detailed list of the responsibilities of ARIC.

RISK ASSESSMENT:

Nil

POLICY IMPLICATIONS:

Nil

CHIEF FINANCIAL OFFICERS COMMENT:

Council's current ARIC only has two independent members. Increasing the committee to three (3) members will have a budgetary impact of approximately \$7,000 (sitting fees and travel expenses). Additional budget allocation will be provided in the 2024/2025 Operational Plan & Budget.

LEGAL IMPLICATIONS:

The proposed new Terms of Reference meets the requirements of section 216K of the Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023.

216K Terms of reference—the Act, Sch 6, cl 19B

- (1) A council must adopt terms of reference for the council's Audit, Risk and Improvement Committee.*
- (2) The adoption must occur by resolution of the council.*
- (3) The council must consider model terms of reference approved by the Departmental Chief Executive before adopting terms of reference.*
- (4) Terms of reference must be consistent with the Act and this regulation.*
- (5) An Audit, Risk and Improvement Committee must exercise its functions in accordance with the adopted terms of reference.*

ATTACHMENTS:

1. **Local Government General Amendment Audit Risk and Improvement Committees Regulation 2023** [↓](#)
2. **Current Audit Risk and Improvement Committee ARIC Charter** [↓](#)
3. **Proposed Audit Risk and Improvement Committee - Terms of Reference 2024** [↓](#)



New South Wales

Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023

under the

Local Government Act 1993

Her Excellency the Governor, with the advice of the Executive Council, has made the following regulation under the *Local Government Act 1993*.

RON HOENIG, MP
Minister for Local Government

Explanatory note

The object of this regulation is to make provision about Audit, Risk and Improvement Committees and the internal auditing functions of councils.

This regulation is made under the *Local Government Act 1993*, including sections 428(4)(b), 428A(2)(i), 428B and 748, the general regulation-making power, and Schedule 6, clauses 8A, 13, 18 and 19B.

Published LW 1 December 2023 (2023 No 643)

Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023
[NSW]

Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023

under the

Local Government Act 1993

1 Name of regulation

This regulation is the *Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023*.

2 Commencement

This regulation commences on 1 July 2024.

Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023
[NSW]
Schedule 1 Amendment of Local Government (General) Regulation 2021

Schedule 1 Amendment of Local Government (General) Regulation 2021

Part 9 Management and accountability

Insert after Division 6—

Division 6A Auditing and Audit, Risk and Improvement Committees

216A Definitions

In this division—

chairperson, for an Audit, Risk and Improvement Committee, means the chairperson of the committee.

independent member, for an Audit, Risk and Improvement Committee, means a person appointed to the committee under section 216C(1)(b).

internal audit co-ordinator—see section 216P(4).

216B Application of division to joint organisations

This division applies to a joint organisation in the same way as it applies to a council.

216C Composition of Audit, Risk and Improvement Committee—the Act, Sch 6, cl 19B

- (1) The Audit, Risk and Improvement Committee for a council must comprise—
 - (a) a chairperson, and
 - (b) at least 2 independent members.
- (2) One councillor, who must not be the mayor, of the council may also be appointed to the Audit, Risk and Improvement Committee for a council.
- (3) The appointment of a member to the Audit, Risk and Improvement Committee must be made by resolution of the council.
- (4) A councillor appointed to the Audit, Risk and Improvement Committee must not vote on a matter being considered by the committee.
- (5) A person may be appointed to more than 1 Audit, Risk and Improvement Committee if otherwise eligible.

216D Eligibility for appointment as chairperson—the Act, Sch 6, cl 19B

A council must not appoint a person as the chairperson of the council's Audit, Risk and Improvement Committee unless the council is reasonably satisfied the person—

- (a) has leadership qualities, and
- (b) is able to promote effective working relationships in complex organisations, and
- (c) is able to communicate complex and sensitive assessments in a tactful way, and
- (d) has a sound understanding of the principles of good organisational governance, and
- (e) is able to understand local government accountability, including financial reporting, and

Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023
[NSW]
Schedule 1 Amendment of Local Government (General) Regulation 2021

- (f) has a sound understanding of the business of the council or the environment in which it operates, and
- (g) has a sound understanding of the council's internal audit operations, including the selection and review of the internal audit co-ordinator for the council, and
- (h) has a sound understanding of risk management principles, and
- (i) has extensive senior level experience in governance and management of complex organisations, and
- (j) is eligible to be appointed as an independent member of the Audit, Risk and Improvement Committee, and
- (k) is not an employee of a council or a joint organisation.

216E Eligibility for appointment as independent member—the Act, Sch 6, cl 19B

A council must not appoint a person as an independent member of the council's Audit, Risk and Improvement Committee unless the council is reasonably satisfied the person—

- (a) is able to read and understand financial statements, and
- (b) is able to understand the ethical requirements of government, including conflicts of interest, and
- (c) is able to form independent judgements, and
- (d) is willing to constructively challenge and question management practices and information, and
- (e) is professional and ethical in the exercise of the person's duties, and
- (f) is able to devote the necessary time and effort to the person's functions as a member of the committee, and
- (g) has knowledge in one or more of the following that is relevant to the person's role on the Audit, Risk and Improvement Committee—
 - (i) risk management,
 - (ii) performance management,
 - (iii) human resources management,
 - (iv) internal and external auditing,
 - (v) financial reporting,
 - (vi) accounting,
 - (vii) management control frameworks,
 - (viii) internal financial controls,
 - (ix) governance of organisations,
 - (x) business operations, and
- (h) is independent of the council.

216F Persons taken not to be independent of council—the Act, Sch 6, cl 19B

- (1) The following persons are taken not to be independent of a council for the purposes of section 216E(h)—
 - (a) a person who is a councillor of a council in New South Wales,
 - (b) a person who was a candidate for election to the council in the last election of the council,
 - (c) a person who was a councillor during the term of the council ending at the last election of the council,

Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023
[NSW]
Schedule 1 Amendment of Local Government (General) Regulation 2021

- (d) for a joint organisation or council that is a member council of a joint organisation—a person who is a non-voting representative of the board of the joint organisation,
 - (e) for a council that has entered an arrangement under the Act, section 428B with another council or body—a person who is an employee of the other council or body,
 - (f) a person who is employed by the council or was employed by the council in the previous 12 months,
 - (g) a person who conducts audits of the council for the Audit Office of NSW,
 - (h) a person who has a close personal or business relationship with a councillor or a person who has a senior role in the council that may lead to an actual or perceived conflict of interest,
 - (i) a person who provides, or has in the previous three years provided, material goods or services which directly affect matters considered by the Audit, Risk and Improvement Committee,
Example— consultancy, legal, internal audit or advisory services
 - (j) a person who is a shareholder, owner, officer or employee of a company if—
 - (i) the company has a business relationship with the council or a related entity, and
 - (ii) the business relationship comprises—
 - (A) a material business relationship, or
 - (B) a contractual relationship, or
 - (C) a direct financial interest, or
 - (D) a material indirect financial interest, and
 - (iii) the business relationship could reasonably be considered to be an actual or perceived conflict of interest,
 - (k) a person who is a relative of a person referred to in paragraph (i),
 - (l) a person who acts, or has previously acted, as an advocate for the council or a related entity, if the advocacy—
 - (i) relates to a material interest, and
 - (ii) could reasonably be considered to be an actual or perceived conflict of interest.
- (2) In this section—
related entity, of a council, means an entity formed by the council or an entity which the council participated in forming.

216G Term of office—the Act, Sch 6, cl 19B

- (1) A council may appoint a member of the council's Audit, Risk and Improvement Committee for a term of no more than 4 years.
- (2) A person who continues to be eligible for appointment may be reappointed.
- (3) A person must not be a member of an Audit, Risk and Improvement Committee for a particular council for more than 8 years in a 10-year period.
- (4) The Departmental Chief Executive may exempt a person from the requirement in subsection (3) if satisfied the council—

Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023
[NSW]
Schedule 1 Amendment of Local Government (General) Regulation 2021

- (a) took reasonable steps to find another person to take the place of the person, and
- (b) has been unable to find a suitable person.

216H Removal of members—the Act, Sch 6, cl 19B

- (1) A council may remove a member from the council's Audit, Risk and Improvement Committee at any time.
- (2) The council must give written notice to the Departmental Chief Executive if it removes the chairperson or an independent member from the council's Audit, Risk and Improvement Committee.
- (3) The notice must be given within 28 days after the removal of the person.

216I Remuneration—the Act, Sch 6, cl 19B

A council may pay remuneration to the chairperson and independent members of the council's Audit, Risk and Improvement Committee.

216J Meetings of Audit, Risk and Improvement Committee—the Act, Sch 6, cl 19B

- (1) An Audit, Risk and Improvement Committee must meet at least once in each quarter.
- (2) The chairperson of an Audit, Risk and Improvement Committee may decide on the procedure for—
 - (a) the calling of meetings of the Audit, Risk and Improvement Committee, and
 - (b) the conduct of business at meetings.

216K Terms of reference—the Act, Sch 6, cl 19B

- (1) A council must adopt terms of reference for the council's Audit, Risk and Improvement Committee.
- (2) The adoption must occur by resolution of the council.
- (3) The council must consider model terms of reference approved by the Departmental Chief Executive before adopting terms of reference.
- (4) Terms of reference must be consistent with the Act and this regulation.
- (5) An Audit, Risk and Improvement Committee must exercise its functions in accordance with the adopted terms of reference.

216L Assistance to Audit, Risk and Improvement Committee—the Act, Sch 6, cl 19B

- (1) The general manager of a council must ensure the Audit, Risk and Improvement Committee of the council—
 - (a) has the resources necessary to properly exercise its functions in relation to the council, and
 - (b) is readily able to access the staff, information and records of the council the Audit, Risk and Improvement Committee considers necessary for the exercise of its functions in relation to the council.
- (2) If the council has entered an arrangement under the Act, section 428B with another council or body, this section extends to the general manager of the other council or the chief executive of the other body to the extent the Audit, Risk and Improvement Committee exercises functions in relation to the other council or body.

Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023
[NSW]
Schedule 1 Amendment of Local Government (General) Regulation 2021

216M Matters committee must keep under review—the Act, s 428A

For the Act, section 428A(2)(i), the council's internal audit functions are prescribed.

216N Joint internal audit arrangements—the Act, s 428B

A joint organisation of which a council is a member is prescribed as a body the council may enter into an arrangement with.

216O Internal audit charter—the Act, Sch 6, cl 8A

- (1) A council must adopt an internal audit charter setting out how the council will exercise its internal audit functions.
- (2) The adoption must occur by resolution of the council.
- (3) The council must consider a model internal audit charter approved by the Departmental Chief Executive before adopting an internal audit charter.
- (4) An internal audit charter must be consistent with the Act and this regulation.
- (5) The council must exercise its internal audit functions in accordance with the adopted internal audit charter.

216P Internal audit co-ordinator—the Act, Sch 6, cl 8A

- (1) The general manager of a council must appoint a member of staff of the council to be the internal audit co-ordinator for the council unless—
 - (a) the council has entered an arrangement with another council for the sharing of internal audit activities, and
 - (b) the general manager of the other council has appointed a person under this section, and
 - (c) the person will direct and co-ordinate the internal audit activities in relation to the first council under the arrangement.
- (2) An internal audit co-ordinator who exercises functions under this section for a council—
 - (a) must, in relation to the exercise of the functions—
 - (i) report to the Audit, Risk and Improvement Committee for the council, and
 - (ii) comply with a direction of the Audit, Risk and Improvement Committee, and
 - (b) is not subject to a direction of the council or a member of staff of the council in relation to the exercise of the functions.
- (3) The general manager of a council must consult with the chairperson of the Audit, Risk and Improvement Committee for the council about a proposed decision affecting the employment of the internal audit co-ordinator for the council.
- (4) In this section—
internal audit co-ordinator, for a council, means a person appointed to direct and co-ordinate internal audit activities in relation to the council.

216Q Persons exercising internal audit functions—the Act, Sch 6, cl 8A

The general manager of a council must ensure a person exercising internal audit functions in relation to the council—

Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023
[NSW]
Schedule 1 Amendment of Local Government (General) Regulation 2021

- (a) has the resources necessary to properly exercise the functions, and
- (b) is readily able to access—
 - (i) staff, information and records of the council necessary to properly exercise the functions, and
 - (ii) the Audit, Risk and Improvement Committee for the council.

216R Audit, Risk and Improvement Committee to oversee and report on internal audit activities—the Act, s 428A(2)(i)

The Audit, Risk and Improvement Committee for a council must—

- (a) oversee the internal audit activities carried out in relation to the council, and
- (b) review the performance and efficacy of the activities over each period of 4 years, and
- (c) prepare a report on the review that may include recommendations, and
- (d) give a copy of the report to the governing body of the council.

216S Risk management—the Act, Sch 6, cl 18

- (1) A council must adopt and implement a system for managing risk.
Note— The Act, section 23A requires a council to take relevant guidelines by the Departmental Chief Executive into consideration before exercising its functions.
- (2) The Audit, Risk and Improvement Committee for the council must—
 - (a) monitor and review the implementation of the system, and
 - (b) report to the council on the operation and efficacy of the system.

216T Attestation in annual report—the Act, s 428(4)(b)

- (1) The annual report for a council under the Act, section 428 must include an attestation signed by the general manager of the council specifying whether the council has complied with this division during the year to which the report relates.
- (2) In preparing the attestation, the general manager must give the chairperson of the Audit, Risk and Improvement Committee for the council an opportunity to comment on the attestation.
- (3) The chairperson, if not satisfied with the attestation in the annual report, may—
 - (a) prepare an alternative attestation signed by the chairperson, and
 - (b) give the alternative attestation to the Departmental Chief Executive.
- (4) This section does not apply to an annual report prepared before 1 July 2025.

216U Contravention of division permitted in certain circumstances—the Act, Sch 6, cl 8A

A council is not required to comply with a provision of this division if—

- (a) the council is unable to comply because compliance—
 - (i) was unreasonable due to a temporary circumstance, or
 - (ii) would have had a significant impact on the council's budget, and
- (b) the council was unable to enter an agreement with another council or joint organisation to ensure compliance, and

Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023
[NSW]

Schedule 1 Amendment of Local Government (General) Regulation 2021

- (c) the council proposes an alternative arrangement to ensure an equivalent outcome to the requirement, and
- (d) the council notifies the Departmental Chief Executive of the failure to comply within 28 days, and
- (e) the annual report of the council contains a statement about the non-compliance with details of the matters set out in paragraphs (a)–(c).



| | |
|--------------------|--|
| MANAGEMENT POLICY: | Audit Risk and Improvement Committee Charter |
| Ref: | Ver 7 26 August 2020 |

| | |
|---------------------|--|
| Contact Officer | Director Corporate and Economic Services |
| Approval Date | 15 May 2012 |
| Approval Authority | Council |
| Amended | 15 May 2012, 16 April 2013, 24 June 2015, 28 October 2015 (Res 97/15), 20 December 2017 (Res 143/17), 27 November 2019, 26 August 2020 |
| Date of Next Review | October 2021 |

1. Objective

The objective of the Audit Risk and Improvement Committee (ARIC) is to provide independent assurance and assistance to Inverell Shire Council on risk management, control, governance, and external accountability responsibilities.

2. Authority

- The Council authorises the ARIC, within the scope of its role and responsibilities, to:
- Obtain any information it needs from any employee or external party (subject to their legal obligations to protect information).
- Discuss any matters with the external auditor or other external parties (subject to confidentiality considerations).
- Request the attendance of any employee or councillor at ARIC meetings.
- Obtain external legal or other professional advice considered necessary to meet its responsibilities.

3. Composition and Tenure

The ARIC will consist of:

3.1 Members (voting)

- One Councillor (excluding the Mayor)
- A minimum of two (2) and maximum of three (3) Independent external members (one member shall be appointed as chairperson of the ARIC by Council).

3.2 Attendee (non-voting)

- General Manager (if the officer wishes to exercise that right)



- Director Corporate & Economic Services
- Manager Financial Services

3.3 Invitees (non-voting) for specific Agenda items

- Representatives of the External Auditor.
- Other staff members by invitation of the ARIC.

4. Role and Responsibilities

The ARIC has no executive powers, except those expressly provided by the Council.

In carrying out its responsibilities, the ARIC must at all times recognise that primary responsibility for management of Council rests with the Council and the General Manager as defined by the Local Government Act.

The responsibilities of the ARIC may be revised or expanded by the Council from time to time. The ARIC's responsibilities are:

4.1 Risk Management

- Review whether management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of business and financial risks, including fraud.
- Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings;
- Review the impact of the risk management framework on its control environment and insurance arrangements; and
- Review whether a sound and effective approach has been followed in establishing business continuity planning arrangements, including whether plans have been tested periodically.

4.2 Control Framework

- Review whether management has adequate internal controls in place, including over external parties such as contractors and advisors;
- Review whether management has in place relevant policies and procedures, and these are periodically reviewed and updated;
- Progressively review whether appropriate processes are in place to assess whether policies and procedures are complied with;
- Review whether appropriate policies and procedures are in place for the management and exercise of delegations; and
- Review whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour.



4.3 External Accountability

- Satisfy itself the annual financial reports comply with applicable Australian Accounting Standards and supported by appropriate management sign-off on the statements and the adequacy of internal controls.
- Review the external audit opinion, including whether appropriate action has been taken in response to audit recommendations and adjustments.
- To consider contentious financial reporting matters in conjunction with council's management and external auditors.
- Review the processes in place designed to ensure financial information included in the annual report is consistent with the signed financial statements.
- Satisfy itself there are appropriate mechanisms in place to review and implement, where appropriate, relevant State Government reports and recommendations.
- Satisfy itself there is a performance management framework linked to organisational objectives and outcomes.

4.4 Legislative Compliance

- Determine whether management has appropriately considered legal and compliance risks as part of risk assessment and management arrangements.
- Review the effectiveness of the system for monitoring compliance with relevant laws, regulations and associated government policies.

4.5 Internal Audit

- Act as a forum for communication between the Council, General Manager, senior management, internal audit and external audit.
- Review the internal audit coverage and Internal Audit Plan, ensure the plan has considered the Risk Management Plan, and approve the plan.
- Consider the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved Internal Audit Plan.
- Review all audit reports and consider significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of better practices.
- Monitor the implementation of internal audit recommendations by management.
- Periodically review the Internal Audit Charter to ensure appropriate organisational structures, authority, access and reporting arrangements are in place.
- Periodically review the performance of Internal Audit.

4.6 External Audit

- Act as a forum for communication between the Council, General Manager, senior management, internal audit and external audit.



- Provide input and feedback on the financial statement and performance audit coverage proposed by external audit, and provide feedback on the external audit services provided.
- Review all external plans and reports in respect of planned or completed external audits, and monitor the implementation of audit recommendations by management.
- Consider significant issues raised in relevant external audit reports and better practice guides, and ensure appropriate action is taken.

4.7 Responsibilities of Members

Members of the ARIC are expected to:

- Understand the relevant legislative and regulatory requirements appropriate to Inverell Shire Council.
- Contribute the time needed to study and understand the papers provided.
- Apply good analytical skills, objectivity and good judgment.
- Express opinions frankly, ask questions that go to the fundamental core of issues, and pursue independent lines of enquiry.

5. Reporting

At the first ARIC meeting after 30 June each year, Internal Audit will provide a performance report of:

- The performance of Internal Audit for the financial year as measured against agreed key performance indicators.
- The approved Internal Audit Plan of work for the previous financial year showing the current status of each audit.

The ARIC may, at any time, consider any other matter it deems of sufficient importance to do so. In addition, at any time an individual ARIC member may request a meeting with the Chair of the ARIC.

The ARIC will report regularly, and at least annually, to the governing body of council on the management of risk and internal controls.

6. Administrative arrangements

6.1 Meetings

The ARIC will meet at least four times per year, with one of these meetings to include review and endorsement of the annual audited financial reports and external audit opinion.

The need for any additional meetings will be decided by the Chair of the ARIC, though other ARIC members may make requests to the Chair for additional meetings.



A forward meeting plan, including meeting dates and agenda items, will be agreed by the ARIC each year. The forward meeting plan will cover all ARIC responsibilities as detailed in this ARIC Charter.

6.2 Attendance at Meetings and Quorums

A quorum will consist of a majority of ARIC members, including at least one independent member. Meetings can be held in person, by telephone or by video conference.

The Head of Internal Audit will be invited to attend each meeting unless requested not to do so by the Chair of the ARIC. The ARIC may also request the Chief Finance Officer or any other employees to participate for certain agenda items, as well as the external auditor.

The General Manager may attend each meeting but will permit the ARIC to meet separately with each of the Head of Internal Audit and the External Auditor in the absence of management on at least one occasion per year.

6.3 Secretariat

The ARIC has appointed the Head of Internal Audit to be responsible for ensuring that the ARIC has adequate secretariat support. The Secretariat will ensure the agenda for each meeting and supporting papers are circulated, at least one week before the meeting, and ensure minutes of the meetings are prepared and maintained. Minutes shall be approved by the Chair and circulated to each member within three weeks of the meeting being held.

6.4 Conflict of Interests

Councillors, council staff and members of council committees must comply with the applicable provisions of Council's code of conduct in carrying out the functions as council officials. It is the personal responsibility of council officials to comply with the standards in the code of conduct and regularly review their personal circumstances with this in mind.

ARIC members must declare any conflict of interests at the start of each meeting or before discussion of a relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted.

Where members or invitees at ARIC meetings are deemed to have a real or perceived conflict of interest, it may be appropriate they be excused from ARIC deliberations on the issue where the conflict of interest may exist. The final arbiter of such a decision is the Chair of the ARIC.

6.5 Induction

New members will receive relevant information and briefings on their appointment to assist them to meet their ARIC responsibilities.

6.6 Assessment Arrangements

The Chair of the ARIC will initiate a review of the performance of the ARIC at least once every two years. The review will be conducted on a self-assessment basis (unless otherwise determined by the Chair), with appropriate input from management and any other relevant stakeholders, as determined by the Chair.

6.7 Review of ARIC Charter

At least once every two years the ARIC will review this ARIC Charter.

The ARIC will approve any changes to this ARIC Charter.



Approved: ARIC Meeting

Date: 20 October 2020

7 Version History

Version 1 - Adopted 15 May, 2012
Version 2 – Adopted 16 April, 2013
Version 3 – Adopted 24 June, 2015
Version 4 – Adopted 28 October 2015 (Res 97/15)
Version 5 – Adopted 20 December 2017 (Res 143/17)
Version 6 – Adopted 27 November 2019 (Res 2019/120)
Version 7 – Adopted 26 August 2020 (Res 2020/86)



**Inverell Shire Council
Audit, Risk and Improvement Committee
Terms of Reference**

Adopted by Inverell Shire Council
February 2024 (Resolution 24/##)
Trim Ref ##

[Inverell Shire Council \(Council\)](#) has established an audit, risk and improvement committee in compliance with section 428A of the *Local Government Act 1993*, the *Local Government (General) Regulation 2021* and the Office of Local Government's *Guidelines for risk management and internal audit for local government in NSW*. These terms of reference set out the committee's objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

Objective

The objective of Council's audit, risk and improvement committee is to provide independent assurance to Council by monitoring, reviewing and providing advice about the Council's governance processes, compliance, risk management and control frameworks, external accountability obligations and overall performance.

Independence

The committee is to be independent to ensure it has no real or perceived bias or conflicts of interest that may interfere with its ability to act independently and to provide Council with robust, objective and unbiased advice and assurance.

The committee is to have an advisory and assurance role only and is to exercise no administrative functions, delegated financial responsibilities or any management functions of the Council. The committee will provide independent advice to the Council that is informed by the Council's internal audit and risk management activities and information and advice provided by staff, relevant external bodies and subject matter experts.

The committee must always ensure it maintains a direct reporting line to and from the Council's internal audit function and act as a mechanism for internal audit to report to the governing body and the General Manager on matters affecting the performance of the internal audit function.

Authority

Council authorises the committee, for the purposes of exercising its responsibilities, to:

- access any information it needs from the Council;
- use any Council resources it needs;
- have direct and unrestricted access to the General Manager and senior management of the Council;
- seek the General Manager's permission to meet with any other Council staff member or contractor;
- discuss any matters with the external auditor or other external parties;
- request the attendance of any employee at committee meetings, and
- Request Council's General Manager to obtain external legal or other professional advice in line with Council's procurement policies.

Information and documents pertaining to the committee are confidential and are not to be made publicly available. The committee may only release Council information to external parties that are assisting the committee to fulfil its responsibilities with the approval of the General Manager, except where it is being provided to an external investigative or oversight agency for the purpose of informing that agency of a matter that may warrant its attention.

Composition and tenure

The committee consists of an independent chair and two independent members who have voting rights and one non-voting Councillor, as required under the *Guidelines for risk management and internal audit for local government in NSW*.

All committee members must meet the independence and eligibility criteria prescribed in the *Guidelines for risk management and internal audit for local government in NSW*.

Members will be appointed for up to a four-year term. Members can be reappointed for one further term, but the total period of continuous membership cannot exceed eight years. This includes any term as chair of the committee. Members who have served an eight-year term (either as a member or as chair) must have a two-year break from serving on the committee before being appointed again. To preserve the committee's knowledge of the Council, ideally, no more than one member should retire from the committee because of rotation in any one year.

The terms and conditions of each member's appointment to the committee are to be set out in a letter of appointment. New members will be thoroughly inducted to their role and receive relevant information and briefings on their appointment to assist them to meet their responsibilities.

Prior to approving the reappointment or extension of the chair's or an independent member's term, the governing body is to undertake an assessment of the chair's or committee member's performance. Reappointment of the chair or a committee member is also to be subject to that person still meeting the independence and eligibility requirements.

Members of the committee must possess and maintain a broad range of skills, knowledge and experience relevant to the operations, governance and financial management of the Council, the environment in which the Council operates, and the contribution that the committee makes to the Council. At least one member of the committee must have accounting or related financial management experience with an understanding of accounting and auditing concepts in a local government environment. All members should have sufficient understanding of the Council's financial reporting responsibilities to be able to contribute to the committee's consideration of the Council's annual financial statements.

Role

As required under section 428A of the *Local Government Act 1993* (the Act), the role of the committee is to review and provide independent advice to the Council regarding the following aspects of the Council's operations:

- Compliance;
- risk management;
- fraud control;
- financial management;
- governance;
- implementation of the strategic plan, delivery program and strategies;
- service reviews;
- collection of performance measurement data by the Council, and
- internal audit.

The committee must also provide information to the Council for the purpose of improving the Council's performance of its functions.

The committee's specific audit, risk and improvement responsibilities under section 428A of the Act are outlined in Schedule 1 to this Terms of Reference.

The committee will act as a forum for consideration of the Council's internal audit function and oversee its planning, monitoring and reporting to ensure it operates effectively.

The committee has no power to direct external audit or the way it is planned and undertaken but will act as a forum for the consideration of external audit findings.

The committee is directly responsible and accountable to the governing body for the exercise of its responsibilities. In carrying out its responsibilities, the committee must at all times recognise that primary responsibility for management of the Council rests with the governing body and the General Manager.

The responsibilities of the committee may be revised or expanded in consultation with, or as requested by, the governing body from time to time.

Responsibilities of members

Independent members

The chair and members of the committee are expected to understand and observe the requirements of the *Guidelines for risk management and internal audit for local government in NSW*. Members are also expected to:

- make themselves available as required to attend and participate in meetings;
- contribute the time needed to review and understand information provided to it;
- apply good analytical skills, objectivity and judgement;
- act in the best interests of Council;
- have the personal courage to raise and deal with tough issues, express opinions frankly, ask questions that go to the fundamental core of the issue and pursue independent lines of inquiry;
- maintain effective working relationships with Council;
- have strong leadership qualities (chair);
- lead effective committee meetings (chair), and
- oversee the Council's internal audit function (chair).

Councillor members

To preserve the independence of the committee, the Councillor member of the committee is a non-voting member. Their role is to:

- relay to the committee any concerns the governing body may have regarding the Council and issues being considered by the committee;
- provide insights into local issues and the strategic priorities of the Council that would add value to the committee's consideration of agenda items;
- advise the governing body (as necessary) of the work of the committee and any issues arising from it, and
- assist the governing body to review the performance of the committee.

Issues or information the Councillor member raises with or provides to the committee must relate to the matters listed in Schedule 1 and issues being considered by the committee.

The Councillor member of the committee must conduct themselves in a non-partisan and professional manner. The Councillor member of the committee must not engage in any conduct that seeks to politicise the activities of the committee or the internal audit function or that could be seen to do so.

If the Councillor member of the committee engages in such conduct or in any other conduct that may bring the committee and its work into disrepute, the chair of the committee may recommend to Council, that the Councillor member be removed from membership of the committee. Where the Council does not agree to the committee chair's recommendation, the Council must give reasons for its decision in writing to the chair.

Conduct

Independent committee members are required to comply with the Council's code of conduct.

Complaints alleging breaches of the Council's code of conduct by an independent committee member are to be dealt with in accordance with the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW*. The General Manager must consult with the governing body before taking any disciplinary action against an independent committee member in response to a breach of the Council's code of conduct.

Conflicts of interest

Once a year, committee members must provide written declarations to the Council stating that they do not have any conflicts of interest that would preclude them from being members of the committee. Independent committee members are 'designated persons' for the purposes of the Council's code of conduct and must also complete and submit returns of their interests.

Committee members and observers must declare any pecuniary or non-pecuniary conflicts of interest they may have in a matter being considered at the meeting at the start of each meeting or as soon as they become aware of the conflict of interest. Where a committee member or observer declares a pecuniary or a significant non-pecuniary conflict of interest, they must remove themselves from committee deliberations on the issue. Details of conflicts of interest declared at meetings must be appropriately minuted.

Standards

Committee members are to conduct their work in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and [current Australian risk management standard], where applicable.

Work plans

The work of the committee is to be thoroughly planned and executed. The committee must develop a strategic work plan every four years to ensure that the matters listed in Schedule 1 are reviewed by the committee and considered by the internal audit function when developing their risk-based program of internal audits. The strategic work plan must be reviewed at least annually to ensure it remains appropriate.

The committee may, in consultation with the governing body, vary the strategic work plan at any time to address new or emerging risks. The governing body may also, by resolution, request the committee to approve a variation to the strategic work plan. Any decision to vary the strategic work plan must be made by the committee.

The committee must also develop an annual work plan to guide its work, and the work of the internal audit function over the forward year.

The committee may, in consultation with the governing body, vary the annual work plan to address new or emerging risks. The governing body may also, by resolution, request the committee to approve a variation to the annual work plan. Any decision to vary the annual work plan must be made by the committee.

When considering whether to vary the strategic or annual work plans, the committee must consider the impact of the variation on the internal audit function's existing workload and the completion of pre-existing priorities and activities identified under the work plan.

Assurance reporting

The committee must regularly report to the Council to ensure that it is kept informed of matters considered by the committee and any emerging issues that may influence the strategic direction of the Council or the achievement of the Council's goals and objectives.

The committee will provide an update to the governing body and the General Manager of its activities and opinions after every committee meeting.

The committee will provide an annual assessment to the governing body and the General Manager on the committee's work and its opinion on how the Council is performing.

The committee will provide a comprehensive assessment every Council term of the matters listed in Schedule 1 to the governing body and the General Manager.

The committee may at any time report to the governing body or the General Manager on any other matter it deems of sufficient importance to warrant their attention. The Mayor and the chair of the committee may also meet at any time to discuss issues relating to the work of the committee.

Should the governing body require additional information, a request for the information may be made to the chair by resolution. The chair is only required to provide the information requested by the governing body where the chair is satisfied that it is reasonably necessary for the governing body to receive the information for the purposes of performing its functions under the Local Government Act. Individual [Councillors are not entitled to request or receive information from the committee.

Administrative arrangements

Meetings

The committee will meet at least four (4) times per year, including a special meeting to review the Council's financial statements].

The committee can hold additional meetings when significant unexpected issues arise, or if the chair is asked to hold an additional meeting by a committee member, the General Manager or the governing body.

Committee meetings can be held in person, by telephone or videoconference. Proxies are not permitted to attend meetings if a committee member cannot attend.

A quorum will consist of a majority of independent voting members. Where the vote is tied, the chair has the casting vote.

The chair of the committee will decide the agenda for each committee meeting. Each committee meeting is to be minuted to preserve a record of the issues considered and the actions and decisions taken by the committee.

The General Manager and the head of the internal audit function should attend committee meetings as non-voting observers. The external auditor (or their representative) is to be invited to each committee meeting as an independent observer. The chair can request Council's chief finance officer, head of risk management function, senior managers, any Councillors, any employee/contractor of the Council and any subject matter expert to attend committee meetings. Where requested to attend a meeting, persons must attend the meeting where possible and provide any information requested. Observers have no voting rights and can be excluded from a meeting by the chair at any time.

The committee can hold closed meetings whenever it needs to discuss confidential or sensitive issues with only voting members of the committee present.

The committee must meet separately with the head of the internal audit function and the Council's external auditor at least once each year.

Dispute resolution

Members of the committee and Council's management should maintain an effective working relationship and seek to resolve any differences they may have in an amicable and professional way by discussion and negotiation.

In the event of a disagreement between the committee and the General Manager or other senior managers, the dispute is to be resolved by the governing body.

Unresolved disputes regarding compliance with statutory or other requirements are to be referred to the Departmental Chief Executive in writing.

Secretariat

The General Manager will nominate a staff member to provide secretariat support to the committee. The secretariat will ensure the agenda for each meeting and supporting papers are circulated after approval from the chair at least one (1) weeks before the meeting and ensure that minutes of meetings are prepared and maintained. Minutes must be approved by the chair and circulated within agreed timeframe of the meeting to each member.

Resignation and dismissal of members

Where the chair or a committee member is unable to complete their term or does not intend to seek reappointment after the expiry of their term, they should give reasonable notice (preferably six months) notice to the chair and the governing body prior to their resignation to allow the Council to ensure a smooth transition to a new chair or committee member.

The governing body can, by resolution, terminate the appointment of the chair or an independent committee member before the expiry of their term where that person has:

- breached the Council's code of conduct;
- performed unsatisfactorily or not to expectations;
- declared, or is found to be in, a position of a conflict of interest which is unresolvable;
- been declared bankrupt or found to be insolvent;
- experienced an adverse change in business status;
- been charged with a serious criminal offence;
- been proven to be in serious breach of their obligations under any legislation, or
- experienced an adverse change in capacity or capability.

The position of a Councillor member on the committee can be terminated at any time by the governing body by resolution.

Review arrangements

At least once every Council term, the governing body must review or arrange for an external review of the effectiveness of the committee.

These terms of reference must be reviewed annually by the committee and once each Council term by the governing body. Any substantive changes are to be approved by the governing body.

Further information

For further information on Council's audit, risk and improvement committee, contact Council's General Manager on council@Inverell.nsw.gov.au or by phone 02 67 288 206.

Schedule 1 – Audit, risk and improvement committee responsibilities

Audit

Internal audit

- Provide overall strategic oversight of internal audit activities;
- Act as a forum for communication between the governing body, General Manager, senior management, the internal audit function and external audit;
- Coordinate, as far as is practicable, the work programs of internal audit and other assurance and review functions;
- Review and advise Council:
 - on whether the Council is providing the resources necessary to successfully deliver the internal audit function;
 - if the Council is complying with internal audit requirements, including conformance with the International Professional Practices Framework;
 - if the Council's internal audit Terms of Reference is appropriate and whether the internal audit policies and procedures and audit/risk methodologies used by the Council are suitable;
 - of the strategic four-year work plan and annual work plan of internal audits to be undertaken by the Council's internal audit function;
 - if the Council's internal audit activities are effective, including the performance of the head of the internal audit function and the internal audit function;
 - of the findings and recommendations of internal audits conducted, and corrective actions needed to address issues raised;
 - of the implementation by the Council of these corrective actions;
 - on the appointment of the head of the internal audit function and external providers, and
 - if the internal audit function is structured appropriately and has sufficient skills and expertise to meet its responsibilities.

External audit

- Act as a forum for communication between the governing body, General Manager, senior management, the internal audit function and external audit;
- Provide input and feedback on the financial statement and performance audit coverage proposed by external audit and provide feedback on the audit services provided;
- Review all external plans and reports in respect of planned or completed audits and monitor Council's implementation of audit recommendations;
- Provide advice to the governing body and/or General Manager on action taken on significant issues raised in relevant external audit reports and better practice guides;

Risk

Risk management

Review and advise Council:

- if the Council's has in place a current and appropriate risk management framework that is consistent with the Australian risk management standard;
- whether the Council is providing the resources necessary to successfully implement its risk management framework;

- whether the Council's risk management framework is adequate and effective for identifying and managing the risks the Council faces, including those associated with individual projects, programs and other activities;
- if risk management is integrated across all levels of the Council and across all processes, operations, services, decision-making, functions and reporting;
- of the adequacy of risk reports and documentation, for example, the Council's risk register and risk profile;
- whether a sound approach has been followed in developing risk management plans for major projects or undertakings;
- whether appropriate policies and procedures are in place for the management and exercise of delegations;
- if the Council has taken steps to embed a culture which is committed to ethical and lawful behaviour;
- if there is a positive risk culture within the Council and strong leadership that supports effective risk management;
- of the adequacy of staff training and induction in risk management;
- how the Council's risk management approach impacts on the Council's insurance arrangements;
- of the effectiveness of the Council's management of its assets, and
- of the effectiveness of business continuity arrangements, including business continuity plans, disaster recovery plans and the periodic testing of these plans.

Internal controls

Review and advise Council:

- whether the Council's approach to maintaining an effective internal audit framework, including over external parties such as contractors and advisors, is sound and effective;
- whether the Council has in place relevant policies and procedures and that these are periodically reviewed and updated;
- whether appropriate policies and procedures are in place for the management and exercise of delegations;
- whether staff are informed of their responsibilities and processes and procedures to implement controls are complied with;
- if the Council's monitoring and review of controls is sufficient, and
- if internal and external audit recommendations to correct internal control weaknesses are implemented appropriately.

Compliance

Review and advise the Council of the adequacy and effectiveness of the Council's compliance framework, including:

- if the Council has appropriately considered legal and compliance risks as part of the Council's risk management framework;
- how the Council manages its compliance with applicable laws, regulations, policies, procedures, codes, and contractual arrangements, and
- whether appropriate processes are in place to assess compliance.

Fraud and corruption

Review and advise the Council of the adequacy and effectiveness of the Council's fraud and corruption prevention framework and activities, including whether the Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.

Financial management

Review and advise Council:

- if the Council is complying with accounting standards and external accountability requirements;
- of the appropriateness of the Council's accounting policies and disclosures;
- of the implications for the Council of the findings of external audits and performance audits and the Council's responses and implementation of recommendations;
- whether the Council's financial statement preparation procedures and timelines are sound;
- the accuracy of the Council's annual financial statements prior to external audit, including:
 - management compliance/representations;
 - significant accounting and reporting issues;
 - the methods used by the Council to account for significant or unusual transactions and areas of significant estimates or judgements;
 - appropriate management signoff on the statements;
- if effective processes are in place to ensure financial information included in the Council's annual report is consistent with signed financial statements;
- if the Council's financial management processes are adequate;
- the adequacy of cash management policies and procedures;
- if there are adequate controls over financial processes, for example:
 - appropriate authorisation and approval of payments and transactions;
 - adequate segregation of duties;
 - timely reconciliation of accounts and balances;
 - review of unusual and high value purchases;
- if policies and procedures for management review and consideration of the financial position and performance of the Council are adequate;
- if the Council 's grants and tied funding policies and procedures are sound.

Governance

Review and advise the Council regarding its governance framework, including the Council's:

- decision-making processes;
- implementation of governance policies and procedures;
- reporting lines and accountability;
- assignment of key roles and responsibilities;
- committee structure;
- management oversight responsibilities;
- human resources and performance management activities;
- reporting and communication activities;
- information and communications technology (ICT) governance, and
- management and governance of the use of data, information and knowledge

Improvement

Strategic planning

Review and advise Council:

- of the adequacy and effectiveness of the Council's integrated, planning and reporting (IP&R) processes;
- if appropriate reporting and monitoring mechanisms are in place to measure progress against objectives, and
- whether the Council is successfully implementing and achieving its IP&R objectives and strategies.

Service reviews and business improvement

- Act as a forum for communication and monitoring of any audits conducted by external bodies and the implementation of corrective actions (for example, NSW government agencies, Commonwealth government agencies, insurance bodies)
- Review and advise Council:
 - If the Council has robust systems to set objectives and goals to determine and deliver appropriate levels of service to the community and business performance;
 - if appropriate reporting and monitoring mechanisms are in place to measure service delivery to the community and overall performance, and
 - how the Council can improve its service delivery and the Council's performance of its business and functions generally.

Performance data and measurement

Review and advise Council:

- if the Council has a robust system to determine appropriate performance indicators to measure the achievement of its strategic objectives
- if the performance indicators the Council uses are effective, and
- of the adequacy of performance data collection and reporting.

7 CONFIDENTIAL MATTERS (COMMITTEE-OF-THE-WHOLE)**RECOMMENDATION:**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with the reasons stated in the referral reports:

7.1 2024 Rale Rasic Joey's Mini World Cup Sponsorship Proposal