

Action Officer: Clem Barratt – Finance Manager

SUBJECT: FINANCE REPORT

What is the main issue?

To accept the finance report for the period 1 July 2014 to 31 May 2015.

SUMMARY

As part of the monthly reporting procedures the finance report is submitted to the Finance Committee of the Council.

BACKGROUND

Attached are:-

1. Minutes of Finance Committee Meeting 19 May 2015 – Resolution required
2. Finance Report – Resolution required
 - a) Cash and Investments Table at 31 May 2015
 - b) Restricted Funds Table at 31 May 2015
 - c) Community Activity Table to 31 May 2015
 - d) Profit & Loss to 31 May 2015
3. Procurement Policy Amendment – Resolution required

Item 2 Minutes of Finance Committee Meeting 19 May 2015 – for Resolution

Resolution: THAT the minutes be accepted as a true record of the Meeting

Item 3.a Cash and Investments

At 31 May 2015

Cash at Bank						
Cash on Hand						4,801
Cheque Account						57,966
Investment Account						2,099,984
Term Deposits						1,750,000
Total Cash at Bank						\$3,912,750
Debtors						
	Current	30 Days	60 Days	90 Days		
Trade	62,492	26,720	23,185	27,438		139,835
Rates - due 8 Dec 14	0	0	0	25,707		25,707
Other – Interest/GST/ Deposit	110,463	0	0	0		110,463
Total Debtors						\$276,005
Creditors						
	Current	30 Days	60 Days	90 Days		
Trade	119,803	19,287	3,931	8,605		150,626
Other - PAYG/GST/NLC Lease fees	480,683	0	0	0		480,309
Total Creditors						\$631,309
Employee Entitlements						
	654,566	0	0	0		\$654,566
Reconciliation of Funds						
Balance as per General Ledger						62,767
Add: Outstanding Debtors						276,005
Less: Outstanding Creditors						631,309
Less: Employee Entitlements						654,566
Add: Investment Account						3,849,984
Total Cash & Receivables Available						\$2,902,881
Unspent Grants & Subsidies						\$2,637,437
Funds Available to Council						\$265,444

Description	Program Activity	Full Year Budget	Actual Income	Actual Expenses & Capital	Committed	Available for Program
Operational Funding – Non Reportable						
Council Activities		1,784,562	1,699,697	4,482,716	159,347	(2,942,366)
NTG – Operational Subsidy & FAA General Purpose	Working capital funding	2,724,035	2,298,450	0	0	2,298,450
		4,508,597	3,998,147	4,482,716	159,347	(643,916)
Non-Cash Transaction; Depreciation Council Assets		0	0	1,673,173	0	(1,673,173)
Unrestricted Funds		4,508,597	3,998,147	2,809,542	159,347	1,029,258
Specific Purpose Funding - Reportable						
NTG - SPG Establishment Grant	Asset purchases on demerger	1,000,000	1,000,000	832,101	58,326	109,573
NTG – SPG No Acquittal	Palumpa Building Vandalism	0	3,850	0	0	3,850
			0	0	0	0
NTG - Local Authorities Funding	LA administration funding	195,918	197,023	122,593	0	74,431
NTG - Local Authority Projects	LA projects funding	416,286	416,286	64,694	30,951	320,641
			0	0	0	0
NTG - Indigenous Development Jobs Funding	50/50 salary matching of non-funded indigenous staff	592,343	592,343	451,219	0	141,124
NTG - Municipal & Essential Services Funding	Funds for outstation infrastructure maintenance	280,854	282,078	180,430	563	101,084
NTG - Outstations and Homelands - Housing Maintenance	Funds for outstation housing maintenance	103,184	124,280	115,640	3,791	4,849

Description	Program Activity	Full Year Budget	Actual Income	Actual Expenses & Capital	Committed	Available for Program
NTG- SPG Outstationsm 4 items	Assets; tractor, trailer, Water Tank, Solar System	93,716	93,716	51,391	0	42,325
NTG - Jobs Package 3 ESO	Outstation salary for service officers	0	121,458	95,132	0	26,326
NTG - Homelands Extra Allowance	Funds for repairs to specific outstation dwellings	0	135,200	1,040	0	134,160
NTG - Sports & Recreation funding	Sport & Rec activities	91,250	91,250	86,383	2,672	2,196
NTG - Youth Vibe Holiday Grant	Sport & Rec activities	2,000	2,000	1,999	0	1
NTG - AFL Footy Carnival Palumpa	Sport & Rec activities	0	1,300	1,253	0	47
AG - Sport and Recreation: Jobs Creation	Salary funding	191,107	191,107	125,556	0	65,551
AG - Sport and Rec: Indigenous Program Coordinator	Salary funding	105,000	105,000	94,353	3,010	7,637
			0	0	0	0
NTG - Health: Home Community Care	Aged Care services	75,764	79,060	57,430	1,946	19,684
AG - Health: Flexible Aged Care	Aged Care services	1,558,962	1,558,962	1,462,692	1,109	95,160
AG – CACP	Aged Care services	30,000	0	8,363	0	(8,363)
AG - Aged Care Repairs	Repairs to Aged Care facility	0	111,251	15,621	13,281	82,348
			0	0	0	0
NTG - Libraries	Funding for libraries	113,360	113,387	59,487	0	53,901
NTG - Environmental Health Worker	Promoting healthy living practices	76,488	57,366	25,640	1,256	30,470
			0	0	0	0
AG - Night Patrol	Community Night Patrol	1,265,519	1,265,519	1,110,196	61,760	93,564
AG - NT Jobs Transition	Salary funding	381,740	381,740	295,263	0	86,477
			0	0	0	0
NTG – NDRRA funding - Monsoonal Trough Manthape Crossing	Natural Disaster Relief funding	63,750	63,750	0	0	63,750
NTG - SPG Staff Housing	Repairs to staff housing, tree removal, vehicle purchase	0	235,000	175,287	4,301	55,412
			0	0	0	0

Description	Program Activity	Full Year Budget	Actual Income	Actual Expenses & Capital	Committed	Available for Program
AG - FAG Roads	Financial Assistance Grant - local roads	672,415	681,778	136,084	323,591	222,103
AG - Roads to Recovery	Roads Funding	0	0	0	0	0
			0	0	0	0
NTG - Community Benefit Fund	Specific fund oval furniture and bubbler	0	4,211	4,152	0	59
AG - Education: Emu Point Creche & Wadeye VAC	Creche and Vacation Care funding	167,684	244,841	146,119	4,260	94,462
AG - Education: Vacation Care	Vacation Care funding	41,156	0	0	0	0
AG - Regional Women's Program	Building capacity, leadership and participation	56,337	78,837	51,290	0	27,547
AG - Arts: Regional Indigenous Broadcasting Services	Regional Indigenous Broadcasting Services	45,000	47,033	39,692	0	7,342
						0
NTG - Palumpa Cooking Club	Cooking and Food preparation activities for youth		1,500	0	0	1,500
NTG - Flicks for the Bush	Movies for community		464	171	0	293
NTG- Wudapuli tractor - Merrepen Airstrip	Needs for outstation		60,900	0	14,752	46,148
NTG - Palumpa Lights	Repair and new lights for community		16,475	0	16,475	(0)
NTG - Office Upgrade Furniture	Upgrade and new equipment and furniture for offices		117,049	0	0	117,049
NTG - Fencing program	Fencing for Palumpa and Peppimenarti		514,738	0	0	514,738
Restricted Funds		7,619,833	8,990,752	5,811,270	542,045	2,637,437
Total Cash Funds		12,128,430	12,988,899	8,620,812	701,392	3,666,695

Item 3.c Community Activity Table

At 31 May 2015

	INCOME		EXPENSE			Net Actual Income	Commitments
	Actuals	Budget	Actuals	Assets	Budget		
PROGRAM - Palumpa							
AC - Across Council Grants	0	0	0	0	0	0	29,000
AD - Administration	411,583	404,007	197,369	1,498	210,187	212,715	634
AE - Aerodromes	0	0	14,588	0	8,861	-14,588	0
AF - Asset Management	286,834	320,000	19,062	363,622	0	-95,850	42,984
AG - Aged & Disability Services	0	0	0	0	0	0	0
CA - Commercial Arrangement	167,909	170,303	118,674	0	95,637	49,235	10,987
CM - Cemeteries	0	0	3,646	0	0	-3,646	0
CP - Community Patrol	316,380	237,285	192,643	0	205,594	123,737	580
EM - Elected Members	825	0	18,372	0	18,951	-17,547	0
HS - Housing - Staff Housing	27,275	1,676	16,713	0	10,307	10,562	845
LA - Local Authorities	58,080	58,080	7,233	0	35,563	50,847	3,881
MB - Media and Broadcasting	51,162	46,271	41,663	0	35,293	9,499	0
OC - Outstations and Homelands	224,118	0	72,164	0	0	151,954	0
PG - Parks and Gardens	44,725	0	96,572	29,854	59,360	-81,701	3,060
RC - Street Cleaning	0	0	18,234	0	0	-18,234	0
RM - Roads	126,077	144,533	71,434	0	159,616	54,643	80,079
SG - Special Purpose Grants	3,850	0	0	478	0	3,372	0
SR - Sport and Rec	132,913	112,768	109,477	0	82,023	23,436	1,468
WM - Waste Management	47,195	44,797	74,738	0	106,921	-27,543	170
WO - Women's Resources	0	0	495	0	0	-495	0
WS - Work Health and Safety	0	0	794	0	0	-794	0
YS - Youth Services	4,800	2,000	3,252	0	2,000	1,548	0
TOTAL:	1,903,726	1,541,719	1,077,123	395,453	1,030,313	431,150	173,688

	INCOME		EXPENSE		Budget	Net Actual Income	Commitments
	Actuals	Budget	Actuals	Assets			
PROGRAM - Peppi							
AD - Administration	414,690	501,544	234,480	1,498	281,715	178,712	2,804
AE - Aerodromes	0	0	12,712	0	13,693	-12,712	0
AF - Asset Management	172,510	250,000	7,634	161,688	0	3,188	0
AG - Aged & Disability Services	149,620	179,651	144,719	0	140,024	4,901	1,851
CA - Commercial Arrangement	142,407	141,877	56,100	0	53,859	86,307	17,800
CH - Child Care Emu Point	193,685	150,916	119,754	0	127,738	73,931	2,923
CM - Cemeteries	0	0	3,177	0	0	-3,177	0
CP - Community Patrol	316,380	248,961	152,413	0	187,622	163,967	13,524
EM - Elected Members	0	0	97,494	0	88,456	-97,494	1,234
GC - Grants - Community (external)	0	0	0	0	0	0	0
HS - Housing - Staff Housing	945	1,578	9,348	0	10,566	-8,403	0
LA - Local Authorities	31,627	31,627	1,412	0	29,575	30,215	0
LI - Libraries	30,454	30,454	13,630	0	22,321	16,824	0
MB - Media and Broadcasting	50,358	45,201	34,947	3,760	35,592	11,651	0
OC - Outstations and Homelands	245,104	121,458	127,680	9,309	70,907	108,115	0
PG - Parks and Gardens	30,106	0	82,508	29,854	53,806	-82,256	1,942
PL - Pools	59,091	0	15,785	10,809	6,188	32,497	3,603
RC - Street Cleaning	0	0	15,889	0	0	-15,889	0
RM - Roads	126,077	104,943	70,252	0	95,652	55,825	51,101
SG - Special Purpose Grants	0	0	-531	-69,330	0	69,861	0
SR - Sport and Rec	52,339	39,768	21,073	0	20,477	31,266	250
WM - Waste Management	95,573	36,288	68,520	0	102,672	27,053	0
WS - Work Health and Safety	0	0	792	0	0	-792	0
YS - Youth Services	464	0	0	0	0	464	0
TOTAL:	2,111,430	1,884,266	1,289,789	147,589	1,340,863	674,053	97,032

	INCOME		EXPENSE			Net Actual Income	Commitments
	Actuals	Budget	Actuals	Assets	Budget		
PROGRAM - Wadeye							
AD - Administration	1,459,380	1,190,430	455,266	61,040	724,111	943,074	11,994
AE - Aerodromes	0	0	24,159	0	28,707	-24,159	0
AF - Asset Management	264,162	430,000	9,079	211,328	0	43,755	19,745
AG - Aged & Disability Services	1,713,676	1,527,264	1,431,029	6,065	1,300,585	276,582	15,334
CA - Commercial Arrangement	287,342	430,820	268,829	0	192,182	18,513	2,004
CE - Chief Executive	23,350	0	18,517	23,350	0	-18,517	1,091
CM - Cemeteries	0	0	6,040	0	0	-6,040	0
CP - Community Patrol	632,760	752,025	598,509	51,833	579,324	-17,583	106,027
EM - Elected Members	473	0	96,469	0	91,929	-95,996	0
HS - Housing - Staff Housing	250,250	14,517	291,805	87,310	25,202	-128,865	8,020
LA - Local Authorities	540,702	539,597	91,615	0	503,068	449,087	47,657
LI - Libraries	83,406	82,906	38,433	0	56,190	44,973	0
MB - Media and Broadcasting	106,233	114,248	61,098	0	83,958	45,135	0
OC - Outstations and Homelands	253,498	161,507	126,372	45,491	183,096	81,635	41,463
PG - Parks and Gardens	41,058	0	264,679	0	183,138	-223,621	13,800
PL - Pools	127,364	20,000	140,522	66,354	71,875	-79,513	0
RC - Street Cleaning	0	0	30,196	0	0	-30,196	0
RM - Roads	335,539	348,526	133,884	0	329,465	201,655	189,199
SG - Special Purpose Grants	0	0	531	69,809	0	-70,340	0
SR - Sport and Rec	212,738	209,526	153,837	0	130,787	58,901	6,333
VC - Vacation Care	51,156	41,156	9,112	0	24,192	42,044	0
WM - Waste Management	263,347	320,640	169,782	0	172,154	93,565	1,998
WO - Women's Resources	78,837	56,337	38,012	0	39,662	40,825	0
WS - Work Health and Safety	0	0	1,142	0	0	-1,142	0
YS - Youth Services	0	0	0	0	0	0	0
TOTAL:	6,725,270	6,239,499	4,458,917	622,581	4,719,625	1,643,772	464,665

Profit & Loss Report				
For Period Ending 31st May 2015				
Description	YTD Actual Total	YTD Budget Total	Variance	Annual budget
Income				
Rates and Annual Charges				
Garbage General	343,428	325,237	18,191	325,237
Agency Income	4,877	22,602	-17,725	23,000
Council Rates	374,955	378,289	-3,334	377,577
Rent Employee Housing	20,458	19,518	940	22,000
Rent and Leases Property	137,352	360,009	-222,657	428,700
Fuel Rebate Income	1,749	0	1,749	0
Hire of Council Assets	31,184	20,943	10,241	24,500
Interest Received - Cash at Bank	55,491	33,468	22,023	35,000
Cash Donations and Gifts	4,180	0	4,180	0
Rates and Annual Charges Subtotal	973,672	1,160,065	-186,393	1,236,014
Grants and Subsidies				
NTG - SPG Operational Grants	4,933,708	3,174,978	1,758,730	3,174,978
NT Operational Grants (distributed through NT DLGH)	1,809,978	1,639,965	170,013	2,287,246
Aust Gov - SPG Operational Grants	4,571,374	4,806,849	-235,475	4,984,828
Grant Income Other	2,847	0	2,847	0
Grants and Subsidies Subtotal	11,317,907	9,621,792	1,696,116	10,447,051

Profit & Loss Report				
For Period Ending 31st May 2015				
<i>Description</i>	YTD Actual Total	YTD Budget Total	Variance	Annual budget
Other Current Income				
Period Contracts - Airports	199,191	172,517	26,675	190,745
Period Contracts Other	156,570	156,571	-1	170,803
Commercial Services Income	169,348	141,904	27,443	154,000
Fuel Sales - Diesel / ULP (to 3rd party customers)	17,704	18,124	-420	20,000
Insurance Claims	82,614	0	82,614	0
Other Current Income	23,487	12,444	11,043	13,000
Other Current Income Subtotal	648,914	501,560	147,354	548,548
Rebates				
Reimbursement Income Employees	4,694	0	4,694	0
Rebates Subtotal	4,694	0	4,694	0
Profit/Loss on Disposal of Property Pland and Equipment				
Profit / Loss on Disposal of Motor Vehicles	2,911	0	2,911	0
Profit/Loss on Disposal of Property Pland and Equipment Subtotal	2,911	0	2,911	0

Profit & Loss Report				
For Period Ending 31st May 2015				
Description	YTD Actual Total	YTD Budget Total	Variance	Annual budget
Allocation Transfers / Adjustments				
Internal Fund - Transfer In (Cr)	-66,696	0	66,696	0
Internal Fund - Transfer out (Dr)	66,696	0	-66,696	0
Allocation Transfers / Adjustments Subtotal	0	0	0	0
Income Sub Total	12,948,098	11,283,417	1,664,681	12,231,614
Expenditure				
Employees				
Employee Salary Normal	2,923,303	2,831,171	-92,132	3,197,260
Employee Salary Overtime	64,072	0	-64,072	0
Employee Salary Allowances	398,852	381,678	-17,173	429,200
Employee Salary Sick Leave	73,848	0	-73,848	0
Employee Salary Other Leave	17,349	0	-17,349	0
Employee Salary Workers Compensation	0	64,645	64,645	79,300
Employee Travel Allowance - Meals and Incidentals	55,432	56,489	1,057	60,000
Employee Travel Allowance - Mileage	375	0	-375	0

Profit & Loss Report				
For Period Ending 31st May 2015				
Description	YTD Actual Total	YTD Budget Total	Variance	Annual budget
Employee Accommodation	26,081	21,252	-4,829	23,181
Employee Fares - Air/Road	34,939	17,666	-17,273	19,273
Employee Taxi/Hire Car Fares	9,541	0	-9,541	0
Employee Superannuation	342,153	304,292	-37,861	341,504
Employee Salary Accrued Annual Leave	409,716	336,146	-73,570	399,649
Employee Salary Accrued Long Service Leave	0	51,173	51,173	62,469
Employee Uniforms	29,426	63,880	34,454	79,850
Employee Personal Protective Equipment	553	0	-553	0
Recruitment & Relocation	87,594	90,941	3,346	100,000
Employee Training (Mandatory)	129,835	155,835	26,000	194,543
Employee Travel & Accom (Training Only)	11,289	34,022	22,733	44,582
Employee Screening and License Checks	982	1,290	308	1,600
Employee Counselling and Rehabilitation	0	3,740	3,740	4,675
Employee Amenities	14,220	4,719	-9,501	5,162
Employees Subtotal	4,629,560	4,418,939	-210,621	5,042,249
Councillors				
Councillors Electoral Allowances	171,005	134,935	-36,070	149,178
Councillors Extra Meeting Allowances	2,442	34,322	31,880	42,293

Profit & Loss Report				
For Period Ending 31st May 2015				
Description	YTD Actual Total	YTD Budget Total	Variance	Annual budget
Councillors Travel Allowance - Meals and Incidentals	11,795	9,026	-2,768	10,327
Councillors Accommodation	11,047	7,619	-3,428	8,000
Councillors - Fares Air / Road	21,575	8,313	-13,262	10,000
Councillors Uniform	139	0	-139	0
Councillors Professional Development	200	18,444	18,244	23,000
Councilors Subtotal	218,203	212,659	-5,544	242,798
Other Expenses				
Administration Fees	-375	467	842	0
Advertising	5,407	26,167	20,761	31,873
Calling of tenders & quotes, analysis, evaln & award	6,014	3,250	-2,764	3,500
Veterinary expenses	15,501	14,163	-1,338	16,000
Audit Expenses (external)	0	0	0	35,000
Levy, Fees and Charges	12,729	11,685	-1,044	14,000
Cleaning Products and Contractors	11,599	13,058	1,459	15,000
Conferences, Seminars and Ceremonies	2,180	4,085	1,905	5,000
Consulting Fees	87,702	152,730	65,029	181,500
Utilities - Electricity	123,907	135,889	11,981	162,897
Utilities - Water & Sewerage	120,754	71,142	-49,613	82,270
Gas Industrial/Medical/Heating Etc	1,118	3,260	2,142	4,077

Profit & Loss Report				
For Period Ending 31st May 2015				
Description	YTD Actual Total	YTD Budget Total	Variance	Annual budget
Purposes NOT FUEL				
Hire of Plant, Equipment and Motor Vehicles	10,890	52,654	41,764	62,246
Legal Fees	12,982	40,691	27,709	50,000
Licenses and Registrations - MV & PE	37,498	42,201	4,702	50,242
Health and Safety Expenses	24,974	12,793	-12,180	15,000
Festival misc - Inc. prizes, equip hire, judges, coaching etc	2,773	4,200	1,427	5,000
Catering - Council, Committees, Seminars	6,493	7,789	1,296	8,500
Consumable Items	144,853	223,576	78,723	259,061
Operating Leases Office Equipment	25,813	25,700	-113	28,828
Operating Leases Property	40,209	43,357	3,148	46,930
Printing, Postage (stamps) & Stationery	24,063	24,950	886	28,440
Rent (short term only)	230,103	0	-230,103	0
Subscriptions and Memberships	21,100	22,160	1,060	22,500
Accommodation (not employees or councillors)	4,012	3,386	-626	4,000
Meal and Incidentals (not employees or councillors)	128	0	-128	0
Taxi/Hire Car/Bus/Coach Fares (not employees or councillors)	43	0	-43	0
Airfares (not employees or councillors)	8,467	0	-8,467	0
Training and Development (not employees or councillors)	23,343	3,116	-20,227	3,896

Profit & Loss Report				
For Period Ending 31st May 2015				
Description	YTD Actual Total	YTD Budget Total	Variance	Annual budget
Street Light Maintenance	6,630	12,766	6,136	15,718
Street Light Electricity Payments	0	11,200	11,200	14,000
Freight Expenses	74,507	39,649	-34,858	48,600
Publications and Information Resources	6,644	17,986	11,342	35,000
Fuel Diesel /ULP	197,457	225,609	28,152	257,031
Insurance Premiums	384,306	267,799	-116,506	257,832
Contractor Materials and Labour	1,535,996	1,869,303	333,307	2,143,241
Repairs & Maintenance Plant (Small Plant Items)	52,903	1,777	-51,126	2,000
Repairs & Maintenance MV & PE	94,694	279,601	184,906	334,248
Repairs & Maintenance Roads	76,498	58,725	-17,773	70,338
Repairs & Maintenance Airstrips	15,059	5,838	-9,221	6,427
Repairs & Maintenance Buildings	115,376	182,163	66,786	217,322
Contractors Electrical	85,511	0	-85,511	0
Contractors Plumbing/Gas	15,809	0	-15,809	0
Contractors Carpentry	16,606	0	-16,606	0
Contractors Structural	25,824	0	-25,824	0
Other Expenses Subtotal	3,708,101	3,914,885	206,784	4,537,517
Other Expenses				
ICT - Phone/Fax/Internet	46,375	107,291	60,916	130,876
ICT Satellite Telephone	0	400	400	500

Profit & Loss Report				
For Period Ending 31st May 2015				
Description	YTD Actual Total	YTD Budget Total	Variance	Annual budget
ICT Mobile/ Modem Telephone	17,626	1,595	-16,031	1,570
ICT - Consultants / Service Providers	591,995	573,952	-18,042	609,802
ICT Software	7,463	4,022	-3,442	5,000
ICT Hardware < \$5,000	11,433	9,611	-1,823	11,579
Torches and Batteries	0	2,560	2,560	3,200
Materials Roadbase/Gravel	343,198	351,368	8,170	421,206
Materials - Furniture & Office Equipment	48,609	0	-48,609	0
Materials - Tools	38,506	0	-38,506	0
Materials Minor Assets < \$5,000	36,298	0	-36,298	0
Sports Equipment - Inc Uniforms, trophies etc	17,904	12,770	-5,134	14,500
Musical & Sound Equipment	1,873	0	-1,873	0
Depreciation/Other Expenses Subtotal	1,161,281	1,063,569	-97,712	1,198,233
Other Expenses				
Committee Sitting Fees	7,030	14,348	7,318	17,100
Other Expenses Subtotal	7,030	14,348	7,318	17,100
Total expenditure	9,724,175	9,624,400	99,775	11,037,898

Profit & Loss Report				
For Period Ending 31st May 2015				
<i>Description</i>	YTD Actual Total	YTD Budget Total	Variance	Annual budget
Operating Net Surplus/(Deficit)	3,223,923	1,659,017	1,564,906	1,193,716
CAPITAL EXPENDITURE				
Plant				
Total Capital expenditure	945,041	1,193,716	248,675	1,193,716
NON CASH EXPENDITURE				
Depreciation				
Depreciation - Building	499,019	0	-499,019	0
Depreciation - Road Infrastructure	439,990	0	-439,990	0
Depreciation - Plant & Equipment	239,963	0	-239,963	0
Depreciation - Structures	37,853	0	-37,853	0
Depreciation - Furniture, Fittings & Office Equip	1,113	0	-1,113	0
Depreciation - Motor Vehicles	255,145	0	-255,145	0
Depreciation - Site Improvements	190,309	0	-190,309	0
Asset Write Off - Site Improvements	9,779	0	-9,779	0
Total Non Cash Expenditure	1,673,173	0	-1,673,173	0
Net Surplus/(Deficit) after Capital	605,709	465,301	140,408	0

Resolution: THAT Council receives and notes the finance report for the period 1 July to 31 May 2015.

Item 5. Procurement Policy Amendment – Resolution required

WHAT IS THE ISSUE TO BE ADDRESSED: Management requires amendment of the wording of the Procurement Policy.

WHAT IS THE DECISION TO BE MADE - THAT Council recommends that the attached amended wording be adopted.



POLICY

Procurement

1.2.3

1. SUMMARY

The procurement (or purchasing) policy and procedures contained herein apply to all employees of West Daly Regional Council and represents Council policy.

Overall, Council is committed to carrying out business with its suppliers and clients in an equitable, professional and efficient manner. It is also conscious of the need to support local traders and businesses and those suppliers who, while not resident within the boundaries of West Daly Region, provide services to regional communities.

Sections 28 to 30 of the *Local Government (Accounting) Regulations* apply.

2. DEFINITIONS

A **“contract”** is an agreement between Council and an external supplier for provision of specified work, goods or services.

“Delegations” are the authority given by Council to specific officers employed by Council to make decisions in relation to the negotiation of, or entering into, contracts for the carrying out of work, the supply of goods and services to Council.

“Period Contracts” are specific arrangements with a supplier following their selection by a public tender process. The agreements have specific commencing and finishing dates and are advertised initially with all similar suppliers.

“Preferred Supplier Arrangement” is an arrangement entered into between the Council and a particular supplier for supply of goods or services up to \$100,000 per transaction.

“Purchasing Agreement” is a contract for the supply of goods or services under agreed pricing and other conditions relating to delivery, quality of goods or services or timing. The arrangements are regularly reviewed by Finance.

“Specifications” are a detailed description of the work to be executed, the goods or materials to be supplied or the service to be rendered.

A **“Tender”** refers to a detailed quotation by a supplier of goods or services in response to a general advertisement by Council. A tender includes details of the goods and services to be offered, pricing conditions, delivery terms and quality of the items. Public tenders must be kept in a locked tender box and opened only under specific conditions after the published conclusion date and time has passed.

3. POLICY

3.1 All purchasing arrangements for West Daly Regional Council will be based on the following procurement principles:

- open and effective competition;
- value for money;
- listed Preferred Suppliers;
- enhancement of the capabilities of local business and industry;
- environmental protection;

- ethical behaviour and fair and equitable dealing; and
- advancement of employment opportunities for those residing within Council’s area.

3.2 Council purchasing officers are required to adhere to the following:

Purchase Cost (excl. GST)	Procedure
Up to \$2,000	Direct procurement
Over \$2,001 but less than \$10,000	One quotation (written or verbal) to be sought
Over \$10,001 but less than \$100,000	Three written quotations to be obtained
Over \$100,000 “this line added”	Three tenders to be obtained through open tender

3.3 Where a verbal quote has been sourced, details including description of goods or services being purchased, the name and contact details of the supplier and the quoted purchase cost should be recorded by the enquiring employee in the ‘comments’ section of the purchase requisition within the Technology One system. All written quotations are to be attached to the purchase requisition, as support of complying with policy and legislation.

3.4 Where the value of the goods and services is expected to exceed \$100,000, public tenders must be called through Tenderline or public notices in local newspapers, i.e. *Katherine Times* and the *NT News*, and a further notice placed on Council’s website. This notice will include:

- a description of the goods or services required;
- how a prospective tendered can source specific details of the goods or services required including contact details of the employee handling the tender process;
- how tenders should be lodged; and
- the tender closing date and time.

3.5 All tenders shall be kept confidential until their official opening and marked accordingly. All tenders delivered, mailed or e-mailed to specified addresses should be received in sealed envelopes (or sealed in the case of e-mails) and lodged in a locked tender box at the Council office. Faxed tenders will not be accepted for security and privacy reasons.

3.6 Following the advertised closing date and time of a public tender (Clause 3.5), any tenders received in response to a public advertisement as outlined in Clause 5, shall be opened either before Council itself, a Council Committee established for that purpose or a panel of three (3) members of Council staff comprising one executive member, one Program Manager and a person from Council’s Finance area.

3.7 Any member of a tender evaluation committee **must** declare any conflict of interest to a senior manager and, if possible, must not take any further involvement particularly with tender assessment.

- 3.8 If, following tender evaluation, no tender is acceptable in its presented form, negotiations will be conducted with any/all of the tenderers with preference being given to the highest assessed tenderer.
- 3.9 In the event that a tender called for in Clause 3.5 is accepted, Council **must** advise the outcome in writing to all tenderers and publish on Council's website.
- 3.10 Public tenders will include details of where full specifications can be obtained, closing date and lodgement of tenders and contact point for queries.
- 3.11 The tender period will only be extended if there is a late or complex addendum to the specifications or if the original period specified is determined by Council to be insufficient for contractors to obtain prices from suppliers or subcontractors. When there is a late addendum, tenderers should note on their tenders that they have taken this addendum into account.
- 3.12 The report prepared for Council following the opening of tenders, especially when the proposed expenditure is outside the Chief Executive Officer's delegation, will outline the tenders received, a comparison of prices and performance reports, results of any interviews and reference checks, financial considerations and recommendation.
- 3.13 Quotations or tenders are not required for the purchase of land, a consultancy or other professional service, travel and accommodation or in any instance where the Minister dispenses with the requirements under Section 30 of the *Local Government (Accounting) Regulations*.
- 3.14 Similarly quotations are not required to be sought if the supplies or services are to be obtained from a supplier or contractor who has a similar contract with
- the Northern Territory Government;
 - the Commonwealth Government;
 - a State or another Territory;
 - another Council*;
 - a local government subsidiary*;
 - Local Government Association of NT (LGANT)*.

*subject to conditions of Regulation 30 (3) of the *Local Government (Accounting) Regulations*

- 3.15 Local Buy is a part of the National Procurement Network to which LGANT is a member. Therefore if Council purchases through Local Buy, it is not obligated to apply public tender requirements in Clause 3.2
- 3.16 Under no circumstances are orders to be split so that the total value of the order falls under the amount of the individual's delegated authority or reduce the value of the purchase to a level where written quotations are not mandatory. This would be considered as violating Council's Fraud and

Corruption Policy and could result in deferment of the purchase until an investigation can be completed.

3.17 Council employees are particularly instructed to always consider local traders and businesses and those suppliers who, while not resident within the boundaries of West Daly Region, provide services to regional communities within it.

3.18 Financial delegations covering purchases are:

Function	Amount and/or Qualification (Where applicable)	Delegated Authority
Approve Purchase Orders	For goods and service/s within directorate and approved budget up to \$5,000	RSM
	For the organisation assets, goods and service/s within approved budget up to \$50,000	Director Corporate Services
	For the organisation assets, goods and service/ up to \$100,000 within Budget	CEO
	Over \$100,000	Three tenders to be obtained through open tender

(Refer also to Policy #3.1.8 – HR and Finance Delegations).

REFERENCES

Local Government Act

Local Government (Accounting) Regulations

FURTHER INFORMATION:

Finance Manager

VOTING REQUIREMENT

Simple majority

Approved by:	Council
Approval Date:	
Minute Number:	
Review Date:	1 st July, 2015 (annually)
Review Authority:	Finance Manager
Applicable to:	All Council employees

RECOMMENDATION

That Council approve the attached amended version of the Procurement Policy.

Moved: Clr.

Seconded: Clr.