



MEETING OF THE FINANCE COMMITTEE

WEDNESDAY, 15 DECEMBER 2021

10:00 AM

Held at the West Daly Regional Council
1/4 Albatross Street WINNELLIE NT 0820

This meeting is open to the public excluding confidential
Council business.

Agenda available online and if any queries please contact
Governance and Quality Assurance Officer on

info@westdaly.nt.gov.au

or phone: 08 7922 6403

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AGENDA

West Daly Regional Council Finance Committee Meeting

WEDNESDAY 15 DECEMBER 2021 AT 10:00 AM

**WEST DALY REGIONAL COUNCIL CHAMBERS,
1/4 ALBATROSS STREET, WINNELLIE NT**

Present

Apologies

Disclosure of interest – Councillors and Staff

Call for Items of General Business

Reports to Committee

- 1 Financial Report - November 20213
- 2 Finance Committee of Council: Delegated Functions.....17

General Business

Confidential

- 3 Urgent Housing Upgrades and Municipal Works at Mulyung
(Emu Point).

The report will be dealt with under Section 99(2) of the Local Government Act 2019 and Regulation 51(1)(c)(i) of the Local Government (General) Regulations 2021. It contains information that would, if publicly disclosed, be likely to cause commercial prejudice to, or confer an unfair commercial advantage on any person. (Commercial In Confidence).

WEST DALY REGIONAL COUNCIL

**FOR THE FINANCE COMMITTEE MEETING OF
15 DECEMBER 2021**

Report for Agenda Item No 1

Prepared by **James Cartwright, Chief Financial Officer**

Financial Report - November 2021

Summary:

To provide the Audit and Risk Management Committee the Financial Management Reports for the period ended 30 November 2021.

Background:

The Local Government (General) Regulations 2021, Division 7, require that Council receive a report setting out:

- (a) the actual income and expenditure of the council for the period from the commencement of the financial year up to the end of the previous month; and
- (b) the most recently adopted annual budget; and
- (c) details of any material variances between the most recent actual income and expenditure of the council and the most recently adopted annual budget.

Comment

Council has continued to meet its financial obligations for the period, as per the attached report. Our net operating result was \$596k.

Statutory Environment

Clause 17 of the *Local Government (General) Regulations 2021*.

Impact for Council

Under Clause 17 of the *Local Government (General) Regulations 2021* Council must receive the Financial Report.

Strategic Alignment

This report is aligned to the West Daly Regional Plan 2021-22:

Focus 1 – Enhancing our Organisations Culture	
4. Destination: Strengthened Governance	
Journey 4.2	Establish a key focus on Policy and Governance
Journey 4.3	Governance training for Elected Members
Journey 4.4	Improved reporting and accountability processes
Journey 4.5	Ongoing development of Policy and Procedures to support Councils activities and staff

Recommendation

- 1. That the Finance Committee receives and notes receives and notes the Financial Report for November 2021.**

Attachments

- 1 Finance snapshot November 2021



FINANCIAL MANAGEMENT REPORT

For the period ended 30 November 2021

Certification by the Council CEO

Council Name: **WEST DALY REGIONAL COUNCIL**
Reporting Period Ended: **30 November 2021**




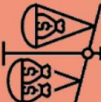







To the best of the CEO's knowledge, information and belief:

- (1) the internal controls implemented by the council are appropriate; and
- (2) the monthly reports best reflects the financial affairs of the council.

Matt Eastham
CEO

Date:  .

Snapshot - Financial Report

Revenue \$ 4.8M 	Current Ratio 1.78 	Cash at Bank \$ 7.8M 
Expenditures \$ 4.5M 	Unspent Tied Funds \$ 3.0M <small>(including commitments of \$272K)</small> 	Net Current Assets \$ 3.6M 
Operating Result \$ 574K <small>(including tied grants)</small> 	Local Authority \$ 722K 	Capital Expenditures \$ 167K 

WDRC Financial Management Report October 2021

Income and Expense Statement - Actual v Budget

INCOME AND EXPENSE STATEMENT									
FOR THE PERIOD ENDING 30 NOVEMBER 2021									
	YTD Actuals	YTD Budget	YTD Variance	YTD Variance	Approved Annual Budget	Progress	Note		
	\$	\$	\$	%	\$				
OPERATING INCOME									
Rates	1,750,642	1,639,180	111,462	7%	1,639,180	107%			
User Fees and Charges	1,245,008	1,187,290	57,718	5%	2,605,229	48%			
Operating Grants and Subsidies	3,678,057	4,951,556	(1,273,499)	-26%	8,181,769	45%			(1)
Interest/Investment Income	8,391	12,732	(4,341)	-34%	30,556	27%			
Other Income	197,050	118,220	78,830	67%	283,729	69%			(2)
TOTAL INCOME	6,879,147	7,908,978	(1,029,831)	-13%	12,740,463	54%			
OPERATING EXPENSES									
Employee Expenses	2,039,057	2,024,568	14,489	1%	5,263,876	39%			
Materials and Contracts	1,634,769	1,048,941	585,829	56%	2,517,457	65%			(3)
Elected Member Allowances	72,861	91,327	(18,466)	-20%	237,449	31%			(4)
Elected Member Expenses	65,267	41,208	24,059	58%	103,511	63%			(5)
Council Committee & LA Allowances	4,800	7,083	(2,283)	-32%	17,000	28%			
Council Committee & LA Expenses	30,091	194,583	(164,493)	-85%	467,000	8%			(6)
Depreciation, Amortisation and Impairment	313,165	333,499	(20,334)	-6%	800,397	39%			
Interest Expenses	3,179	106,496	(103,317)	-97%	255,591	1%			(7)
Other Expenses	2,119,333	5,475,941	(3,356,608)	-61%	4,492,849	47%			(8)
TOTAL EXPENSES	6,282,520	9,323,645	(3,041,125)	-33%	14,155,131	44%			
OPERATING SURPLUS / DEFICIT	596,627	(1,444,568)	2,041,195	-142%	(1,444,568)				

WDRC Financial Management Report October 2021

Income and Expense Statement - Variance Analysis

	Note Reference	Comments
Operating Grants and Subsidies	(1)	Timing difference in receipt of the following grants - IDJF, MES, HMS, Library, FAA General and Roads, Bus Service and Roads to Recovery. This amount is slightly offset by Local Authority grant where the amount received for the year was twice as much as expected.
Other Income	(2)	Additional income generated from garbage bins and collection, which was charged as a fee for service from this financial year. As of period end, WDRC has raised \$123K from this service. There is also significant increase in commercial activities, i.e. Accommodation where guests stay for longer than a week at a time.
Materials and Contracts	(3)	Delays in project in Homelands projects due to contractor availability. There are committed expenses of approximately \$715K awaiting supplier completion.
Elected Member Allowances	(4)	Less meetings have been held to date, combined with a vacancy in the Ngammaranyanga Ward.
Elected Member Expenses	(5)	Less meetings have been held to date and additional Wadeye Council meetings, combined with a vacancy in the Ngammaranyanga Ward.
Council Committee & LA Expenses	(6)	Variance due to the timing of LA projects, e.g. Ngammaranyanga solar light installation. Committed expenses amount to \$36K for this project.
Interest Expenses	(7)	Interest expense in relation to Section 19 Lease not yet charged pending receipt of FY21/22 lease invoice.
Other Expenses	(8)	The majority of total other expenses relate to payment of insurance premiums, which was paid in advance rather than by monthly instalment as per budget. Overall repairs and maintenance spent on Council assets is overspent by about 40%. ICT services expense are also paid in advance per quarter but budgeted monthly. ICT phones, fax and mobiles increased by 48% due to increase in number of users as well as billed one month in advance. There is also a 65% in freight expenses due to travel limitations imposed by NT Health/Covid. These increase in overall spending is slightly offset by administration fees that are not yet charged for the period.

Income and Expense Statement - By Location

INCOME AND EXPENSE STATEMENT FOR THE PERIOD ENDING 31 OCTOBER 2021	Ngannarrinyanga			Peppimenarti			Wadeye		
	YTD Actuals \$	YTD Budget \$	Variance \$	YTD Actuals \$	YTD Budget \$	YTD Variance \$	YTD Actuals \$	YTD Budget \$	YTD Variance \$
OPERATING INCOME									
Rates	150,441	164,439	(13,998)	159,489	159,136	353	1,440,712	1,315,605	125,107
User Fees and Charges	199,854	174,960	24,894	218,447	201,706	16,742	826,706	810,624	16,082
Operating Grants and Subsidies	610,810	223,450	387,360	294,583	97,650	196,933	2,772,664	4,630,456	(1,857,792)
Interest/Investment Income	-	-	-	-	-	-	8,391	12,732	(4,341)
Other Income	21,305	15,497	5,808	42,766	10,857	31,909	132,413	91,866	40,547
TOTAL INCOME	982,410	578,346	404,064	715,285	469,349	245,936	5,180,886	6,861,283	(1,680,397)
OPERATING EXPENSES									
Employee Expenses	319,935	303,974	15,962	273,162	785,338	(512,176)	961,629	785,338	176,291
Materials and Contracts	642,351	158,875	483,476	124,079	104,548	19,532	868,210	785,518	82,692
Elected Member Allowances	7,594	10,562	(2,968)	21,533	44,269	(22,737)	43,734	44,269	(536)
Elected Member Expenses	356	4,092	(3,735)	22,285	15,162	7,122	42,626	15,162	27,464
Council Committee & LA Allowances	2,862	2,083	779	837	2,917	(2,080)	1,101	2,917	(1,816)
Council Committee & LA Expenses	49,618	23,688	25,931	4,407	159,938	(155,531)	5,808	159,938	(154,130)
Depreciation, Amortisation and Impairment	-	-	-	-	-	-	313,165	333,499	(20,334)
Interest Expenses	-	-	-	-	106,496	(106,496)	3,179	106,496	(103,317)
Other Expenses	179,684	248,092	(68,408)	212,752	1,258,628	(1,045,876)	1,504,737	1,258,628	246,109
TOTAL EXPENSES	1,202,401	751,365	451,036	659,064	2,477,295	(1,818,241)	3,744,187	3,491,764	252,423
OPERATING SURPLUS / DEFICIT	-	219,991.00	(173,019)	56,231	(2,007,947)	2,064,177	1,436,699	3,369,519	(1,932,820)
Capital Expenses	-	-	-	(3,500)	-	-	(44,499)	-	-
Prior Year Carry Forward Tied Funding	331,726	-	331,726	446,567	-	446,567	(778,293)	-	(778,293)
NET OPERATING POSITION	111,735	(173,019)	284,754	499,298	(2,007,947)	2,510,745	613,907	3,369,519	(2,711,113)

WDRC Financial Management Report October 2021

Monthly Balance Sheet Report

BALANCE SHEET AS AT 31 OCTOBER 2021	YTD Actuals \$	Note Reference
ASSETS		
Cash at Bank		(1)
Tied Funds	2,978,898	
Unlied Funds	5,290,392	
Accounts Receivable		
Trade Debtors	157,704	(2)
Rates & Charges Debtors	167,445	(3)
Other Current Assets	344,750	
TOTAL CURRENT ASSETS	8,939,188	
Property, Plant and Equipment	2,888,913	
Right-of-Use Assets	3,910,329	
Non-Current Financial Assets	-	
TOTAL NON-CURRENT ASSETS	6,799,242	
TOTAL ASSETS	15,738,430	

BALANCE SHEET AS AT 31 OCTOBER 2021	YTD Actuals \$	Note Reference
LIABILITIES		
Accounts Payable	703,297	(4)
ATO & Payroll Liabilities	70,798	(5)
Current Provisions	283,964	
Accruals	-	
Other Current Liabilities	1,203,775	
TOTAL CURRENT LIABILITIES	2,261,834	
Non-Current Provisions	35,583	
Other Non-Current Liabilities	4,201,851	
TOTAL NON-CURRENT LIABILITIES	4,237,433	
TOTAL LIABILITIES	6,499,267	
NET ASSETS	9,239,163	
EQUITY		
Asset Revaluation Reserve	-	
Cash Reserves	-	
Accumulated Surplus	9,239,163	
TOTAL EQUITY	9,239,163	

Monthly Balance Sheet Report
Note 1. Details of Cash and Investments Held

	Nov-21	Oct-21
Cash at Bank Operational	709,473	(37,988)
Cash at Bank T rust	2,558,816	2,856,294
Cash Investment - Fixed Term	5,000,000	5,000,000
Cash on Hand Petty Cash	1,000	1,000
	8,269,290	7,819,306

	Amount
Tied Funds	2,978,898
Un tied Funds	5,290,392
	8,269,290

Details of Cash Investment - Fixed Term

Product	Actual Balance	Available Balance	Interest Rate	Maturity
Fixed Term Deposit	\$1,000,000.00	\$0.00	0.28%	19/04/2022
Fixed Term Deposit	\$1,000,000.00	\$0.00	0.24%	28/03/2022
Fixed Term Deposit	\$1,000,000.00	\$0.00	0.35%	4/01/2022
Fixed Term Deposit	\$1,000,000.00	\$0.00	0.30%	7/01/2022
Fixed Term Deposit	\$1,000,000.00	\$0.00	0.28%	22/11/2021

Current Ratio

“How many dollars do we have for every dollar we owe?”

Current Assets		Current Liabilities	
Cash in Bank	8,269,290	Accounts Payable	703,297
Less: Grants to be refunded	0	Other Current Liabilities	1,274,573
	8,269,290	Grants in advance	
Trade and Rates Debtors	325,149	Commitments	264,620
Other Current Assets	344,750		
Less:		Unspent Grants	2,714,278
Staff Liability	319,547	(Agency & Core)	
	8,619,642		4,956,768

1.74

Current Ratio for FY2021/22

Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
1.36	1.63	1.91	1.78	1.74	1.74						

Monthly Balance Sheet Report

Note 2. Statement on Debts Owed to Council (Accounts Receivable)

Trade Debtor's Account - Age Analysis			Nov-21	Oct-21
Current			133,013	98,305
Unapplied (yet to reconcile)			(5,210)	(3,272)
Over 30 days			12,291	68,590
Over 60 days			17,811	967
Over 90 days			3,583	2,818
Total			161,489	167,408

The Council has provided provision for doubtful accounts amounting to \$3,785 in relation to receivable balances as at 310 November 2021. This mainly relates to balances over 60 days.

Note 3. Rates

WDRC has raised \$1.75M in rates for FY2021/22, which includes \$1.12M in Rates and \$632K in Refuse/Garbage. As at 30 November 2021, 94% of total rates have been collected. WDRC also raised an additional \$123K for garbage fee for service for any extra bins and collection days made for the ratepayers for the year.

Monthly Balance Sheet Report

Note 4. Statement on Debts Owed by Council (Accounts Payable)

Creditor's Account - Age Analysis			Nov-21	Oct-21
Current			696,264	215,587
Unapplied (yet to reconcile)			(2,789)	(1,020)
Over 30 days			9,822	5,753
Over 60 days			-	683
Over 90 days			-	90,072
Total			703,297	311,075

Note 5. Statement on Australian Tax Office (ATO) and Payroll Obligations

The net reported GST and PAYG Withholding Tax obligations of \$515 will be paid by the due date.

All FBT and superannuation obligations have been paid to-date.

All insurance premiums, including Work Health and Directors and Office Holders cover, have been paid to-date

As of 30 November 2021, Council has net PAYG and GST refundable amount of \$33,217.

All FBT and superannuation obligations have been paid to date.

All insurance premiums, including Workers Compensation, Directors and Office Holders cover have been paid to date.

Monthly Balance Sheet Report

Highest 10 Contractor Payments/ Items paid in the month

	Supplier Name	Territory enterprise or industry supplier \$	Interstate / overseas enterprise or industry supplier \$
10035	CHEVRON AUSTRAL		78,544
10376	COUNCILBIZ	58,448	
11152	MURIN ASSOC	90,732	
12568	TELSTRA		34,578
12569	QUICKSUPER		34,744
12604	PRIORITY PEST	20,794	
12810	Deloitte Touche		19,805
13150	ELDRIDGE SERVIC	22,058	
13239	Katherine AG	36,371	
13293	WTD Constructio	64,234	
TOTAL		292,636	167,671



WEST DALY REGIONAL COUNCIL

FOR THE FINANCE COMMITTEE MEETING OF 15 DECEMBER 2021

Report for Agenda Item No 2

Prepared by **James Cartwright, Chief Financial Officer**

Finance Committee of Council: Delegated Functions

Purpose

The purpose of this report is to request Council to appoint Elected Members to the Finance Committee of Council.

Background

Clause 19 of the *Local Government (General) Regulations 2021* requires Council to create a Council committee to carry out on behalf of council the finance functions of the council in the months where council does not schedule an ordinary meeting.

The Committee uses its delegation from Council to undertake necessary functions when Council does not meet including:

- Review the monthly income and expenditure reports, monitor progress against the budget and provide advice to Council on implications of these
- Consider and make appropriate recommendations to Council on any matters having a significant financial impact on the Council
- Review and determine action for any other financial documents that need to be dealt with prior to the next ordinary Council meeting.

Comment

In order to carry out on behalf of council the finance functions of the council in the months where council does not schedule an ordinary meeting, council is required to delegate certain functions to the Finance Committee of Council.

At the Ordinary Council Meeting on November 23, the following functions were delegated by Council to be performed by the Finance Committee in the months where Council does not meet.

Contracts: Contracts, Agreements and Submissions

Function	Amount and/ or Qualification (Where applicable)	Delegated Authority
Authority to sign/seal agreements, contracts or tenders obtained	<i>For all of council</i>	Council

Legal: Legal Matters

Function	Amount and/ or Qualification (Where applicable)	Delegated Authority
Authority to approve expenditure on legal matters, which are outside approved budget.	<i>For all of council</i>	Council

Financial: Operational Expenditure

Function	Amount and/ or Qualification (Where applicable)	Delegated Authority
Approve expenditure	<i>Under direct control, within approved budget and subject to any restrictions outlined elsewhere in this document. Up to \$1,000,000</i>	CEO
	<i>Under direct control, within approved budget and subject to any restrictions outlined elsewhere in this document.</i>	Council

Financial: Capital Expenditure and Asset Control

Function	Amount and/ or Qualification (Where applicable)	Delegated Authority
Authorised to replace essential items of equipment included in approved capital budget/funding agreement	<i>For all of council \$500,000 (In excess of on any one item) (All equipment over \$10,000 must be accompanied by three quotes)</i>	Council

Statutory Environment

Clause 19 of the *Local Government (General) Regulations 2021*

Impact for Council

The following Council policies are relevant to this matter:

- FIN08 – Delegation Policy

Strategic Alignment

This report is aligned to the West Daly Regional Plan 2021-22:

Focus 1 – Enhancing our Organisations Culture	
4. Destination: Strengthened Governance	
Destination 4.2	Establish a key focus on Policy and Governance
Destination 4.3	Governance training for Elected Members
Destination 4.4	Improved reporting and accountability processes
Destination 4.5	Ongoing development of Policy and Procedures to support Councils activities and staff

Recommendation

1. That the Finance Committee notes the above delegated functions.

Attachments