



**MINUTES SPECIAL ORDINARY MEETING**

**GWYDIR SHIRE COUNCIL**

**SATURDAY 27 FEBRUARY 2016**

**COMMENCING AT 9.00 AM**

**WARIALDA OFFICE COUNCIL CHAMBERS**

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**Present:**

**Councillors:** Cr. John Coulton (Mayor), Cr. Catherine Egan (Deputy Mayor), Cr. Angela Doering, Cr. Stuart Dick, Cr Marilyn Dixon, Cr. Kerry McDonald, Cr. Jim Moore, Cr. Peter Pankhurst and Cr. Geoff Smith.

**Staff:** Max Eastcott (General Manager), Leeah Daley (Deputy General Manager), Richard Jane (Director Technical Services), Ron Wood (Chief Financial Officer) and Glen Pereira (Director Development and Environmental Services)

**Public:** Nil

**Visitor:** Nil

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Chairman .....

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**OFFICIAL OPENING AND WELCOME – MAYOR**

**APOLOGIES NIL**

**Item 1 Financial Statements for year ended 30 June 2015**

**FILE REFERENCE**

**DELIVERY PROGRAM**

**GOAL: 5. Organisational Management**

**OUTCOME: 5.1 CORPORATE MANAGEMENT**

**STRATEGY: 5.1.1 Financial management and accountability systems -  
CFO - internal**

**AUTHOR** General Manager

**DATE** 2/23/2016

**STAFF DISCLOSURE OF INTEREST Nil**

**IN BRIEF/ SUMMARY RECOMMENDATION**

It is a statutory requirement that a council's financial statements be prepared and audited within four (4) months after the end of the financial year and submitted to the Office of Local Government.

The Office of Local Government wrote to the Council on 19 February 2016 indicating that if the financial statements were not received within fourteen days of that date, the Office would consider further action under its Improvement and Intervention Framework. The Office has requested that the letter be tabled at the next Council meeting (Attachment A).

The completion and audit of the Council's 2014 - 15 Financial Statements has been delayed for a number of reasons, however, the finalisation and auditing of the financial statements is nearly concluded. It is, therefore, extremely unlikely that the deadline set by the Office will not be met.

Council's Chief Financial Officer completed the special rate variation application to IPART on 15 February, 2016 and since then has been assisting the Finance Manager with providing answers to matters raised by the auditor and adjusting the financial statements as necessary.

**BACKGROUND**

A preliminary assessment of the factors involved in the delay in finalisation has found that:

- The main contributing factor was the adoption of a completely new hierarchy for the revaluation of roads, bridges, footpaths, drainage and bulk earthworks which delayed the production of the first draft of the

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financial statements until 20 October 2015. The revaluation being a requirement for the 2014 - 15 financial year, as outlined in the Code of Accounting Practice and Financial Reporting. Not only did this involve considerable staff time in revaluing the assets in accordance with the new hierarchy, it meant that the existing records in the assets system had to be deleted and the new hierarchy and valuations installed. There was no provision in the assets system to automatically carry out this process. It required the computer software company to develop a specific, one off method to delete the old details and install the new hierarchy, including the revaluation amounts. The result of all this was that the new data wasn't uploaded to the assets system until 15 October 2015. In the week following, there were some amendments before the process was completed and the Finance Manager could produce the financial statements.

- ***The benefit of the adoption of the new hierarchy and the subsequent revaluation was the reduction of depreciation by approximately \$5 million per annum, with a substantial improvement in the Council's budgeted operating results from 2015-16 onwards.***
- The relative level of inexperience of the Finance Manager in the preparation of financial statements. The Finance Manager's first experience was with the Council's 2013 - 14 financial statements which used a different process for their preparation.
- The purchase of new software for the preparation of the 2014 -15 financial statements.
- The need for the Finance Manager to gain a working knowledge of the new financial statement's software and the affect that any amendments to the templates would have on the various Notes and Schedules.
- The possible absence of a review of the first draft of the financial statements to ensure its integrity and reasonableness before presentation to the auditor. The financial statements software was acquired in late July 2015. The first upload of the completed templates was sent to LG Solutions on 20 October 2015. The first meeting between the Audit Manager and the Finance Manager about the draft financial statements took place on 28 October 2015, with 33 items identified as needing further work. Many of these related to preliminary end of year matters and differences between the Trial Balance and the financial statements.
- The initial absence of working papers (supporting documentation) to assist the auditor during the conduct of the audit to gather sufficient and appropriate audit evidence to prove Council's assertions on the financial statements. The various working papers were subsequently produced and supplied to the auditor upon request.
- Work in Progress (WIP) problems including identification of completed projects.

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A more comprehensive outline of the preliminary assessment is contained in Attachment B.

### COMMENT

In order to provide a measure of certainty that the Council will be in a position to finalise its 2015 - 16 financial statements and have them audited by 31 October 2016, the following action has been taken:

A 'Status of Work' Monthly Reconciliation Checklist has been developed and will be implemented by the Finance Manager once the 2014 - 15 financial statements and the audit are finalised.

The development of a Year End Program schedule for completion of the 2015 - 16 financial statements, including accountabilities and deadlines with regular reporting to the executive team, to ensure work on the 2015 - 16 Audited Financial Statements are completed well within timeframes.

The Council has purchased and is implementing CAMMS Interplan software to allow improved performance and status of work monitoring by the executive team.

Council will engage a highly qualified Local Government Finance Contractor with an extremely high level of skill and many years' experience in the preparation of Annual Financial Statements to:

- Check the current state of the accounting and asset functions and assist the Finance Manager (and the assets personnel in the Engineering Division) in bringing any non current work up-to-date.
- Identify and correct any mapping problems still remaining between the Financial Statements templates and the General Ledger.
- Assist the Finance Manager with completing work that can be done by the Finance Section and the Assets' staff before Year End to facilitate early completion of the 2015 - 16 financial statements.
- Improve staff skills and understanding of the functions they undertake and in the completion and interrelationship of the Notes and Schedules to the financial statements.

### CONCLUSION

Once implemented, the steps and actions outlined in this report will provide a strong framework for the Council to meet its statutory responsibilities in the future.

### CONSULTATION

Consultation has occurred within management of Council.

### OFFICER RECOMMENDATION

THAT the letter from the Office of Local Government, dated 19 February 2016 be tabled and the report be received and noted.

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**ATTACHMENTS**

- AT-** Letter from Office of Local Government
- AT-** Interim report to General Manager
- AT-** Final Report from Consultant tabled at the meeting

**COUNCIL RESOLUTION:  
MINUTE 29/16**

**THAT the letter from the Office of Local Government, dated 19 February 2016 be tabled and the report be received and noted.**

**(Moved Cr Egan, seconded Cr McDonald)**

**THAT the 'Council & Management Statement' be adopted and signed for the 2014/2015 Annual Financial Reports, certifying that to the best of our knowledge and belief, these reports present fairly the Council's financial position and operating result for the year and accord with the Council's accounting and other records.**

**FURTHER that the 'Council & Management Statement' be adopted and signed for the 2014/2015 Special Purpose Financial Reports, certifying that to the best of our knowledge and belief, these reports present fairly the Council's financial position and operating result for the year and accord with the Council's accounting and other records.**

**(Moved Cr Dixon, seconded Cr Doering)**

The meeting was advised that the final Annual Financial Statements have been completed and the draft Auditors Report has been submitted and will be finalised on Monday 29<sup>th</sup> February 2016.



Office of  
Local Government

5 O'Keefe Avenue NOWRA NSW 2541  
Locked Bag 3015 NOWRA NSW 2541

Our Reference: A456452  
Your Reference:  
Contact: Chris Duff  
Phone: 02 4428 4186

Mr Max Eastcott  
General Manager  
Gwydir Shire Council  
Locked Bag 5  
BINGARA NSW 2404

Dear Mr Eastcott

I am writing to express my concern at Gwydir Shire Council's failure to submit its audited financial statements for the year ended 30 June 2015 and to request that Council, as a matter of urgency, finalise the statements and submit them to the Office within 14 days from the date of this letter.

It is a legislative requirement under sections 416 and 417 of the *Local Government Act 1993* that a council's financial statements must be prepared and audited within 4 months after the end of the year and submitted to the Chief Executive of the Office of Local Government. Council has breached these legislative requirements.

The annual financial statements form an integral part of Council's financial management framework and are a key accountability mechanism. Should the statements not be received within 14 days, as requested, the Office will consider further action under its Improvement and Intervention Framework.

It is also requested that this letter be tabled at Council's next meeting. Please contact Ms Sonja Hammond, Acting Manager, Performance on (02) 4428 4143 should you have any queries.

Yours sincerely

Tim Hurst  
Acting Chief Executive  
Office of Local Government

19/2/16

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**2014-15 Annual Financial Statements – Interim Report on Delay in their Completion**

**Brief**

On 2 February 2016, I was engaged by the General Manager to undertake the following brief:

- Analysis of what went wrong/problems encountered
- Review of financial controls
- Development of 'status of works' detailing controls, accountabilities and due dates
- Increased resourcing, support for non-finance sections and training
- Further development of detailed plan for annual statement completion, including accountabilities and deadlines, to ensure work is completed well within timeframes.

**Preliminary Conclusions**

The Council is well aware of its statutory obligations in regards to completing its annual financial statements (AFS) and having them audited by 31 October. However, Council staff and in particular, the professional finance staff, has been deluged in the last four years with additional work emanating from the NSW Government's pursuit of its policy objective of transforming the system of local government.

The Independent Pricing And Regulatory Tribunal's (IPART) decision to approve a one year only temporary general purpose rate increase of 15% for 2015-16 rather than the Council's application for 15% increases in both 2015-16 and 2016-17 or a cumulative increase of 32.25% has also been a contributing factor to the delay.

IPART's decision impacted heavily on Council's resources as it meant a total review, during the period from July to September 2015, of Council's Delivery Program and Long Term Financial Plan to support a further special rate variation application to IPART for 2016-17. Such review being necessary as part of the community consultation process associated with an SRV application.

The Council also has only two professional finance personnel to handle and supervise the normal accounting and reporting functions as well as any additional workload imposed by external factors.

It is my opinion that these factors must be taken into consideration when reading the reasons for the delay in the task of completing the 2014-15 Annual Financial Statements.

My preliminary conclusions on the primary reasons for the delay are set out below and have been based on discussions to date with Council staff, review of emails between staff and between staff and the auditor and the auditor's notes regarding matters requiring attention, explanation or the provision of supporting working papers:

- The main contributing factor was the adoption of a completely new hierarchy for the revaluation of roads, bridges, footpaths, drainage and bulk earthworks which delayed the production of the first draft of the AFS until 20 October 2015. The revaluation being a requirement for the 2014-15 financial year as per the Code of Accounting Practice and



Financial Reporting. Not only did this involve considerable staff time in revaluing the assets in accordance with the new hierarchy, it meant that the existing records in the assets system had to be deleted and the new hierarchy and valuations installed. There was no provision in the assets system to automatically carry out this process. It required the computer software company to develop a specific, one off method to delete the old details and install the new hierarchy including the revaluation amounts. The result of all this was that the new data wasn't uploaded to the assets system until 15 October 2015. In the week following, there were some amendments before the process was completed and the Finance Manager could produce the AFS.

- ***The benefit of the adoption of the new hierarchy and the subsequent revaluation was the reduction of depreciation by approximately \$5 million per annum, with a substantial improvement in the Council's budgeted operating results from 2015-16 onwards.***
- The relative level of inexperience of the Finance Manager in the preparation of annual financial statements. The Finance Manager's first experience was with the Council's 2013-14 annual financial statements which used a different process for their preparation.
- The purchase of new software for the preparation of the 2014-15 AFS.
- The need for the Finance Manager to gain a working knowledge of the new AFS software and the effect that any amendments to the templates would have on the various Notes and Schedules.
- The possible absence of a review of the first draft of the AFS to ensure its integrity and reasonableness before presentation to the auditor. In this regard, the AFS software was acquired in late July 2015. The first upload of the completed templates was sent to LG Solutions on 20 October 2015. The first meeting between the Audit Manager and the Finance Manager about the draft AFS took place on 28 October 2015 with 33 items identified as needing further work. Many of these related to preliminary EOY matters and differences between the Trial Balance and the AFS.
- The initial absence of working papers (supporting documentation) to assist the auditor during the conduct of the audit to gather sufficient and appropriate audit evidence to prove Council's assertions on the AFS. In this regard, the various working papers were subsequently produced and supplied to the auditor upon request.
- Work in Progress (WIP) problems including identification of completed projects.

#### **Current Situation**

The Chief Financial Officer completed the special rate variation application to IPART on 15 February and since then has been assisting the Finance Manager with providing answers to matters raised by the auditor and adjusting the AFS as necessary.

#### **Future Compliance with Statutory Obligations**

In order to provide a measure of certainty that the Council will be in a position to finalise its 2015-16 AFS and have them audited by 31 October 2016, the following action has been taken:

I have developed a 'Status of Work' Monthly Reconciliation Checklist which will be implemented, in conjunction with the Finance Manager, once the 2014-15 AFS are completed and the audit finalised.

I have also drawn up a Year End Program schedule for AFS completion including accountabilities and deadlines with regular reporting to the executive team, to ensure work on the 2015-16 AFS is completed well within timeframes.

The Council has purchased and is implementing CAMMS Interplan software to allow improved performance and status of work monitoring by the executive team.

I have also recommended and as agreed to by the General Manger, arranged the engagement, for a short period of time, of Mr John Stuart, a contractor with an extremely high level of skill and many years experience in the preparation of Annual Financial Statements to:

- Check the current state of the accounting and asset functions and assist the Finance Manager (and the assets officer who is in the Engineering Division) in bringing any non current work up-to-date
- Identify and correct any mapping problems still remaining between the Financial Statements templates and the General Ledger.
- Assist the Finance Manager with completing work that can be done by the Finance Section and the Assets staff before Year End to facilitate early completion of the 2015-16 AFS.
- Improve the skills and understanding of staff of the functions they undertake and in the completion and interrelationship of the Notes and Schedules to the AFS

Norm Headford

23 February 2016.

**2014-15 Annual Financial Statements – Final Report on Delay in their Completion**

**Brief**

On 2 February 2016, I was engaged by the General Manager to undertake the following brief:

- Analysis of what went wrong/problems encountered
- Review of financial controls
- Development of 'status of works' detailing controls, accountabilities and due dates
- Increased resourcing, support for non-finance sections and training
- Further development of detailed plan for annual statement completion, including accountabilities and deadlines, to ensure work is completed well within timeframes.

**Background**

The Council is well aware of its statutory obligations in regards to completing its annual financial statements (AFS) and having them audited by 31 October. However, Council staff and in particular, the professional finance staff, has been deluged in the last four years with additional work emanating from the NSW Government's pursuit of its policy objective of transforming the system of local government.

The Independent Pricing And Regulatory Tribunal's (IPART) decision to approve a one year only temporary general purpose rate increase of 15% for 2015-16 rather than the Council's application for 15% increases in both 2015-16 and 2016-17 or a cumulative increase of 32.25% has also been a contributing factor to the delay.

IPART's decision impacted heavily on Council's resources as it meant a total review, during the period from July to September 2015, of Council's Delivery Program and Long Term Financial Plan to support a further special rate variation application to IPART for 2016-17. Such review being necessary as part of the community consultation process associated with an SRV application.

The Council also has only two professional finance personnel to handle and supervise the normal accounting, budgeting and reporting functions as well as any additional workload imposed by external factors. Based on the current workload and the decision by the NSW Government to reassess, in May 2016, those Councils that did not perform well in the Fit for the Future assessment against the financial, asset management or efficiency benchmarks, there is a definite need for an additional professionally qualified position within the Finance Section.

It is my opinion that the above factors must be taken into consideration when reading the reasons for the delay in the task of completing the 2014-15 Annual Financial Statements.

#### Conclusions

My conclusions on the primary reasons for the delay are set out below and have been based on discussions to date with Council staff, review of emails between staff and between staff and the auditor and the auditor's notes regarding matters requiring attention, explanation or the provision of supporting working papers:

- The main contributing factor was the adoption of a completely new hierarchy for the revaluation of roads, bridges, footpaths, drainage and bulk earthworks which delayed the production of the first draft of the AFS until 20 October 2015. The revaluation being a requirement for the 2014-15 financial year as per the Code of Accounting Practice and Financial Reporting. Not only did this involve considerable staff time in revaluing the assets in accordance with the new hierarchy, it meant that the existing records in the assets system had to be deleted and the new hierarchy and valuations installed. There was no provision in the assets system to automatically carry out this process. It required the computer software company to develop a specific, one off method to delete the old details and install the new hierarchy including the revaluation amounts. The result of all this was that the new data wasn't uploaded to the assets system until 15 October 2015. In the week following, there were some amendments before the process was completed and the Finance Manager could produce the AFS.
- ***The benefit of the adoption of the new hierarchy and the subsequent revaluation was the reduction of depreciation by approximately \$5 million per annum, with a substantial improvement in the Council's budgeted operating results from 2015-16 onwards.***
- The relative level of inexperience of the Finance Manager in the preparation of annual financial statements. The Finance Manager's first experience was with the Council's 2013-14 annual financial statements which used a different process for their preparation.
- The purchase of new software for the preparation of the 2014-15 AFS.
- The need for the Finance Manager to gain a working knowledge of the new AFS software and the effect that any amendments to the templates would have on the various Notes and Schedules.
- The possible absence of a review of the first draft of the AFS to ensure its integrity and reasonableness before presentation to the auditor. In this regard, the AFS software was acquired in late July 2015. The first upload of the completed templates was sent to LG Solutions on 20 October 2015. The first meeting between the Audit Manager and the Finance Manager about the draft AFS took place on 28 October 2015 with 33 items identified as needing further work. Many of these related to preliminary EOY matters and differences between the Trial Balance and the AFS.
- Further items were identified by the auditor in the following months as requiring adjustment of the AFS or needing further supporting documentation or explanation.
- The initial absence of working papers (supporting documentation) to assist the auditor during the conduct of the audit to gather sufficient and appropriate audit evidence to prove Council's assertions on the AFS. In this regard, the various working papers were subsequently produced and supplied to the auditor upon request.
- Work in Progress (WIP) problems including identification of completed projects.

Some disquiet was expressed during discussions with staff about the number of times that issues were raised by the auditor or further explanations were requested. In my opinion, this reflected a misunderstanding of the role of the auditor which is to judge whether the information provided is "sufficient and appropriate" to provide an unqualified audit opinion.

This substantiation information should represent the body of evidence and information upon which the assertions as to the Council's Balance Sheet and Operating Result for the Year have been made. It should not be up to the auditor to try and prove the Council's figures, reconcile the accounts or determine what makes up each balance sheet value.

While all of the staff I interviewed displayed a keenness to do their job and to do it properly, the Design and Assets Manager and the Assets Officer in particular, indicated they were hampered by a lack of communication and assistance from the Finance Section.

This was particularly relevant with the completion of the following:

- Note 9(a) – Infrastructure, Property, Plant and Equipment
- Note 9(b) – Infrastructure, Property, Plant and Equipment
- Special Schedule 7 – Report on Infrastructure Assets

As to the current year, until I mentioned it, neither the Design and Assets Manager or the Assets Officer were aware of the requirement to revalue Community Land, other assets, other structures and land improvements for 2015-16.

#### **Current Situation**

The Chief Financial Officer completed the special rate variation application to IPART on 15 February and since then has been assisting the Finance Manager with providing answers to matters raised by the auditor and adjusting the AFS as necessary.

Final documentation is close as is the auditor's report.

#### **Future Compliance with Statutory Obligations**

In order to provide a measure of certainty that the Council will be in a position to finalise its 2015-16 AFS and have them audited by 31 October 2016, the following action has been taken:

I have developed a 'Status of Work' Monthly Reconciliation Checklist which will be implemented, in conjunction with the Finance Manager, once the 2014-15 AFS are completed and the audit finalised.

I have also drawn up a Year End Program schedule for AFS completion including accountabilities and deadlines with regular reporting to the executive team, to ensure work on the 2015-16 AFS is completed well within timeframes.

The Council has purchased and is implementing CAMMS Interplan software to allow improved performance and status of work monitoring by the executive team.



I have also recommended and as agreed to by the General Manager, arranged the engagement, for a short period of time, of Mr John Stuart, a contractor with an extremely high level of skill and many years experience in the preparation of Annual Financial Statements to:

- Check the current state of the accounting and asset functions and assist the Finance Manager (and the assets officer who is in the Technical Services Division) in bringing any non current work up-to-date
- Identify and correct any mapping problems still remaining between the Financial Statements templates and the General Ledger.
- Assist the Finance Manager with completing work that can be done by the Finance Section and the Assets staff before Year End to facilitate early completion of the 2015-16 AFS.
- Review the payroll function, particularly in terms of the ability to meet EOY requirements in a timely manner.
- Improve the skills and understanding of staff of the functions they undertake and in the completion and interrelationship of the Notes and Schedules to the AFS

*I will be providing the Finance Manager with a copy of an excellent document produced by LG Solutions in 2010, entitled 'Year End Accounts Preparation and Surviving the Audit Guide'.*

#### **Work In Progress**

It might be noted that the Assets Officer expressed a degree of frustration with the lack of timely responses from Divisions, other than Technical Services, to her requests for advice, direction or instructions on asset related matters. The responses can set off the need for journals which can only be done by the Finance Manager and the CFO thereby adding to the length of time to finalise the matters.

These delays have the potential to impact her EOY related work including the transfer of balances in the General Ledger from WIP accounts to Fixed Asset accounts.

The lack of timely advice can also end up with supporting documentation not being available for the auditor.

#### **Recommendation:**

*That the monthly Divisional Reports to the Council include a list of completed Capital Works projects. 'Completed' being after all costs have been accounted for in the General Ledger*

*That the Divisions allocate a high priority to requests from the Assets Officer for advice, direction or instruction*

*That journal requests from the Assets Officer be given a high priority within the Finance Section*

#### Goods and Services Tax

During my research of the AFS delay, I noticed from my experience with GST that quite a number of the fees proposed for 2016-17 were incorrectly listed as subject to GST. Upon enquiry, I was advised that the question of whether a fee was subject to GST was a matter for the relevant Division to determine. I remain doubtful whether this responsibility was ever conveyed to the Directors and therefore GST fell into the big black hole. While there may be merit in Directors being responsible for classification of GST on fees and charges, there obviously has to be some means or reference point by which the Divisions can reach a decision.

From 2011 onwards, the LG Solutions' monthly publication "Debits and Credits" reported continuously on the Commonwealth Government's proposal to movement away from the formal Treasurer's Division 81 Determination (issued up to 30/6/11 and which specifically listed those Government Taxes, Fees & Charges that were NOT GST'ble).

As a result, the local government industry sought Class Rulings from the ATO to specifically determine fees which were subject to GST. The above publication provided details in its February 2013 edition of the first Class Rulings released by the ATO.

To satisfy my curiosity, I surveyed eleven staff members, including Directors, with some relationship to fees to see whether they were aware of the existence of the GST Class Rulings. None of the several that responded were aware of the Class Rulings.

In all of this, there is also the question of responsibility for the correctness of the monthly **Business Activity Statement** in terms of payments to the ATO for income and claims for expenditure, given that there are penalties for not taking reasonable care in claiming a deduction to which there is no entitlement.

It is my opinion that there should be a person within Council who provides a measure of oversight and advice to ensure the proper application of GST to all transactions, both income and expenditure. Ideally this person should reside in the Finance Section.

#### **Recommendation:**

***That a position within Council be given the responsibility for providing a measure of oversight and advice to ensure the proper application of GST to all transactions, both income and expenditure.***

#### Values and Interrelationships

The attached Matrix adopted by Manex shows that for nearly every program for which a Directorate has **Direct Responsibility**, the remaining Directorates have a **Legitimate Interest**.

The constant barrage of demands from the NSW Government over the last four years for never ending documentation and answers would severely test the patience of even **Job**. Even though the Council was not included in the Government's recent merger decisions, it is still subject to scrutiny through its Improvement undertakings.

The prospect of eventually falling victim to amalgamation needs to be met with renewed determination to prevent it happening. The motto "All for one and one for all" takes on special significance in these circumstances. All for one goal and one goal for all.

It might be an appropriate time to revisit the Matrix and the values implicit therein.

**Recommendation:**

***That the Matrix and the values implicit therein be revisited during the Team Building session on Monday 29 February 2016.***

**Relationships between staff in different Divisions**

I'm aware that the CFO has been pursuing the objective of making Directors and Managers take responsibility for preparing and reviewing their annual budgets and for reporting reasons for deviations. He has provided extensive training and assistance to them as part of that objective.

This is in contrast to the traditional viewing of the Finance Section as the place where all this sort of thing gets done. In my opinion, this is a responsible and mature approach to making Directors directly accountable to the General Manager and the Council.

Unfortunately, I perceive and I may be wrong, an attitude in the Finance Section that it is simply a bookkeeping service and that all responsibilities lay in the hands of the Directors. For example, see my comments in the **Goods and Service Tax** section of this report.

This attitude, if in fact it does exist, filters through to the Assets Officer, who during discussions indicated that she gets little support or advice from the Finance Section.

While it is my opinion that the Assets Officer is correctly positioned within the Technical Services structure, there is a definite need for the Finance Section, when requested, to provide timely support in terms of the financial aspects of the Capital Values Register and EOY matters. This is particularly important as the Capital Values Register is the only subsidiary ledger maintained outside the Finance Section.

It is understandable that while the Finance Manager is in a learning curve with the annual financial statements this support will have its limitations with EOY matters.

As mentioned elsewhere in this report, the Assets Officer also expressed frustration with the lack of timely responses from Divisions, other than Technical Services, to her requests for advice, direction or instructions on asset related matters. These delays have the potential to impact her EOY related work.

**Recommendation:**

***That the matter be discussed at the next Manex meeting or alternatively at the Team Building session on Monday 29 February 2016.***



**LG Solutions' Monthly Publication "Debits and Credits"**

The Council subscribes to this publication which is an excellent source of advice and information and as a checklist for statutory and other deadlines. Although its name would suggest it is limited to bean counters, in reality many of the items have relevance throughout other parts of the Council.

Unfortunately, its circulation within the Council is limited. Substantial benefit would be gained by widening the circulation to include the General Manager, Directors, all Financé staff, the Assets and Design Manager and the Assets Officer.

**Recommendation:**

*That the monthly LG Solutions publication "Debits and Credits" be distributed more widely throughout the organization.*

**Discussion with the Audit Manager**

I did ring the Audit Manager, Cath Watson, on Friday 12 February with a view to discussing the issues from an auditor's perspective. Ms Watson was unavailable but she did ring me back on Friday 19 February to make contact and to suggest that our discussion be postponed until after the audit was completed when she would be better positioned to focus more fully on the issues. I agreed with her suggestion.

Therefore, as at the date of my report there has been no discussion with Ms Watson.

  
Norm Headford

26 February 2016.

Responsible Directorates	General Manager and Deputy General Manager	Organisational and Community Development	Technical Services	Corporate and Social Services	Building and Environmental Services	Risk and Asset Management	Work health and safety
Programs							
<b>Technical Services</b>							
Technical services administration	☺	☒	☑	☺	☒	☺	☺
Other bridges	☺	☒	☑	☺	☒	☺	☺
Bridges on regional roads	☺	☒	☑	☺	☒	☺	☺
Footpaths	☺	☒	☑	☺	☒	☺	☺
Kerb & gutter	☺	☒	☑	☺	☒	☺	☺
Urban roads	☺	☒	☑	☺	☒	☺	☺
Sealed regional roads	☺	☒	☑	☺	☒	☺	☺
Sealed local roads	☺	☒	☑	☺	☒	☺	☺
Unsealed local roads	☺	☒	☑	☺	☒	☺	☺
State roads (RTA contract works)	☺	☒	☑	☺	☒	☺	☺
Car parks	☺	☒	☑	☺	☺	☺	☺
Aerodromes	☺	☒	☑	☺	☒	☺	☺
Quarry operations	☺	☒	☑	☺	☺	☺	☺
Plant	☺	☺	☑	☺	☺	☺	☺
Depots	☺	☒	☑	☺	☒	☺	☺
Private works	☺	☒	☑	☺	☒	☺	☺
Other engineering operations	☺	☒	☑	☺	☒	☺	☺
Local emergency management committee	☺	☒	☑	☺	☺	☺	☺
Rural fire service	☺	☒	☑	☺	☺	☺	☺
Other emergency services	☺	☒	☑	☺	☒	☺	☺
Workshop	☺	☒	☑	☺	☒	☺	☺
Water fund operations	☺	☒	☑	☺	☺	☺	☺
Sewer fund operations	☺	☒	☑	☺	☺	☺	☺
Parks and gardens	☺	☺	☑	☺	☺	☺	☺
Sporting fields and showground facilities	☺	☺	☑	☺	☺	☺	☺
State emergency services	☺	☒	☑	☺	☺	☺	☺
Bus shelters and services	☺	☒	☑	☺	☺	☺	☺
Street lighting	☺	☒	☑	☺	☺	☺	☺
Stormwater drainage	☺	☒	☑	☺	☺	☺	☺
Public amenities	☺	☒	☑	☺	☺	☺	☺
Pools	☺	☺	☑	☺	☺	☺	☺
Town streets	☺	☺	☑	☺	☺	☺	☺
<b>Building and Environmental Services</b>							
Caravan parks	☺	☺	☺	☺	☑	☺	☺
Inspections	☺	☺	☒	☺	☑	☺	☺
Environmental health	☺	☺	☒	☺	☑	☺	☺
Animal control	☺	☺	☒	☺	☑	☺	☺

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Chairman .....

Responsible Directorates	General Manager and Deputy General Manager	Organisational and Community Development	Technical Services	Corporate and Social Services	Building and Environmental Services	Risk and Asset Management	Work health and safety
Programs							
Regulatory services	☺	☺	☒	☺	☑	☺	☺
Planning	☺	☺	☺	☺	☑	☒	☺
Cemeteries	☺	☺	☺	☺	☑	☺	☺
Museums	☺	☺	☺	☺	☑	☺	☺
Waste fund	☺	☺	☺	☺	☑	☺	☺
Noxious weeds	☺	☺	☺	☺	☑	☺	☺
Land development	☺	☺	☺	☺	☑	☺	☺
Environmental Education	☺	☺	☺	☺	☑	☺	☺
Heritage	☺	☺	☒	☺	☑	☒	☒
Building control	☺	☒	☒	☺	☑	☒	☒
Community centres	☺	☺	☒	☺	☑	☺	☺
Public halls	☺	☺	☒	☺	☑	☺	☺
Administration buildings	☺	☺	☒	☺	☑	☺	☺
Council housing	☺	☺	☒	☺	☑	☺	☺
Other buildings	☺	☺	☒	☺	☑	☺	☺
Organisational and Community Development							
Home and community care/community transport	☺	☑	☒	☺	☒	☺	☺
Naroo hostel	☺	☑	☺	☺	☺	☺	☺
Human resources administration	☺	☑	☒	☺	☒	☒	☒
Roxy	☺	☑	☒	☺	☒	☺	☺
Tourism	☺	☑	☺	☺	☒	☺	☺
Events and promotions	☺	☑	☺	☺	☺	☺	☺
Cranky rock	☺	☑	☺	☺	☒	☺	☺
Gwydir Learning Region	☺	☑	☺	☺	☒	☺	☺
Business and economic development	☺	☑	☺	☺	☺	☺	☒
Community fitness	☺	☑	☒	☺	☒	☺	☺
Health centres	☺	☑	☒	☺	☒	☺	☺
Organisational and community development administration	☺	☑	☒	☺	☒	☒	☒
Training	☺	☑	☺	☺	☺	☺	☺
Risk and Asset Management	☺	☑	☺	☺	☺	☑	☺
Corporate and Social Services							
Counter services	☺	☒	☒	☑	☑	☺	☺
Library services	☺	☒	☒	☑	☑	☺	☺
General rates and charges	☺	☒	☒	☑	☑	☒	☒
Corporate services administration	☺	☒	☒	☑	☒	☒	☒
Stores	☺	☒	☺	☑	☺	☺	☺
Information technology systems	☺	☺	☺	☑	☺	☺	☺
Records	☺	☺	☺	☑	☺	☺	☺

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Chairman .....



Responsible Directorates							
Programs	General Manager and Deputy General Manager	Organisational and Community Development	Technical Services	Corporate and Social Services	Building and Environmental Services	Risk and Asset Management	Work health and safety
Social services administration	☺	☒	☒	☑	☒	☒	☒
Youth services	☺	☒	☒	☑	☒	☺	☺
Family services	☺	☒	☒	☑	☒	☺	☺
Tharawonga mobile preschool	☺	☒	☒	☑	☒	☺	☺
Preschool services	☺	☒	☒	☑	☒	☺	☺
Vacation care	☺	☒	☒	☑	☒	☺	☺
<b>Executive</b>							
Governance section	☑	☺	☺	☺	☺	☺	☺
Elected Members section	☑	☒	☒	☺	☒	☺	☒
<b>Index</b>							
No involvement	☒	** A legitimate interest can either be an approval process requirement or simply a consultation commitment					
Direct Responsibility	☑						
Legitimate Interest**	☺						

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Chairman .....

**Cr Angela Doering**

**Border Regional Organisation of Councils**

Cr Doering advised the meeting that she and the Mayor attended the BROOC Meeting held at St George Queensland on Friday 26<sup>th</sup> February 2016.

Two presentations were made at the meeting. The first from Tenterfield Council outlining the process that that Council has followed in developing closer links with Southern Downs Regional Council, Queensland, regarding shared services and co-operation. The other was from Moree Plains Shire Council outlining the current freight movement study being undertaken.

**Meeting closed 10.24 am**