



SCENIC RIM REGIONAL COUNCIL

Finance Committee

Agenda

Meeting to be held in the Council Chambers

82 Brisbane Street

Beaudesert

Tuesday, 17 November 2015

Commencing at 9.00 am

All correspondence to
Be addressed to the
Chief Executive Officer

Scenic Rim Regional Council
PO Box 25
BEAUDESERT QLD 4285
ABN: 45 596 234 931

Beaudesert Administration Centre P: 07 5540 5111 F: 07 5540 5103
Boonah Administration Centre P: 07 5463 3000 F: 07 5463 2650
mail@scenicrim.qld.gov.au
www.scenicrim.qld.gov.au

SCENIC RIM REGIONAL COUNCIL**FINANCE COMMITTEE****AGENDA CONTENTS**

ITEM	SUBJECT	PAGE NO
	ATTENDANCE	1
	APOLOGIES.....	1
	DECLARATIONS OF INTEREST BY MEMBERS.....	1
1.	EXECUTIVE.....	2
2.	CHIEF FINANCE OFFICER	2
2.1	Council Monthly Finance Report for October 2015.....	2
2.2	Queensland Urban Utilities 2014-15 Annual Report.....	5
2.3	Genesis Accounting - GST Refund Claim [Closed s.275(1)(e)]	8
2.4	2015-16 First Quarter Budget Review [Closed s.275(1)(c)].....	9
3.	REGIONAL SERVICES	10
4.	INFRASTRUCTURE SERVICES	10

FINANCE COMMITTEE

AGENDA

ATTENDANCE

Cr N O'Carroll, Chairperson
Cr J C Brent, Mayor
Cr N J Waistell
Cr V A West, Deputy Mayor
Cr J J Sanders
Cr R J Stanfield

APOLOGIES

Cr D A McInnes

DECLARATIONS OF INTEREST BY MEMBERS

Reception of Deputations by Appointment / Visitors

Please note: Agenda Items where Subject Headings are followed by [CLOSED] are to be discussed in closed session in accordance with Section 275(1) of the Local Government Regulation 2012.

Section 275(1) A local government or committee may resolve that a meeting be closed to the public if its councillors or members consider it necessary to close the meeting to discuss-

- (a) the appointment, dismissal or discipline of employees; or
- (b) industrial matters, affecting employees; or
- (c) the local government's budget; or
- (d) rating concessions; or
- (e) contracts proposed to be made by it; or
- (f) starting or defending legal proceedings involving it; or
- (g) any action to be taken by the local government under the Planning Act, including deciding applications made to it under that Act; or
- (h) other business for which public discussion would be likely to prejudice the interests of local government or someone else, or enable a person to gain financial advantage.

1. EXECUTIVE

Nil.

2. CHIEF FINANCE OFFICER**2.1 Council Monthly Finance Report for October 2015**

Executive Officer: Chief Finance Officer

Item Author: Chief Finance Officer

File Reference: 12/15/004

Executive Summary

The purpose of this report is to seek Council's endorsement of the monthly financial report for October 2015.

Previous Council Considerations / Resolutions

Financial reports are presented to Council on a monthly basis.

REPORT

The Council monthly financial report provides information on Council's actual to budget performance. The graphical representation of key performance indicators provides key summary financial information.

Strategic Implications*Community Plan*

Theme: Open and responsive government
Outcome: Government is transparent, invites participation and encourages constructive debate
Priority: Streamlined, form and fair regulation of issues that matter with incentives for good practice

Corporate Plan / Operational Plan

Corporate Sustainability - Strategy 1
Implement an integrated strategic planning framework across Council, which embeds performance, financial and asset management principles (including long term financial modelling and whole of life costing).

Budget Implications

The indicator for Net Surplus/(Deficit) is within 10% of budgeted expectations.

The indicator for Total Income is within 10% of budgeted expectations.

The indicator for Operating Expenses is within 10% of budgeted expectations.

The indicator for Capital Expenses is behind budgeted expectations by \$7.1m.

The indicator for Cash is ahead of budgeted expectations by \$8.1m.

Legal / Statutory Implications

Section 204 of the Local Government Regulation 2012 requires the Chief Executive Officer to present a financial report to Council on a monthly basis.

*Risks*Strategic Risks

The following Level 1 and Level 2 (strategic) risks are relevant to the matters considered in this report:

- CF 2 Adoption of unrealistic corporate objectives that are beyond the financial resources of the organisation to deliver.
- CF 3 Utilisation of deficient or substandard financial management practices and subsequent decision making processes.
- CF 6 Failure to comply with statutory obligations and responsibilities.

Risk Assessment

Category	Consequence	Likelihood	Inherent Risk Rating	Treatment of risks	Residual Risk Rating
Financial and Economic Inaccurate or untimely management reporting	Major	Likely	High	Actual performance is reported against budget on a monthly basis to the Executive Team and Council with explanations provided on budget variances greater than \$50k and 10%	Low

Category	Consequence	Likelihood	Inherent Risk Rating	Treatment of risks	Residual Risk Rating
Financial and Economic Failure to develop and implement procedures to manage cash and investments	Catastrophic	Almost certain	Extreme	Monthly investment report is provided to the Executive Team and Council that reports actual performance against investment limits	Low
Financial and Economic Failure to manage outstanding debtors	Moderate	Almost certain	High	Monthly debtors report is provided to the Executive Team and Council including chart showing total outstanding debtors and debtors greater than 90 days overdue	Low

Conclusion

The monthly financial report provides information on the actual to budget position at financial statement level.

Consultation

Council's Executive Team

Chief Finance Officer's Recommendation

That Council endorse the Council Monthly Financial Report for October 2015.

Attachments

1. Council Monthly Financial Report for October 2015 (attached separately).

2.2 Queensland Urban Utilities 2014-15 Annual Report**Executive Officer: Chief Executive Officer****Item Author: Chief Finance Officer****File Reference: 12/11/002**

Executive Summary

This report provides Council with the Queensland Urban Utilities (QUU) 2014-15 Annual Report.

Previous Council Considerations / Resolutions

Not Applicable.

REPORT

QUU's 2014-15 Annual Report is contained at Attachment 1.

QUU reported an after tax profit of \$188m, which is substantially higher than the forecast of \$121.2m and by far the best net result over the last five years with the prior year \$133m.

The positive net result is largely due to an improvement in revenue from utility charges and contributions and a reduction in employee expenses and supplies and services. This result is likely due to a combination of price increases, increased water demand growth and the effects of QUU's operational efficiency initiatives.

This has also led to an improvement in QUU's total current assets with cash and cash equivalents improving by approx. \$57m from the previous year.

Strategic Implications*Community Plan*

Theme: Open and Responsive Government
Outcome: Government is transparent, invites participation and encourages constructive debate
Priority: Understanding community expectations, delivering services that meet these and government leading by example

*Corporate Plan / Operational Plan*Corporate Sustainability

Implement an integrated planning framework across Council, which embeds performance, financial asset management principles (including long term financial modelling and whole of life costing).

Budget Implications

The 2014-15 performance for Council's share of QUU against budget is as follows:

	Budget	Actual	Variance
Operating Statement			
Share of Profit	1,263,000	1,956,855	693,855
Tax Equivalent *	470,000	475,662	5,662
Interest on Loan	731,000	745,539	14,539
Total	2,464,000	3,178,056	714,056
Cashflow			
Tax Equivalent	470,000	475,662	5,662
Interest on Loan	731,000	745,539	14,539
Dividend	560,000	780,000	220,000
Total	1,761,000	2,001,201	240,201

Legal / Statutory Implications

Not Applicable.

*Risks*Strategic Risks

The following Level 1 and Level 2 (strategic) risks are relevant to the matters considered in this report:

CF3 - Utilisation of deficient or substandard financial management practices and subsequent decision making processes.

Risk Assessment

Category	Consequence	Likelihood	Inherent Risk Rating	Treatment of risks	Residual Risk Rating
Financial and Economic Failure to ensure strategic direction of QUU remains in accordance with community expectations	Major	Likely	High	Council receives regular updates from QUU Board; Council endorses QUU Corporate Plan prior to adoption by the Board; Council is in regular contact with QUU Executive through CEO contact and Commercial Reference Group	Low

Conclusion

Council is requested to note the Queensland Urban Utilities 2014-15 Annual Report.

Chief Finance Officer's Recommendation

That Council note the Queensland Urban Utilities 2014-15 Annual Report.

Attachments

1. Queensland Urban Utilities 2014-15 Annual Report (attached separately).

2.3 Genesis Accounting - GST Refund Claim [Closed s.275(1)(e)]**Executive Officer: Chief Finance Officer****Item Author: Chief Finance Officer****File Reference: 12/01/008**

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 275(1)(e) of the Local Government Regulation 2012, which permits the meeting to be closed to the public for business relating to the following: -

- (e) contracts proposed to be made by it.

2.4 2015-16 First Quarter Budget Review [Closed s.275(1)(c)]**Executive Officer: Chief Finance Officer****Item Author: Chief Finance Officer****File Reference: 12/06/004**

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 275(1)(c) of the Local Government Regulation 2012, which permits the meeting to be closed to the public for business relating to the following: -

- (c) the local government's budget.

3. REGIONAL SERVICES

Nil.

4. INFRASTRUCTURE SERVICES

Nil.