



## South Australian Local Government Financial Management Group Inc

### MINUTES

#### 2015 Annual General Meeting

**Date:** Friday, 28 August 2015

**Breakfast & Guest Speaker Presentation:** 7:45am to 9:00am

**AGM:** 9:00am to 10:00am

**Venue:** Ian McLachlan Room, Adelaide Oval, Adelaide

#### 1. Apologies

- Alex Brown, Adelaide City Council
- John Comrie, JAC Comrie Pty Ltd
- Diane Eckermann, City of Onkaparinga
- Kevin Carter, City of Onkaparinga
- Mark Lague, The Barossa Council

#### 2. Confirmation of Minutes

**Moved:** David Hope

**Seconded:** Annette Martin

**CARRIED**

***Recommendation:** That the minutes of the SALGFMG AGM held on 22 August 2014 are confirmed as a true and correct record.*

#### 3. Business Arising from Minutes

Nil.

#### 4. President's Report – Simon Zbierski

We commenced the year celebrating the FMG's 25<sup>th</sup> year in existence. This was formally recognised at our December conference, where we held a special gala dinner to celebrate, recognise and thank our sponsors and members for the support since 1989.

It was great to see so many people attend the event, as well as seeing all but 2 of our former Presidents join in the celebration.

I would like to thank all of you who are here today at our AGM as well as attending the events we hold throughout the year. The great attendances indicate that the content we are providing is relevant and meets the needs of our members, or it could be just a great excuse to spend a day out of the office!

I would like to take the opportunity now to thank a number of people for the work they have put into making the last 12 months such a successful one for the FMG. Our Executive Committee is a valuable resource that we can all rely on to get the job done.

I also would like to thank their respective Councils who allow them to be involved with the Group. Without their support we would not be able to do a lot of the things we currently do to better the industry we work in.

I would also like to thank my boss, Michelle Hammond for her support and my team back at Campbelltown for being the ever reliable group that they are.

It would be remiss of me not to continue the tradition of asking each of the Executive Committee Members to stand once I announce their name so that we can acknowledge the work they have provided over the last 12 months to support the Group.

Vice President, Clive Hempel – Wakefield Regional Council  
Secretary, Karishma Dutta – City of Mitcham  
Treasurer, Marcus Smith – District Council of Mount Barker  
Tony Amato – Town of Gawler  
Ray Barnwell – City of Marion  
Norm Biggs – City of West Torrens  
Chris Birch – City of Prospect  
Julie Campbell  
Martin Cooper – City of Burnside  
Anna Lucia Draper – City of Tee tree Gully  
Dianne Eckermann – City of Onkaparinga  
Anita Futterer – City of Playford  
Kate George – City of Salisbury  
David Hope – Skilmar Systems Pty Ltd  
Stephanie Juhas – City of Victor Harbour  
Mark Lague – The Barossa Council  
Annette Martin – City of Charles Sturt  
Pep Piscioneri - Adelaide City Council  
Ben Rasigatale – District Council of Karoonda East Murray  
Mick Wetherall – City of Port Adelaide Enfield  
Elizabeth Williams – Alexandrina Council  
Eion Williamson - District Council of Grant

Can everyone please put their hands together to acknowledge the Executive Committee for 2014/2015.

I wish to acknowledge Martin Cooper who has decided not to re-nominate for the next term and thank him for the support and contribution he has made during his time on the Committee.

I especially wish to thank David Hope for his contribution over his many years as a member of the Committee. David was awarded an Honorary Membership last year and was one of the founding members of the FMG. During his first stint on the Committee he took up the roles of Secretary and President. David resigned from the Group in the late 90's before returning for his second tour of duty in 2013. With retirement in sight, David has decided to hang up his calculator and see if the grass really is greener on the other side. Thanks again, David.

I also would like to acknowledge and thank the following groups and people who have worked with the group in some capacity during the last 12 months:

- the LGA, but in particular Shane Sody
- the SA Local Government Auditors group and its Chairperson, Tim Mulhausler
- our auditors from Creative Auditing, Ian McDonald and Nancy Tran
- Maria Hocking, who fills the Finance Officer role for the FMG
- Sabine Schuhrer from the University of Adelaide, who is a regular attendee at our Committee meetings
- our website co-ordinator, Irene Scales
- those Members who have contributed on one of our many FMG working groups
- and last but not least, Patricia Coonan from Think Purple Solutions for her secretariat and event management coordination. Patricia has been a shining light over the last 12 months. No challenge is too hard for her and on behalf of the Committee, thank you very much for all you have done for us this year.

### **A Review of the Year for 2014/2015 and main projects**

I will now take this opportunity to provide a summary of the key projects that our working groups have been involved in over the last year.

#### **Seminars Workgroup**

Our 2 day December workshop and conference held at the National Wine Centre was probably the biggest event ever held by the FMG. Featuring Annabel Crabb as our keynote speaker and an inspirational presentation from our own Nicola Tinning, the highlight was definitely the gala dinner, where magic tricks and great food and drink enabled us to formally recognise the achievements of the group over the previous 25 years.

Our March conference was held at the Stamford Grand at Glenelg, with presentations from outgoing SA Auditor-General, Simon O'Neill and the Honorable Christopher Pyne. The day ended in a light hearted manner with Peter Helliier entertaining the crowd with his comedic humour.

As a member of this group, I know a lot goes on behind the scenes to ensure that the topics are relevant and engaging and the conferences provide good value for money, so I would personally like to thank all members of this group for their ongoing commitment and contribution.

We will be holding our next conference and workshop on the 3<sup>rd</sup> and 4<sup>th</sup> of December at the National Wine Centre. Titled 'In the Trenches', the program has been locked in with Victoria Cross recipient, Mark Donaldson, being our keynote speaker.

#### **Membership and Communication Workgroup**

The focus of this work group, chaired by Anita Futterer, has been to increase engagement with our regional counterparts. Thanks to a recruitment drive during the year, our Council representation now sits with the FMG having members from 62 SA Councils.

The group is also in the process of establishing a buddy system where members can access other members to discuss any finance related issues, with the aim of increasing the knowledge and skills of all in the industry.

### **Newsletter and Website Workgroup**

During the year our website continued to be kept up to date with the latest agenda and minutes from our Executive Committee meetings as well as updates to the LGA Information Papers.

3 e-newsletters were emailed directly to our memberships during the year and continued to provide valuable information to its readers, including case studies on work undertaken by various Councils. I would like to acknowledge the work of the group which is chaired by Clive Hempel.

### **Financial Management Framework Workgroup**

This group has been the most active during the year, ably chaired by Mark Lague. The group has been involved in providing feedback on the updated LGA Information Papers and Model Financial Statements. This feedback enables issues experienced by Councils to be addressed in revisions of these key documents.

In recent months, the Chair especially has been clarifying the application of the CITB levy payable by Councils. While there are currently Regulations in place that set the rules, Mark and his team have been working behind the scenes aiming to provide a streamlined process for determining the levy payable by each Council.

### **Internal Controls and Risk Management**

Metropolitan Councils were provided their first audit opinion during the 2013/2014 year on the effectiveness of their financial internal controls.

This group, chaired by Annette Martin, has now taken the opportunity to review the existing controls in light of the outcomes of these audits. This body of work aims to streamline the process associated with reviewing the internal controls, while also satisfying the audit and regulatory requirements.

An R&D funding submission has been lodged with the LGA to undertake a review of the Better Practice Model Framework to ensure it remains a relevant and accurate document to support the efficient and effective allocation of resources to manage financial internal controls.

### **Fees and Charges Workgroup**

Our Fees and Charges workgroup, chaired by Chris Birch, has been involved in reviewing fees for food inspections, Section 7s and roof trusses. This review aims to provide Councils with a fee recovery regime that is more reflective of the cost required to provide these services. At this stage we are still waiting a decision on these fees from the Minister.

The group has also submitted a LGA R&D funding application to create a master list of fees and charges used by all SA Councils that will also be used to obtain a class ruling on the correct GST treatment of this income. Should this funding application be successful, the proposal is to ensure that all current and future fees are GST compliant for a period of 5 years. This will be a great resource for all Councils to rely upon.

### **Asset Management Workgroup**

At the start of the year we established a new Asset Management workgroup, which has been chaired by Pep Piscioneri. This group has been involved in a number of areas affecting asset management by providing feedback on the update to the CPA's Guide to Valuation and Depreciation, and making a submission to the Australian Accounting Standards Board on the treatment of Residual Values.

## Other

The FMG are still involved in updates to the Local Government Price Index. Thank you to Chris Birch and Mike Carey for their work in maintaining this important comparative measure for the industry.

The Costing Principles workgroup, chaired by Marcus Smith have been involved in providing comments on papers relating to Pricing for Recycled Water. At the last update, there have been delays in the releasing of this paper to take into account the application of Section 155 of the Local Government Act.

At our June 2015 meeting, the Committee resolved to establish a Long Term Financial Plan workgroup. While this group has not met as yet, their aim is to review the future of the model currently provided by the FMG.

## Sponsors

Finally I wish to acknowledge our valued sponsors. We sincerely thank you for your support and look forward to working with most of you again in 2015/2016. We would encourage our members to continue to show their support to these organisations who support our sector.

### Platinum Sponsor

Local Government Finance Authority, who have been with us since Day 1.

### Gold Sponsor

- Local Government Solutions

### Silver Sponsors

- National Credit Management Limited
- TechnologyOne Ltd

### Bronze

- BDO
- Coalface Software Solutions
- Control Track
- Deloitte
- Genesis Accounting
- Kemps Credit Solutions
- MAGIQ Software
- Maloney Field Services
- Norman Waterhouse Lawyers
- UHY Haines Norton Chartered Accountants

We have also been lucky enough obtain some new sponsors in the last few months and hope that our partnership with the following organisations is fruitful for both parties:

### Gold

- Fuji Xerox

### Silver

- Bentleys

## Bronze

- AME Recruitment
- Dean Newbery and Partners

Please remember that our Executive Committee meetings are usually held on the last Friday of the month, with all members welcome to attend as observers. Times and locations of these meetings are available on our website. I encourage you to take the time to read our agendas and minutes to gain an understanding in what the group is up to. If you have any questions, any one of our Committee members would be happy to take the time to discuss these matters with you. Thankyou.

Can I please have a mover and seconder for the President's Report.

**Moved:** Kate George  
**Seconded:** Anita Futterer  
**CARRIED**

**Recommendation:** *That the President's report be noted.*

## 5. Treasurer's Report

The audited financial report has been provided to members. The Treasurer Marcus Smith provided a verbal update on the financial report relating to the figures and notes contained within the report particularly pertaining to membership fees, future events and Secretariat arrangements.

**Moved:** Mick Wetherall  
**Seconded:** Peter Ward  
**CARRIED**

**Recommendation:** *That the Treasurer's report be noted.*

## 6. Election of Office Bearers and Executive Committee Members

Returning Officer, Patricia Coonan, announced that single nominations were received for the positions of President, Vice President, Secretary and Treasurer and the following appointments to the Executive Committee for 2015/16 were made:

POSITION	NAME
President	Simon Zbierski, Campbelltown City Council
Vice President	Clive Hempel, Wakefield Regional Council
Secretary	Karishma Dutta, City of Mitcham
Treasurer	Marcus Smith, District Council of Mount Barker
Committee Member	Alex Oulianoff, District Council of Mount Barker
	Anita Futterer, City of Playford
	Anna-Lucia Draper, City of Tea Tree Gully
	Annette Martin, City of Charles Sturt
	Anthony Amato, Town of Gawler
	Ben Rasigatale, Coorong District Council
	Chris Birch, City of Prospect
	Dianne Eckermann, City of Onkaparinga
	Eion Williamson, District Council of Grant
	Elizabeth Williams, Alexandrina Council
	Gary Long, City of Burnside
	Julie Campbell, JC Consulting
	Kate George, City of Salisbury
	Mark Lague, Barossa Council

Committee Member	Mick Wetherall, City of Port Adelaide Enfield
	Norm Biggs, City of West Torrens
	Paul Francis, Adelaide Hills Council
	Pep Piscioneri, Adelaide City Council
	Peter Ward, District Council of Barunga West
	Rajith Udugampola, Light Regional Council
	Ray Barnwell, City of Marion
	Stephanie Juhas, City of Victor Harbor

**Moved:** Karishma Dutta  
**Seconded:** Anita Futterer  
**CARRIED**

**Recommendation:** *That the Returning Officer's report be noted and that all Executive Committee Members be duly elected for the 2015/16 financial year.*

## 7. Appointment of Auditor

Simon Zbierski thanked Ian MacDonald and Nancy Tran for providing the audit services for 2014/15.

**Moved:** Karishma Dutta  
**Seconded:** Peter Fairlie-Jones  
**CARRIED**

**Recommendation:** *That Ian McDonald be provided with a letter of engagement as Auditor of the SA Local Government Financial Management Group for the 2015/16 financial year.*

## 8. Constitution

**Moved:** Karishma Dutta  
**Seconded:** Tony Amato  
**CARRIED**

**Recommendation:** *That the maximum number of Executive Committee Members be increased from 25 to 26.*

**Moved:** Mick Wetherall  
**Seconded:** Ben Rasigatale  
**CARRIED**

**Recommendation:** *That the amended draft Constitution adopted by the Executive Committee at its June meeting be adopted.*

## 9. Setting of Fees

**Moved:** Eion Williamson  
**Seconded:** Anna-Lucia Draper  
**CARRIED**

**Recommendation:** *That the Membership Fees for 2016/17 be increased. Membership Renewal Fee to be increased from \$99 to \$120 (incl. GST) and New Member Fee to be increased from \$124 to \$145 (incl. GST) to assist with the increasing running costs of the SALGFMG.*

**Moved:** Tony Amato  
**Seconded:** Elizabeth Williams  
**CARRIED**

**Recommendation:** *That the Membership Fees for 2015/16 be for a period of 14 months due to transitional arrangements for the new membership term subject to the adoption of the revised Constitution.*

## 10. Membership

In accordance with the Group's Membership Guidelines, Life Membership is open to any individual who has a total of 15 years served on the Executive Committee (does not need to be consecutive) or a total of 3 years served as President (does not need to be consecutive), not awarded during the term of Presidency. This year the Executive Committee would like to acknowledge the contribution of Annette Martin and offer her Life Membership.

Annette commenced on the FMG Executive during November 1999, later filling the Secretary and Vice President roles for a number of years. From 2010 to 2014 she became the Group's longest serving President.

Annette was and still is a member of a number of the FMG's working groups and has been involved in key projects such as the:

- development of model financial statements
- financial indicators
- review of the Grants Commission methodology
- development of financial internal controls framework
- fees and charges
- financial management
- long term financial plan

and participated in the development and review of a number of information papers prepared by the LGA.

As Chair of the Internal controls working group, Annette led the team in developing the Better Practice Model for Internal Financial Controls. This project was awarded the LGMA's 2013 Excellence Award for Leadership in Financial Management.

Please join me in welcoming Annette Martin to the stage to accept her FMG Life Membership.

**Recommendation:** *That Annette Martin be offered Life Membership.*

**Moved:** David Hope  
**Seconded:** Tony Amato  
**CARRIED**

Annette thanked the FMG for the honour and acknowledged the work of the Group and how valuable it is to Local Government.

## 11. Close

Meeting closed at 9:25am.