



MINUTES

**South Australian Local Government Financial Management Group Executive Committee
meeting held on 28 April 2017 at 9:30am
at the City of Tea Tree Gully's Public Gallery (571 Montague Road, Modbury)**

1. Present

Committee:

- Clive Hempel (President), Wakefield Regional Council
- Kate George (Vice President), City of Salisbury
- Marcus Smith (Treasurer), Mount Barker District Council
- Alexander Oulianoff, Mount Barker District Council
- Anita Futterer, City of Playford
- Anna-Lucia Draper, City of Tea Tree Gully
- Annette Martin, City of Charles Sturt
- Anthony Amato, Town of Gawler
- Chris Birch, City of Prospect
- Diane Eckermann, City of Onkaparinga
- Julie Campbell, Mid Murray Council
- Mick Wetherall, City of Port Adelaide Enfield
- Norm Biggs, City of West Torrens
- Pep Piscioneri, Adelaide City Council
- Simon Zbierski, City of Campbelltown

Proxies:

Nil

Observers/Guests:

- Shane Sody, Local Government Association of SA
- Jonathan Crook, City of Tea Tree Gully
- Matt Flowers, Skopion

2. Apologies

- Karishma Reynolds (Secretary), City of Burnside
- Craig Mudge, District Council of Mount Remarkable
- Eion Williamson, District Council of Grant
- Elizabeth Williams, Alexandrina Council
- Gary Lewis, Town of Walkerville
- Gary Long, City of Prospect
- Leta Northcott, City of Unley
- Mark Lague, The Barossa Council
- Rajith Udugampola, Adelaide Plains Council
- Ray Barnwell, City of Marion
- Stephanie Juhas, City of Victor Harbor

3. Presentations

Nil

4. Confirmation of Minutes

Moved: Mick Wetherall

Seconded: Anna-Lucia Draper

Recommendation: *That the minutes of the meeting held on Friday, 31 March 2017 be confirmed as a true and correct record.*

CARRIED

5. Business Arising from the Minutes

Nil

6. Treasurer's Report

Moved: Anthony Amato

Seconded: Norm Biggs

Recommendation: *That the financial statement for the month of March 2017 be noted.*

CARRIED

Treasurer's Report			
Action Items	Meeting	Responsible	Status
Organise the appropriate licences for Cloud based QuickBooks Plus and discuss setup with the Finance Officer.	26/06/15	Treasurer	In Progress. Possibly going to use Xero.
Follow up the 60-90 day outstanding payments – specifically the outstanding sponsor payment and conference payment.	31/03/17	Treasurer	

7. Projects/Work Groups – Update/Status

7.1 Seminars – Clive Hempel (Chairperson)

- AGM – 25 August 2017 – Adelaide Zoo Sanctuary
- Conference & Workshop – 7 & 8 December 2017 – National Wine Centre
- New Logo – Quote from Quisk Designs
 - The committee discussed and agreed on the design brief for the new FMG logo.

Moved: Kate George

Seconded: Annette Martin

Recommendation: *That the quote from Quisk Designs is approved for development of a new FMG logo and corporate brand.*

CARRIED

Seminars			
Action Items	Meeting	Responsible	Status
Setup a facebook group for the workgroup to see how it works.	31/03/17	Seminar Workgroup	
Provide design brief and signed quote to Quisk for development of new logo and brand	28/04/17	Secretariat	Completed

7.2 Membership & Communication – Diane Eckermann (Chairperson)

- Simon advised that a list of Councils that are to be contacted by Executive Committee members (the ‘Buddy List’) has been sent to the Executive Committee Members.
- The Executive Committee agreed that there should be a uniform approach to contacting Councils and providing information. Diane offered to create an email template that can be used. It will be up to the first ‘buddy’ on the list to make contact initially and provide contact details for the second ‘buddy’ within that email. It is suggested that Councils also be contacted by phone.

Membership & Communication			
Action Items	Meeting	Responsible	Status
Review the Executive Committee visiting Regional LGA meetings to discuss topical issues.	29/05/15	Membership Workgroup	To investigate further.
LinkedIn, facebook or a website forum to be investigated with the help of Irene Scales before an information sharing platform is selected.	31/03/17	Membership Workgroup	Seminars working group to trial Facebook Group.
Executive Committee Members to contact all Councils to see if there is anything the FMG can assist them with. Councils that were qualified may need assistance and those that weren’t may still benefit from assistance. Diane to prepare email template/dot points.	24/02/17 & 28/02/17	Diane Eckermann & Executive Committee	

7.3 Rating and Valuation – Norm Biggs (Chairperson)

- Norm advised that a meeting was held early this month.
- The Valuer-General has advised that they are communicating with Council CEOs and have meetings set up with them. Some Executive Committee Members weren’t aware of the invitations and meetings. The meetings are in relation to a change in the terms of outsourcing valuations and that in the next 5 years there will be major changes to doing valuations.

Rating and Valuation			
Action Items	Meeting	Responsible	Status
Rate rebate policy – a possible LGR&D Scheme application to be prepared for funding to update the 2008 policy. Workgroup to seek a quote from Michael Kelledy (original author of the policy) to see how much it would cost to have the policy updated.	24/02/17	Rating & Valuation Workgroup	

7.4 Local Government Price Index – Chris Birch & Rajith Udugampola

- Chris advised that he is working with University to obtain the last quarter Local Government Price Index.

Local Government Price Index			
Action Items	Meeting	Responsible	Status
Speak with the SA Centre for Economics regarding forecasting and commentary for the LGPI and provide feedback to the Executive Committee.	18/03/16 & 29/04/16	Chris Birch / LGPI Workgroup	Forecasting model in place by Feb/March 2017 for the 2017/18 financial year. Request for quote has been submitted.

7.5 Newsletter / Website – Elizabeth Williams (Chairperson)

- Elizabeth advised that the next newsletter will be the Spring Newsletter.

Newsletter / Website			
Action Items	Meeting	Responsible	Status
Clive to draft an FMG survey and send it to the workgroup chairpersons.	31/07/15	Clive Hempel	Survey completed and the results will be sent out soon.

7.6 Financial Management Framework – Mark Lague (Chairperson)

- Clive advised that he has provided an email to the Executive Committee re FAGs Grants and Roads to Recovery:
 - John Wright provided an email seeking FMG comments regarding the additional Roads to Recovery (R2R) funding that for some Councils will now be paid over two years (instead of one) and if this delay in payment should be included in the adjusted operating surplus ratio.
 - The Executive Committee discussed the reporting in the 2016-17 financial statements and agree to the following information and suggestion:
 - The additional R2R funding was to be paid in 2016/17 to all Councils but due to limited road construction resources at certain Councils, these Councils were unable to acquit (spend) the allocated monies in 2016/17 and therefore the balance is to be paid in 2017/18. Due to this the FMG do not see a requirement to include any R2R amounts that have been delayed in the adjusted operating surplus ratio.
 - Disclosure should be made in note 2 for R2R grants and where there is a material difference. Councils can add an additional information in note 1 in relation to additional funding received.

Financial Management Framework			
Action Items	Meeting	Responsible	Status
AASB 124 to be discussed by the workgroup and report back to the Executive Committee meeting.	25/11/16	FMF Workgroup	Work in progress. Distributed draft documents via March agenda.
Provide feedback from the Executive Committee on reporting of the Roads to Recovery funding to John Wright and David Maxwell.	28/04/17	President	

7.7 Internal Controls & Risk Management – Annette Martin (Chairperson)

- Annette advised that the Better Practice Model for Internal Financial Controls is now in final draft form incorporating all of the feedback from the consultation period.
- The Better Practice Model will now be proof read for final minor alterations before being provided to the LGA.

Moved: Kate George

Seconded: Alex Oulianoff

Recommendation: *That the updated Better Practice Model for Internal Financial Controls be endorsed to be provided to the LGA subject to a final proof read.*

CARRIED

Action Secretariat to send the document to the committee and the workgroup again for comment.
By 12 May

Internal Controls and Risk Management			
Action Items	Meeting	Responsible	Status
Provide the Better Practice Manual for Internal Financial Controls to the workgroup for a final proof read by 12 May 2017.	28/04/17	Secretariat	Completed

7.8 Fees and Charges – Elizabeth Williams (Chairperson)

- Since lodgement, BDO and the Fees & Charges Workgroup have been working through and responding to queries from the ATO. To date, queries have been received for and have been responded to:
 - Community, Animals, Information Services, Commercial Services and Miscellaneous
 - Community – Queries received, responses provided.
 - Animals – Queries received, responses provided.
 - Commercial Services – No queries received as yet.
 - Information Services – Queries received, responses provided.
 - Miscellaneous - Queries received, responses provided.
 - Development & Planning
 - Queries received, responses provided, finalising with ATO.
 - Licences & Permits
 - Queries received, responses provided, finalising with ATO.
 - Water, Waste & Private Works
 - Queries received, responses being worked on.
 - Environment & Safety and Community Safety
 - No queries received as yet.
- BDO have also followed up with some individual Councils in regards to fees specific to them.
- A progress report was lodged on 27 April 2017 with the LG Research & Development Scheme per the Scheme’s funding requirements.

7.9 Costing Principles – Alex Oulianoff (Chairperson)

- Mark advised that a meeting has been held and that he is having conversations with ESCOSA in relation to ESCOSA presently focusing on Councils that are under recovering and haven’t matured their understanding of the true cost of services they provided. Mark is hoping to meet with ESCOSA soon for further discussions.

7.10 Asset Management – Pep Piscioneri (Chairperson)

- The workgroup is trying to finalise John Comrie’s review of the AASB13 information paper and valuations template.
- Pep will be speaking with John Comrie about some concerns to the updates before the paper can be finalised.

Asset Management			
Action Items	Meeting	Responsible	Status
Develop a list of topics for the Executive Committee to consider for future conferences and workshops and for future agendas of the Executive Committee.	26/06/15	Pep Piscioneri	In progress.

7.11 Long Term Financial Plan – Anna-Lucia Draper (Chairperson)

- Anna advised that the workgroup is now discussing a potential co-branded industry model to be developed by merging the IPWEA and the FMG models.
- For the workgroup to be able to pursue this option and accept the Local Government Research and Development Scheme funding available, the LGR&DS Terms of Agreement will need a slight revision.

Moved: Anthony Amato

Seconded: Kate George

Recommendation: That Anna-Lucia Draper be authorised to sign the Terms of Agreement for the LG Research and Development Scheme Project once it has been updated by the LGR&DS as per agreed minor changes.

CARRIED

Long Term Financial Plan			
Action Items	Meeting	Responsible	Status
Executive Committee to review the Long Term Financial Model Agreement in the new year with David Maxwell.	25/11/16	LTFP Workgroup	

8. Correspondence

8.1 Dogs and Cats Online Letter from Andrew Lamb

- The Dog and Cat Management Board is seeking commitment of two FMG representatives on the Dogs and Cats Online (DACO) Project Board as well as additional volunteers to participate in specific Working Group sessions.
- Anna-Lucia Draper confirmed interest in participating in the project discussions.
- The President advised that he will contact the Dog and Cat Management Board and seek clarity over what will be involved for a representative before providing commitment of a FMG representative.

9. Other Business

9.1 Professional Indemnity Policy Renewal Information

Moved: Simon Zbierski

Seconded: Diane Eckermann

Recommendation: *That the Executive Committee authorises the Secretary to complete the 'Professional Indemnity Insurance Proposal Form' and provide it to Local Government Risk Services.*

CARRIED

Other Business			
Action Items	Meeting	Responsible	Status
Possibility of having an Eyre Peninsula Financial Managers Group (sub group of LGFMG) to assist with keeping in touch with industry changes and Eyre Peninsula city counter parts - President to contact Michelle Tucker and advise her of the Executive Committee's discussion and then contact Regional LGA's to seek their feedback.	31/10/14	President	Continue to investigate options.
Email other states to ask what their issues are with residual values.	18/03/16	President	WA Finance Professionals have indicated a willingness to work together. Clive to follow up.
Campbelltown Council has a report from when they cleared the data for library penalties that could possibly be used as a model template. It would be useful for the Public Library Network to advise how many Councils, and what the amounts of the debt are overall, for example what is the debt for each individual Council and are there any significant debts for individual borrowers.	24/02/17	Simon Zbierski & President	Completed.

10. Next Meeting

26 May 2017 – Town of Walkerville

11. Close

For further information regarding topics raised at the FMG Executive Committee meetings, please see the contact details below:

FMG President, Clive Hempel: chempel@wakefieldrc.sa.gov.au

- Asset Management Workgroup Chairperson, Pep Piscioneri: p.piscioneri@adelaidecitycouncil.com
- Costing Principles Workgroup Chairperson, Alex Oulianoff: aoulianoff@dcmtbarker.sa.gov.au
- Dog and Cat Management Chairperson, Simon Zbierski: szbierski@campbelltown.sa.gov.au
- Fees and Charges Workgroup Chairperson, Elizabeth Williams: elizabeth.williams@alexandrina.sa.gov.au
- Financial Management Framework Workgroup Chairperson, Mark Lague: mlague@barossa.sa.gov.au
- Internal Controls & Risk Management Workgroup Chairperson, Annette Martin:
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- Local Government Price Index Workgroup Chairperson, Chris Birch: chris.birch@prospect.sa.gov.au
- Long Term Financial Plan Workgroup Chairperson, Anna-Lucia Draper: anna.draper@cttg.sa.gov.au
- Membership & Communication Workgroup Chairperson, Diane Eckermann:
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- Newsletter & Website Workgroup Chairperson, Elizabeth Williams:
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- Rating and Valuation Workgroup Chairperson, Norm Biggs: nbiggs@wtcc.sa.gov.au
- Seminars Workgroup Chairperson, Clive Hempel: chempel@wakefieldrc.sa.gov.au