

MINUTES

South Australian Local Government Financial Management Group Executive Committee

31 May 2019 at 9:30am

Playford Stretton Centre Forum Room – Level 1, 307 Peachey Road, Munno Para

1. Present

Executive Committee:

- Kate George (President), City of Salisbury
- Elizabeth Williams (Vice President), Alexandrina Council
- Clive Hempel (Secretary), Mid Murray Council
- Annette Martin, City of Charles Sturt
- Anthony Amato, Town of Gawler
- Chris Birch, City of Prospect
- Craig Mudge, District Council of Mount Remarkable
- David Harman, City of Marion
- Grace Pelle, City of Playford
- Katy Bone, Town of Walkerville Leta Northcott, City of Mitcham
- Mark Lague, The Barossa Council
- Mike Carey, Adelaide Hills Council
- Norm Biggs, City of West Torrens
- Rajith Udugampola, Adelaide Plains
- Sarah Taylor
- Simon Zbierski, City of Campbelltown
- Sonia Sghendo, City of Onkaparinga

Proxies:

- Marc Sodomka (for Angela Papatheodorakis, City of Port Adelaide Enfield)

Observers/Guests:

- Rebecca Muller, LGA
- Sama Reid, LGA
- Barbara Chappell, Simply Speaking

It is important to note that on occasion it may be necessary for the Executive Committee to discuss an item in confidence and in those circumstances, observers and guests will be asked to leave the room for that item.

2. Apologies

- Angela Papatheodorakis, City of Port Adelaide Enfield
- Alexander Oulianoff (Treasurer), Mount Barker District Council
- Karishma Reynolds, City of Burnside
- Leta Northcott, City of Mitcham
- Pep Piscioneri

3. Presentations

3.1 Annual Plan Consultation Work – Sama Reid, Manager Marketing & Communications, Local Government Association and Barbara Chappell, Consultant, Simply Speaking

Sama and Barbara provided an update on the work the LGA is undertaking relative to consultation on Council Annual Plans. The LGA is investigating the present public consultation process and the difficulties of obtaining input from the community prior to adopting the Annual Business Plan and Budget, in comparison to the public responses that are received after the receipt of rates notices. Work has been performed to develop tools for communication in relation to budget bids, feedback forms, postcards, surveys, submissions and quarterly forecast budget review (both face to face and on-line). Tools including new methods such as Facebook Live, YouTube (PowToon) and Participatory Budgeting are also being looked at. Discussion on how Councils currently consult throughout the year and how this information is utilised when considering the Long Term Financial Plan and/or Annual Business Plan. For a copy of the “Community Engagement Handbook” go to: https://www.lga.sa.gov.au/webdata/resources/files/2015_LGA_CEHandbook_2ndEd_Revised_Marc_hV3_Comb2.pdf. FMG Members are asked to please read the handbook and provide feedback to the LGA as they are looking for input from the FMG.

4. Confirmation of Minutes

Moved: Norm Biggs

Seconded: Elizabeth Williams

Recommendation: *That the minutes of the meeting held on 3 May 2019 be confirmed as a true and correct record.*

CARRIED

5. Projects/Work Groups – Update/Status

5.1 Asset Management – Katy Bone (Chairperson)

Katy had recently spoken to John Comrie regarding the “AASB13 Fair Value Measurement & Revaluation Considerations” paper, he advised that he would like to make some alterations due to potential changes in Accounting Standards. The working group is also reviewing the various different formats of Asset Management Plans that Councils have formulated recently in the view to create a template that is reduced in content and easier to review/update.

5.2 Costing Principles – Alex Oulianoff (Chairperson)

Alex was an apology.

5.3 Events – Kate George (Chairperson)

5.3.1 AGM – 30 August 2019 – Stamford Plaza Adelaide

Kate advised that the working group was waiting on the confirmation of Stephen Pallas as guest speaker.

5.3.2 December Workshop & Conference – 5 & 6 December 2019 – Adelaide Oval

Kate advised that the agenda for the conference is currently being formulated. As always, Members are asked to please advise if they have any topics/speakers suggestions.

5.3.3 March Conference 2020

Kate advised that feedback had been received from the Members that the March Conference was too close to the November Workshop/Conference.

Moved: Annette Martin

Seconded: Mike Carey

Recommendation: *That in light of feedback received from Members that the March event is too close to the November/December event, that the Work Group consider changing the date the 15th of May 2020 with the possibility of a second day being added for the 14th of May as a workshop/information day to cover issues such as changes to accounting standards.*

CARRIED

5.3.4 Sponsorship Proposal 2019/20

The only recommended changes to the draft proposal are that the fees be rounded to the nearest \$10 and that the sponsor conference rate will be set by committee.

Moved: Elizabeth Williams

Seconded: Annette Martin

Recommendation: *That the FMG Executive Committee adopts the proposed 2019/20 Sponsorship Proposal and that sponsorship fees be increased by CPI 2% for each sponsorship level rounded to the nearest \$10.*

CARRIED

Events			
Action Items	Meeting	Responsible	Status
Training by the FMG or the LGA on the accounting standards.	22/02/19	Seminar Workgroup	

5.4 Fees and Charges – Elizabeth Williams (Chairperson)

Elizabeth advised that the first ruling has been signed off and has been returned to the ATO, only awaiting the final sign off by the Australian Taxation Office (ATO). The ATO is still working on the second ruling.

Fees and Charges			
Action Items	Meeting	Responsible	Status
Elizabeth Williams is to provide a copy of the first ruling to the Patricia Coonan, to be emailed to Executive Members watermarked "DRAFT not to be circulated".	22/02/19	Elizabeth Williams / Patricia Coonan	

5.5 Financial Management Framework – Mark Lague (Chairperson)

5.5.1 AASB9 – Financial Instruments

Mark advised that the as Draft Model Financial Statements drafted in Jan/Feb did not include the requirements of AASB9 assessment of Debtors and Community Loans. Councils need to be aware that the standard may affect their Annual Financial Statement disclosure. Mark will discuss the standards with the Asset Management Work Group after their next meeting on 6 June 2019. Paul Francis has a presentation on the new accounting standards that will be distributed to the FMG Members in the near future.

Financial Management Framework			
Action Items	Meeting	Responsible	Status
Internal Controls survey to be sent to the Executive Committee for additions and feedback. Prepare survey monkey survey once all feedback is received and provide the link to the LGA for distribution via an LGA circular.	23/11/18	Mark Lague / Patricia Coonan	Survey won't be issued at this stage. Look at training in this area or a Workshop session.

5.6 Local Government Price Index – Chris Birch (Chairperson)

Chris advised that there hasn't been a meeting in the last month. The latest analysis has been distributed to the Work Group. The latest LGPI has been released and the March 2019 figure has been released being a combined rate of 2.1%.

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	Awaiting result of the Rate Capping Bill to determine whether a forecasting indicator is required.
Work on a set of definitions for data that feeds into the LGPI and supply it to the Grants Commission for their consideration.	21/09/18	LGPI Workgroup	

5.7 Local Government Reform – TBC (Chairperson)

A meeting was held earlier this week, unfortunately Kate did not attend due to sickness. There is a proposal for additional indicators and reform, expect a discussion paper to be released soon.

5.8 Long Term Financial Plan – Kate George (Chairperson)

Kate advised that the last step is to finalise the LTFP Manual A draft has been sent out to the members of the work group. During the first year there was a number of issues that were fixed by LG Solutions, and the group discussed that they would like to ensure that all individual issues have been fixed given they are included in all future version releases.

5.9 Membership & Communication – Craig Mudge (Chairperson)

Craig advised that the group has started on the next newsletter with contact made to sponsors for articles. It was suggested that Paul Francis be asked if he is willing to submit an article.

Membership & Communication			
Action Items	Meeting	Responsible	Status
A draft application form for the engagement of distant FMG Members has been produced. The form will act as an 'expression of interest' for those members to request to attend FMG Executive Committee meetings with reimbursement of accommodation and travel expenses.	31/05/19	Membership & Communication.	Reviewing draft, to be submitted to Executive Committee.

5.10 Rating and Valuation – Simon Zbierski (Chairperson)

Simon advised that the group had not met since last month, the next meeting will be held on 18 June. Discussion regarding how some media releases are giving information on how rate increases are communicated.

5.11 DACO Update – Simon Zbierski and Clive Hempel

Simon advised that with the next payment from DACO the remittance should show the grossed up fee income, this should assist in Councils to raise the correct Statutory Fees/Levy journals. Two more releases of the DACO system are planned, none of the future enhancements will be finance related.

6. Treasurer's Report

Alex was an apology.

7. Correspondence

Nil

8. Confidential Discussion Items

Nil

9. Other Business

9.1 ATO Audit - Contractor's vs Employees (HACC contractors) – Grace Pelle (item carried over from a previous meeting)

Grace advised that she is still awaiting the ATO to respond, with contact made in April and this week. A draft response has been prepared but not released. Will be performing a following up with the ATO to make this a group ruling for SA Local Government.

9.2 Professional Indemnity Policy Renewal Information

The forms to renew the insurance have been received from Local Government Risk Services.

Moved: Elizabeth Williams

Seconded: Craig Mudge

Recommendation: *That the Executive Committee authorises the Secretary to complete the 'Professional Indemnity Insurance Proposal Form' to renew the insurance on behalf of the FMG and provide the form to Local Government Risk Services with consultation of the President on the level of cover and excess.*

CARRIED

9.3 Discussions

- Development ePortal: Kate to make contact with development team for the procedure of processing of fees.
- Grants Commission Work Group: Chris to follow up with the Grants Commission regarding how the FMG can assist with the improvement of grants commission data.
- Annual Plan Consultation Work: We want more example of how Councils have been communicating/public consultation, template will be sent to FMG for completion. In the future this is to be workshopped.
- Internship/Cadetship Program: Annette gave a brief overview. it is recommended that if Members are interested that they can contact Annette Martin or contact Rebecca Muller of the LGA.
- Superannuation on leave loading: ensure if you have an obligation that you commence payments. Refer to ATO website for additional information as some information received is that the payment is not required to be made retrospectively. Define benefits scheme has given information that payments to Members may not have been calculated correct, presently working through the process.
- Email /fraud attempts: Councils have been receiving these in SA, LG Risk scheme are now requiring the process that Payroll and Creditors have in place for change of details. Normally on the receipt of an email that a confirmation be received either by phone or by a separate email (not to use "Reply") to confirm.
- The LGA Hospitality and Entertainment Policy: may be inadequate as there is an expected recommendation to be released soon that any expense must be justified in how the Community will benefit.
- Rebecca Muller of the LGA will be preparing guidelines for Councils that will assist Councils to develop their own Hardship policies.

- CPA meeting with the Events Work Group: looking to build a greater bond between the two groups. Expecting documentation from CPA regarding recent discussions with the Work Group, this will be presented to the Executive Committee

Other Business			
Action Items	Meeting	Responsible	Status
Local Government Reform Program – create an FMG Workgroup	29/03/19	Secretariat	Kate to send email to organise a meeting – same members of the LGPI workgroup.
Form a Data Collections – Annual Grants Commission Returns workgroup.	29/03/19	Executive Committee	Kate to send email to organise a meeting – same members of the LGPI workgroup.

10. Next Meeting

21 June 2019 – Alexandrina Council

Standing and Future Items	Meeting	Frequency
Presentation from the Local Government Grants Commission	March	Annually
Sponsorship Proposal for the next financial year	April/May	Annually
AGM Matters and Recommendations: <ul style="list-style-type: none"> • Constitution Draft • Membership Guidelines Draft • Membership Fees Recommendation to AGM • Honorary & Life Member Nominations • Auditor Appointment Recommendation to AGM • Executive Committee Nominations 	June	Annually
<ul style="list-style-type: none"> • Davin Lambert – LGFA update • Constitution Recommendation to AGM • Membership Guidelines adoption 	July	Annually
<ul style="list-style-type: none"> • New Committee Members • Workgroup allocations • Proxy/Deputy Chairperson for each of the Workgroups and Executive Committee meetings • Meeting dates for next 12 months • Event registration fees for the financial year 	September	Annually

11. Close

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

FMG President, Kate George: kgeorge@salisbury.sa.gov.au.

- Asset Management Workgroup Chairperson, Katy Bone: KBone@walkerville.sa.gov.au
- Costing Principles Workgroup Chairperson, Alex Oulianoff: aoulianoff@dcmtbarker.sa.gov.au
- Events Workgroup Chairperson, Kate George: kgeorge@salisbury.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
- Local Government Price Index Workgroup Chairperson, Chris Birch: chris.birch@prospect.sa.gov.au
- Local Government Reform Chairperson, **TBC**
- Long Term Financial Plan Workgroup Chairperson, Kate George: kgeorge@salisbury.sa.gov.au
- Membership & Communication Workgroup Chairperson, Craig Mudge: finance@mtr.sa.gov.au
- Rating and Valuation Workgroup Chairperson, Simon Zbierski: szbierski@campbelltown.sa.gov.au