



MOREE PLAINS SHIRE COUNCIL

15 FEBRUARY 2018

**FINANCE AND GOVERNANCE
COMMITTEE MEETING**

PUBLIC BUSINESS PAPER

Monday, 12 February 2018

TO:

- Councillors
- General Manager
- Director – Corporate Services
- Director – Planning and Community Development
- Director – Engineering Services
- Manager – Water and Waste
- Manager – Executive Projects

Notice is hereby given that the **Finance and Governance Committee Meeting** will be held in the Council Chamber, the Max Centre, 30 Heber Street, Moree, on **Thursday, 15 February 2018** commencing at **2pm**.

Please note that all Council meetings are recorded.

Yours sincerely



Mitchell Johnson
DIRECTOR OF CORPORATE SERVICES

Agenda

1. Open Meeting
2. Apologies
3. Confirmation of Minutes
4. Leave of Absence requests
5. Declarations of Interest
6. Presentation – 2018-2019 Budget Workshop
7. Reports
 - a) Operational Plan and Budget 2017-2018
8. Standing agenda item: New Questions on Notice
9. Standing agenda item: Strategic Planning Proposals and Current Project Updates
10. Standing agenda item: Overseas Trade and Investment
11. Responses to Previous Questions on Notice
12. Closed Committee/Confidential Reports
13. Close Meeting

Finance and Governance Committee Meeting Public Business Paper

15 FEBRUARY 2018

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Report Title	1. Operational Plan and Budget 2017-2018 Report on Progress – Quarter 2: 1 October 2017 to 31 December 2017 and Quarterly Budget Review Statement
Report by	Executive
Contact	General Manager
Attachments	One (1) attachment; refer to Attachments section
File	FILE 17/200

RECOMMENDATION

- 1 That the second quarter report on progress in implementing Moree Plains Shire Council's Delivery Program 2017-2021 and Operational Plan 2017-18 be received for information.**
 - 2 That the Quarterly Budget Review Statement for the period ending 31 December 2017 be received for information.**
 - 3 That variations, as detailed in the Appendix, be adopted.**
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REPORT

ALIGNMENT WITH MOREE PLAINS 2027 – YOUR SHIRE. THE PLAN. OUR FUTURE

- An Inclusive, Caring Community**

Not applicable

- Sustainable Spaces and Places**

Not applicable

- A Vibrant Regional Economy**

Not applicable

- A Leading Organisation**

L1.2 Deliver the desired services throughout the Shire to meet community needs in an effective, efficient and financially viable way, having regard to compliance and risk obligations

BACKGROUND AND KEY ISSUES

With the implementation of Council's strategic planning and reporting software, MANEX considers that progress reports in relation to Moree Plains Shire Council's Delivery Program 2017-2021 and Operational Plan 2017-2018 (**Quarterly Progress Report**) and the Quarterly Budget Review Statement (**QBR**) should be reviewed by Council as a single report each financial quarter, given the interaction and interdependence of the Quarterly Progress Report and QBR.

As such, this report provides background information for both of these, with the revised format of the Q2 Report (which has been distributed under separate cover) comprising:

1. An explanatory overview of the Quarterly Progress Report;
2. A detailed status report across the 19 Functional Areas contained in the Operational Plan 2017-2018 for Quarter 2;
3. The QBRS; and
4. A Project Snapshot for Quarter 2.

Information in relation to the Quarterly Progress Report and QBRS is detailed below.

QUARTERLY PROGRESS REPORT:

When the Council adopted the Moree Plains 2027 Community Strategic Plan, it committed to reporting on the Delivery Program and Operational Plan Functional Area indicators on a six (6) monthly basis. These reports would cover the period of July to December and January to June each financial year. Additionally, under Section 404 of the *Local Government Act 1993* the General Manager must ensure that progress reports are provided to the Council, with respect to the principal activities detailed in the Delivery Program, at least every six months.

To better inform Council and senior management of progress, emerging issues and concerns, progress reports are provided quarterly.

The Q2 Quarterly Progress Report is Moree Plains Shire Council's progress report for the period of 1 October 2017 to 31 December 2017 on the adopted Delivery Program 2017-2021 and Operational Plan 2017-2018.

This report provides a snapshot of what has been achieved in the second quarter of the current financial year. It allows the Council and the community to view the progress that the Council has made and provide detail on Council activities.

Through reporting, the Council is able to continually monitor its performance and make necessary adjustments on a regular basis to ensure that targets are being met, and reviewed if required. Regular monitoring also provides another method of risk management and provides points of reference when carrying out tasks, activities and projects.

QUARTERLY BUDGET REVIEW STATEMENT:

In accordance with the *Local Government (General) Regulation 2005* Clause 203:

- (1) Not later than 2 months after the end of each quarter (except the June quarter), the responsible accounting officer of a council must prepare and submit to the council a budget review statement that shows, by reference to the estimate of income and expenditure set out in the statement of the council's revenue policy included in the operational plan for the relevant year, a revised estimate of the income and expenditure for that year.*

The QBRS is the format prescribed by the OLG and sets the minimum requirements for presentation of Council's progress against budget, revised estimate of income and expenditure for the year and recommendations for budget variations.

The QBRS comprises the following attachments:

1. Statement by the responsible accounting officer on council's position at the end of the year based on the information in the QBRS;

2. Budget Review Contracts and Other Expenses;
3. Budget Review Consultancies and Legal Fees;
4. Budget Review Income and Expense Statement – Consolidated;
5. Budget Review Statement of Cashflows;
6. Variations Recommendations to Capital Income and Cashflow;
7. Key Performance Measures - Consolidated;
8. Operating Budget by Function;
9. Variation Recommendations – Operating Income and Expenditure
10. Budget Review Income and Expenses:
 - i. General & Other (includes General Fund, Max Fund, Gwydir Day Care and Waste Fund)
 - ii. Water Supply
 - iii. Sewer Services
11. Budget Review Capital Budget.

The Operating Budget by Function excludes all capital income, focusing on the operating income and expenditure of Council's various activities. The budget in this format also aligns with the activities undertaken by Council as adopted in the Operational Plan. For this reason recommendations for budget variances are explained in this format to align with the commitments made in the Operational Plan.

FINANCIAL IMPACT TO COUNCIL

The financial impact to Council of the proposed variations is detailed in the attachment.

STATUTORY AND POLICY IMPLICATIONS

The following sections of the *Local Government Act 1993* and *Local Government (General) Regulation 2005* detail Council's reporting obligations in respect of the Delivery Program and Operational Plan and Budget.

LOCAL GOVERNMENT ACT 1993 No 30

404 Delivery program

(1) A council must have a program (its delivery program) detailing the principal activities to be undertaken by the council to implement the strategies established by the community strategic plan within the resources available under the resourcing strategy.

(2) The delivery program must include a method of assessment to determine the effectiveness of each principal activity detailed in the delivery program in implementing the strategies and achieving the strategic objectives at which the principal activity is directed.

(3) The council must establish a new delivery program after each ordinary election of councillors to cover the principal activities of the council for the 4-year period commencing on 1 July following the election.

(4) A draft delivery program must be placed on public exhibition for a period of at least 28 days and submissions received by the council must be considered by the council before the delivery program is adopted by the council.

(5) The general manager must ensure that regular progress reports are provided to the council reporting as to its progress with respect to the principal activities detailed in its delivery program. Progress reports must be provided at least every 6 months.

LOCAL GOVERNMENT (GENERAL) REGULATION 2005 - REG 203

Budget review statements and revision of estimates

203 Budget review statements and revision of estimates

(1) Not later than 2 months after the end of each quarter (except the June quarter), the responsible accounting officer of a council must prepare and submit to the council a budget review statement that shows, by reference to the estimate of income and expenditure set out in the statement of the council's revenue policy included in the operational plan for the relevant year, a revised estimate of the income and expenditure for that year.

(2) A budget review statement must include or be accompanied by:

(a) a report as to whether or not the responsible accounting officer believes that the statement indicates that the financial position of the council is satisfactory, having regard to the original estimate of income and expenditure, and

(b) if that position is unsatisfactory, recommendations for remedial action.

(3) A budget review statement must also include any information required by the Code to be included in such a statement.

RISK IMPLICATIONS

Council commits, through the Delivery Program and associated Resourcing Strategy (Long Term Financial Plan, Workforce Plan and Asset Management Plan/s) to deliver certain services, activities and projects during the Council tenure. Regular review of progress made against these commitments mitigates the risk of Council not delivering on commitments on time and on budget and highlights at an early stage where there is a risk of not delivering.

ASSET MANAGEMENT IMPLICATIONS

Completion of asset maintenance projects in accordance with our Asset Management Plan/s ensures Council can continue to provide the infrastructure needed to deliver the services committed to in the Delivery Program.

PREVIOUS COUNCIL DECISIONS

The Operational Plan 2017-18 Q1 Report – 1 July 2017 to 30 September 2017 was considered by Council at the Finance and Governance Committee Meeting in November 2017.

ATTACHMENTS

1. Operational Plan 2017-18 Q2 Report – 1 October 2017 to 31 December 2017 (to be provided under separate cover).

Report 1	Operational Plan and Budget 2017-2018 Report on Progress – Quarter 2: 1 October 2017 to 31 December 2017 and Quarterly Budget Review Statement
Attachment 1	Operational Plan 2017-18 Q2 Report – 1 October 2017 to 31 December 2017

(To be provided under separate cover)