

Reports from the Corporate Governance Committee Meeting held at 5.30pm on Tuesday, 12 October 2010.

APOLOGIES

ACKNOWLEDGEMENT OF LAND

DECLARATIONS OF INTEREST

Pecuniary Interests

Non Pecuniary – Significant Interests

Non Pecuniary – Less than Significant Interests

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Minutes of the Corporate Governance Committee held on 12 October 2010

Present

His Worship the Mayor, Councillor P Lake
Councillor S Dobson (Chairperson)
Councillor F Borg
Councillor P Hawker
Councillor G Greiss
Councillor A Rule
Director Business Services - Mr M Sewell
Director City Works - Mr J Hely
Manager Business Assurance – Ms M McIlvenny
Manager Communications and Marketing - Ms B Naylor
Manager Emergency Services - Mr J Dodd
Manager Executive Services - Mr N Smolonogov
Manager Financial Services – Ms C Mears
Manager Human Resources - Mr B Mortimer
Manager Information Management and Technology - Mr S McIlhatton
Acting Manager Operational Services – Mr A Davies
Manager Property Services - Mr J Milicic
Manager Waste and Recycling Services – Mr P MacDonald
Internal Auditor – Ms J Warner
Executive Assistant - Mrs D Taylor

Apology (Rule/Hawker)

That the apologies from Councillors Chanthivong and Matheson be received and accepted.

CARRIED

Acknowledgement of Land

An Acknowledgement of Land was presented by the Chairperson Councillor Dobson.

DECLARATIONS OF INTEREST

There were no Declarations of Interest at this meeting.

1. COMMUNICATIONS AND MARKETING

1.1 Riverfest 2010

Reporting Officer

Manager Communications and Marketing

Attachments

Nil

Purpose

To report on the outcomes of Riverfest, which was held Sunday 12 September 2010.

History

Riverfest was established by the Macarthur branch of the National Parks Association (NPA) in 2001 to educate residents about the vast biodiversity that makes up our area. In 2003, Campbelltown City Council, at the request of the NPA, took over the operational running of the event in partnership with the NPA.

In 2005, Council introduced the theme of cultural diversity to the event. Shortly after, the Council formed a Sub Committee to guide Riverfest, with representatives from the environmental community and the culturally diverse community, officially represented by Macarthur Diversity Services Inc.

Report

Riverfest was held on Sunday 12 September 2010 at Koshigaya Park. Traditionally held in June to coincide with World Environment Day, this year's event was hosted in spring, in an effort to avoid the often inclement weather in the winter months, which can deter community participation. The event provided a range of culturally inspired live performances, information stalls, food stalls, activities and workshops aimed at educating and entertaining visitors.

Cultural entertainment on the day included an Aboriginal performer, Chinese acrobatics and lion dance, Greek folk dancers, Polynesian performers and Indonesian dancers. The stage entertainment also included the Drip Drop Show, an educational performance aimed at promoting the importance of water conservation.

In addition to the displays and interactive workshops hosted by community groups and various sections of Council, this year's event included an exhibition marquee, where live demonstrations were hosted throughout the day. The educational and often interactive demonstrations included topics such as no-dig gardens, the water cycle, composting, bugs, solar hot water, worm farming and Australian wildlife.

Local emergency services also hosted a range of interactive educational activities, aimed at promoting the importance of preparedness and helping to teach families how to respond to common household incidents such as kitchen fires.

The Discovery Trail again proved popular among younger visitors. Participants were encouraged to visit 11 stallholders to learn more about a particular environmental or cultural issue, then answer a question relevant to that stall to obtain a passport stamp. More than 100 children participated in this activity, with completed passports entered into a draw for a chance to win a compost bin.

The Riverfest event concluded with the annual Dry Riverbed Boat Race. Coordinated by the Macarthur Guides, the race encourages entrants to use recycled materials when building and decorating their boats.

Riverfest was supported by Macarthur Diversity Services Initiative and National Parks Association, as well as the Macarthur Chronicle as Media Supporter.

Officer's Recommendation

That the information be noted.

Committee's Recommendation: (Rule/Lake)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 19 October 2010 (Dobson/Rule)

That the Officer's Recommendation be adopted.

Council Minute Resolution Number 208

That the Officer's Recommendation be adopted.

2. CORPORATE SUPPORT

2.1 Draft Meeting Calendar for 2011

Reporting Officer

Acting Manager Corporate Support

Attachments

Draft Meeting Calendar for 2011 (distributed under separate cover).

Purpose

To submit for Council's consideration a draft meeting calendar for 2011.

Report

The draft meeting calendar for 2011 provides for the first Committee Meeting to be held on 1 February 2011 and the first Council Meeting to be held on 8 February 2011.

It is a legislative requirement that there be a minimum of 10 Council Meetings during the year. The draft calendar for 2011 provides for 12 Council Meetings and 20 briefing/inspection nights.

The draft calendar does not include scheduled meetings during the week of UDIA Conference to be held in the last week of March 2011, nor during the week of the Local Government Conference to be held in the last week of October 2011.

It is recommended that the draft meeting calendar for the 2011 be adopted.

Officer's Recommendation

That the draft meeting calendar for 2011 as outlined in the attachment be adopted.

Committee's Recommendation: (Borg/Hawker)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 19 October 2010 (Dobson/Rule)

That the Officer's Recommendation be adopted.

Council Minute Resolution Number 208

That the Officer's Recommendation be adopted.

2.2 Comparative Data 2008 - 2009

Reporting Officer

Acting Manager Corporate Support

Attachments

Comparative Information on NSW Local Government Council's (distributed under separate cover)

Purpose

To advise Council of the key outcomes of the Division of Local Government, Department of Premier and Cabinet Comparative Data for 2008-2009.

History

The Division of Local Government, Department of Premier and Cabinet, Local Government and Shires Association and the Local Government Manager's Association have developed key performance indicators for use on an industry wide basis. The Division of Local Government, Department of Premier and Cabinet has recently published the comparative information on New South Wales Councils for 2008-2009.

During 2008 the Division of Local Government, Department of Premier and Cabinet undertook a review of the Comparative Data Publication. The purpose of the review was to reduce red tape and reduce duplication of supplying, collecting and/or publishing information. As a result of that review the following changes have been made:

- Library data will now be collected by the State Library of New South Wales and published in the Annual Public Library Statistics Publication.
- Waste and Recycling data will now be collected by the Department of Environment, Climate Change and Water published in their New South Wales Local Government Waste and Resource Recovery Data report.
- Planning and Development data will now be collected by the Department of Planning in their Annual Performance Monitoring Data Collection and published in the Local Development Performance Monitoring Publication.

Report

In the Division of Local Government, Department of Premier and Cabinet's Publication Councils are grouped in categories according to the Australian Classification of Local Government so that comparisons can be made between the like Councils. Campbelltown is grouped with seven other large outer metropolitan Councils with populations in excess of 70,000 people.

The indicators are designed to help both the community and Councils to assess their performance. The enhanced transparency and public accountability is also assisting in the benchmarking of performance and the development of industry best practice models.

In comparing the data supplied it is important to be aware of factors which can affect the results. These may be external factors such as the topography of an area, industrial base and demographic makeup or internal factors such as Council Policies, restructuring of loans and the range of functions undertaken.

The Key Performance Indicators are set out under six activities:

- Rating
- Financial
- Corporate
- Environmental Management
- Recreation and Leisure Services
- Community Services

Rating

There are four key performance indicators for rating

- Average rate per assessment
- Outstanding rates and annual charges
- Percentage movement in rates and annual charges from previous year
- Percentage movement in user charges and fees revenue from previous year

Average Rate Per Assessment

Rates are an important source of Council's revenue. This indicator highlights the relative level of a council's residential, farmland and business rates. It does not include water and sewerage rates or domestic waste management charges.

Some factors affecting this indicator are:

- The level of reliance on other revenue sources
- Rating mix relativities between rating categories
- The mix of residential, farmland and business properties
- Revaluation of a council area
- The mix of rates and charges
- Any special variations granted
- The level of services provided in an area
- The council's rating structure and policy
- The amount of abandonments for pensioner rebates and other write offs

	2006/07	2007/08	2008/09
Average rate per residential assessment	\$	\$	\$
NSW Mean	701	732	760
NSW High	1,132	1,168	1,203
NSW Low	92	95	99
NSW Median	587	612	637

Average Rate - Residential Council	2006/07	2007/08	Variation	2008/09	Variation
	\$	\$	%	\$	%
Blue Mountains	918.04	954.80	4.0	980.73	2.7
Campbelltown	683.47	716.64	4.9	736.89	2.8
Gosford	635.52	650.73	2.4	718.06	10.3
Hills	812.64	837.29	3.0	866.25	3.5
Hornsby	768.24	788.60	2.7	814.57	3.3
Liverpool	733.06	745.84	1.7	774.45	3.8
Penrith	783.18	810.68	3.5	838.67	3.5
Wyong	679.10	700.84	3.2	722.66	3.1
Group Average	740.75	763.82	3.1	795.91	4.2

	2006/07	2007/08	2008/09
	\$	\$	\$
Average rate per farmland assessment			
NSW Mean	1,653	1,695	1,775
NSW High	5,119	5,247	5,386
NSW Low	438	485	501
NSW Median	1,551	1,593	1,722

Average Rate - Farmland Council	2006/07	2007/08	Variation	2008/09	Variation
	\$	\$	%	\$	%
Blue Mountains	1,510.34	1,569.44	3.9	1,552.45	-1.1
Campbelltown	4,647.06	4,885.71	5.1	4,536.23	-7.2
Gosford	828.67	812.50	-2.0	889.97	9.5
Hills	1246.45	1,210.02	-2.9	1,341.23	10.8
Hornsby	1,178.91	1,311.48	11.2	1,347.54	2.7
Liverpool	2,048.61	2,386.67	16.5	2,477.12	3.8
Penrith	2,277.92	2,058.67	-9.6	2,281.41	10.8
Wyong	1,748.43	2,007.09	14.8	2,022.39	0.8
Group Average	1,621.75	1643.08	1.3	1,730.47	5.3

A decrease in the number of properties categorised as farmland has resulted in a decrease in the average rate.

	2006/07	2007/08	2008/09
	\$	\$	\$
Average rate per business assessment			
NSW Mean	3,659	3,835	3,988
NSW High	8,232	8,739	9,011
NSW Low	108	125	127
NSW Median	1,770	1,902	1,888

Average Rate - Business Council	2006/07	2007/08	Variation	2008/09	Variation
	\$	\$	%	\$	%
Blue Mountains	1,849.78	1,950.56	5.4	1,855.56	-4.9
Campbelltown	4,600.31	4,559.08	-0.9	4,764.16	5.2
Gosford	1,997.65	2,022.76	1.3	2,190.97	8.3
Hills	1,775.83	1,906.82	7.4	1,890.06	-0.9
Hornsby	2,324.79	2,330.50	0.2	2,386.06	2.4
Liverpool	4,187.40	4,446.72	6.2	4,673.54	5.1
Penrith	4,285.02	4,518.44	5.4	4,934.19	9.2
Wyong	2,556.41	2,564.27	0.3	2,664.89	3.9
Group Average	3,037.24	3,145.26	3.6	3,271.03	4.0

Outstanding Rates and Annual Charges

This indicator assesses the impact of uncollected rates and annual charges on liquidity and the effectiveness of Councils debt recovery policy and procedures. The percentage of rates and annual charges that are unpaid at the end of a financial year is a measure of how well a council is managing debt recovery.

The lower the percentage, the less income is tied up in receivables and the more revenue there is available for council purposes.

Some factors affecting this indicator are:

- The Council's rating policy
- The level of reliance on other revenue sources
- The level of cash reserves
- Cash management and timing of cash flows
- Credit management policies
- Socioeconomic characteristics of the area
- The physical size of the council
- Environmental factors

	2006/07	2007/08	2008/09
Outstanding rates and charges	%	%	%
NSW Mean	5.1	5.2	5.4
NSW High	20.8	24.4	27.8
NSW Low	1.2	1.0	1.0
NSW Median	5.8	5.8	6.0

	2006/07	2007/08	2008/09
Outstanding rates and charges			
Council	%	%	%
Blue Mountains	4.9	5.25	4.89
Campbelltown	4.97	5.36	5.28
Gosford	7.78	8.25	8.43
Hills	2.66	3.27	3.47
Hornsby	3.95	3.88	3.47
Liverpool	4.66	5.35	5.29
Penrith	4.74	5.06	4.98
Wyong	6.35	7.36	7.27
Group Average	5.29	5.79	5.74

Percentage movement in rates and annual charges revenue from previous year

This indicator shows the increase or decrease in revenue from rates and annual charges. A council's income from rates and annual charges is limited by the rate pegging percentage determined by the Minister. If a Council can show that special circumstances exist, they may be given Ministerial approval to increase their annual general revenue by more than the general rate pegging variation.

Annual charges include water and sewerage rates and charges which are set by each council and are not limited by rate pegging. Domestic waste charges are not limited by rate pegging however must not exceed the cost of providing the service.

Some factors affecting this indicator are:

- Rate pegging legislation limiting overall rate revenue
- The council's revenue raising policy
- The level of reliance on other revenue sources
- The level of cash reserves
- Cash management and timing of cash flows
- Cost of service provision eg: contractor cost for waste collection

	2006/07	2007/08	2008/09
Percentage movement in rates and annual charges from previous year	%	%	%
NSW Mean	6.5	5.9	5.0
NSW High	20.9	19.5	15.8
NSW Low	9.7	-3.1	-11.9
NSW Median	5.8	5.4	4.5

Percentage movement in rates and annual charges from previous year	2006/07	2007/08	2008/09
Council	%	%	%
Blue Mountains	4.94	3.72	3.81
Campbelltown	5.35	4.57	3.47
Gosford	5.11	1.85	4.67
Hills	8.53	3.02	5.13
Hornsby	4.35	3.35	2.92
Liverpool	4.67	5.46	6.45
Penrith	11.56	3.87	5.19
Wyong	8.36	5.29	4.42
Group Average	6.70	3.82	4.57

Percentage movement in user charges and fees revenue from previous year

This indicator shows the increase or decrease in revenue from user charges and fees. User charges and fees are levied at council's discretion and are not subject to rate pegging.

Some factors affecting this indicator are:

- The council's revenue policy
- The level of reliance on other revenue sources eg private works
- The level of cash reserves
- Cash management and timing of cash flows
- The level of user pays services provided by the council
- Cost of service provision

Percentage movement in user charges and fees revenue from previous year	2006/07	2007/08	2008/09
	%	%	%
NSW Mean	7.4	6.3	5.1
NSW High	128.9	145.8	88.4
NSW Low	39.8	-31.2	-54.6
NSW Median	5.3	6.6	5.4

Percentage movement in user charges and fees revenue from previous year	2006/07	2007/08	2008/09
Council	%	%	%
Blue Mountains	8.34	1.12	6.08
Campbelltown	-17.11	-1.53	11.31
Gosford	8.07	12.14	16.21
Hills	-0.13	-1.01	17.65
Hornsby	3.18	-11.97	-1.67
Liverpool	-10.49	4.44	3.67
Penrith	-7.32	3.67	10.73
Wyong	14.83	10.02	6.51
Group Average	3.39	5.38	9.45

An increase in income from property rentals of 64% has resulted in Councils growth in fees and charges well above the group average.

Financial

There are seven key performance indicators for financial:

- Sources of income from continuing operations
- Total continuing operations income per capita
- Dissection of expenses from continuing operations
- Total expenses from continuing operations per capita
- Unrestricted current ratio
- Debt service ratio
- Capital expenditure ratio

Sources of income from continuing operations

The main sources of a council's revenue are:

- Rates and annual charges
- User charges and fees
- Interest
- Grants
- Contributions
- Other revenues eg fines, external works, business activities

Rates and annual charges revenue is generally the most important source of revenue for councils, followed by grant revenue. These sources of revenue are relatively stable from year to year and allow councils to plan and use sound financial budgeting methods to achieve their objectives. User charges are commonly levied on water usage, trade waste and domestic waste management collection. Fees are generally charged for goods or services, providing information and in connection with council's regulatory functions.

This indicator assesses the degree of dependence on alternative sources of revenue, both continuing operations and capital. It shows the different sources of revenue as a percentage of total revenue. It does not include gains from the sale of assets and gains from joint ventures and associates.

Some factors affecting this indicator are:

- The level of council's entrepreneurial and investment activity
- The socioeconomic characteristics of the area
- The relative level of Federal/State funding
- New development

	2006/07	2007/08	2008/09
Sources of income from continuing operations	%	%	%
Rates and annual charges	47.6	49.0	47.2
User charges and fees	16.6	17.1	16.4
Interest	4.8	1.8	2.1
Grants	16.1	16.1	18.6
Contributions	9.8	9.7	10.8
Other revenues	5.1	6.3	4.9
Total income from continuing operations	100.00	100.00	100.00

	Rates and Annual Charges		User charges and fees		Interest	
Sources of income from continuing operations	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Council	%	%	%	%	%	%
Blue Mountains	57.14	56.47	16.09	16.25	-2.76	-1.96
Campbelltown	56.49	57.36	6.65	7.26	3.78	3.82
Gosford	54.67	52.09	18.25	19.30	2.08	1.65
Hills	58.38	58.17	5.21	5.81	4.84	4.07
Hornsby	69.77	65.59	11.61	10.43	-1.37	-0.26
Liverpool	62.35	57.69	6.48	5.84	0.32	1.5
Penrith	53.55	51.02	17.40	17.45	1.71	2.24
Wyong	50.24	51.92	23.62	24.89	2.93	0.92
Group Average	56.67	55.31	14.40	14.71	1.82	1.65

Grants		Contributions		Other Revenues		Total Revenue	Total Revenue
2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
%	%	%	%	%	%	\$,000	\$,000
16.50	19.69	8.30	4.33	4.73	5.22	76,843	80,722
24.52	23.66	5.38	5.21	3.17	2.68	115,420	117,622
12.75	13.95	7.24	9.37	5.01	3.64	199,858	219,546
11.32	17.01	16.17	10.54	4.08	4.40	116,858	123,303
10.56	13.08	3.84	5.30	5.58	5.86	95,792	104,878
14.64	14.63	9.50	14.50	6.71	5.84	113,629	130,725
14.50	19.61	9.75	6.43	3.09	3.25	148,244	163,654
11.89	12.60	9.70	8.20	1.62	1.47	194,862	196,927
14.24	16.27	8.83	8.30	4.03	3.76	1,061,506	1,137,377

Total continuing operations income per capita

Total continuing operations income per capita is another way of analysing revenues received by a council. Revenue depends on the number of people living and working within an area. It is also affected by rate pegging (rates), development activity (developer contributions) and the extent of user pays type services (charges and fees).

This indicator measures the total income from continuing operations before capital per head of population. It shows the revenue available to service the needs of the community. It does not include water and sewerage rates.

Some factors affecting this indicator are:

- The level of council's entrepreneurial and investment activity
- The socioeconomic characteristics of the area
- The relative level of Federal/State funding
- The level of new development
- The demographic characteristics of the population

	2006/07	2007/08	2008/09
Total continuing operations income per capita	\$	\$	\$
NSW Mean	939	985	998
NSW High	3,616	5,107	5,709
NSW Low	564	562	588
NSW Median	1,214	1,228	1,303

Total continuing operations income per capita	2006/07	2007/08	Variation	2008/09	Variation
Council	\$	\$	%	\$	%
Blue Mountains	968.33	994.26	2.7	1,049.54	5.6
Campbelltown	680.63	722.08	6.1	746.08	3.3
Gosford	808.88	830.65	2.7	863.24	3.9
Hills	564.44	584.84	3.6	652.69	11.6
Hornsby	593.46	584.93	-1.4	609.22	4.2
Liverpool	591.72	574.14	-3.0	620.80	8.1
Penrith	749.25	758.08	1.2	840.40	10.9
Wyong	807.40	850.97	5.4	885.05	4.0
Group Average	701.75	716.23	2.1	762.41	6.4

Dissection of expenses from continuing operations

This indicator assesses the expenditure patterns of council.

A council's possible expenditure needs to include:

- Employee costs
- Materials and contracts
- Borrowing costs
- Depreciation
- Impairment
- Other expenses

Employee costs include wages and salaries (including fringe benefits), annual leave, annual leave loading, long service leave, sick leave, gratuities, post employment benefits other than superannuation and employment on costs.

Materials and contracts include inputs required to complete work by the council. Anything from gravel for roads to printing and stationery could be included. Borrowing costs relate to the cost of interest on loans to fund a portion of capital works by council. Depreciation is recognition of the costs of holding an asset that has a limited useful life.

Impairment occurs when the carrying amount of an asset exceeds its recoverable amount. Impairment is included in expenses with the introduction of the Australian Equivalent International Financial Reporting Standard (AEIFRS) in 2005/06 to local government financial reporting.

Some factors affecting this indicator are:

- The socioeconomic characteristics of the area
- The rate of new development
- The demographic characteristics of the population
- The level of population increase or decrease

	2006/07	2007/08	2008/09
Dissection of expenses from continuing operations	%	%	%
Employee costs	39.3	38.7	38.4
Materials and contracts	28.0	27.9	26.7
Borrowing costs	1.7	1.9	2.0
Depreciation	18.5	18.6	19.5
Impairment	0.0	0.0	0.0
Other expenses	12.5	12.9	13.3
Total expenses from continuing operations	100.00	100.00	100.00

	Employee costs		Materials and contracts		Borrowing costs	
Dissection of expenses from continuing operations	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
	%	%	%	%	%	%
Council						
Blue Mountains	45.80	46.40	24.65	24.91	2.66	2.53
Campbelltown	42.19	40.37	21.01	21.76	1.33	1.26
Gosford	38.62	37.78	29.26	28.80	2.13	2.46
Hills	35.89	40.36	26.96	20.46	0.00	0.00
Hornsby	40.86	40.05	32.84	31.69	1.60	1.49
Liverpool	39.15	36.53	32.32	31.74	2.92	3.18
Penrith	44.47	43.84	30.76	31.47	2.63	2.71
Wyong	32.17	34.06	28.31	23.53	4.13	4.52
Group Average	39.07	39.18	28.53	26.99	2.38	2.53

Depreciation		Other Expenses		Total Expenditure	Total Expenditure
2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
%	%	%	%	\$,000	\$,000
17.58	16.48	9.32	9.69	79,823	82,221
10.99	12.51	24.48	24.09	99,838	109,521
18.55	18.99	11.44	11.97	190,135	208,113
13.04	14.41	24.11	24.77	98,982	97,525
12.99	15.80	11.72	10.97	95,601	102,939
18.42	21.06	7.18	7.49	107,602	113,491
12.79	13.35	9.35	8.63	136,404	153,105
23.60	24.46	11.79	13.42	198,220	205,739
16.85	17.88	13.17	13.43	1,006,605	1,072,654

Total expenses from continuing operations per capita

This indicator measures the total expenses from continuing operations per head of population before excluding capital expenditure. It does not include water and sewerage rates.

Some factors affecting this indicator are:

- The socioeconomic characteristics of the area
- The rate of new development
- The demographic characteristics of the population
- The level of population increase or decrease

Total expenses from continuing operations per capita	2006/07	2007/08	2008/09
	\$	\$	\$
NSW Mean	908	972	1,033
NSW High	3,961	5,783	6,857
NSW Low	512	569	-800
NSW Median	1,181	1,263	1,370

Total expenses from continuing operations per capita	2006/07	2007/08	Variation	2008/09	Variation
Council	\$	\$	%	\$	%
Blue Mountains	1,018.11	1,101.80	8.2	1,110.94	0.8
Campbelltown	643.91	677.05	5.1	734.69	8.5
Gosford	798.27	852.62	6.8	934.82	9.6
Hills	512.27	589.09	15.0	570.44	-3.2
Hornsby	603.23	612.22	1.5	649.00	6.0
Liverpool	588.54	622.22	5.7	641.63	3.1
Penrith	755.44	769.67	1.9	846.98	10.0
Wyong	720.43	827.45	14.8	796.77	-3.7
Group Average	683.13	730.40	6.9	761.56	4.3

Unrestricted current ratio

This indicator is a measure of a council's ability to meet its financial obligations such as paying for goods and services supplied. It assesses the level of liquidity and the ability to satisfy obligations as they fall due in the short term. A ratio of 1.5:1 indicates that for every dollar in unrestricted current liabilities, the council has \$1.50 in unrestricted current assets on hand to meet the liability. If the ratio is less than 1.5:1, the ratio is unsatisfactory and council may be unable to meet its short term commitments. A ratio of between 1.5:1 and 2:1 is satisfactory and shows that a council has sufficient liquid assets on hand to meet its short term liabilities. A ratio of 2:1 or better is generally viewed by the industry as good.

Unrestricted current assets are those where there is no form of restriction imposed by legislation or some other externally imposed requirement. Restricted current assets have restrictions on their use eg developer contributions, RTA contributions, water and sewerage rates, charges and grants and domestic waste management charges.

Some factors affecting this indicator are:

- Planning and budgetary controls
- Cash management and the timing of cash flows
- The level of restricted access
- Credit management policies and economic circumstances

Unrestricted current ratio	2006/07	2007/08	2008/09
Council	%	%	%
Blue Mountains	1.70	1.44	1.57
Campbelltown	2.39	2.56	2.29
Gosford	0.71	2.68	4.03
Hills	6.95	5.63	7.24
Hornsby	2.20	1.21	1.19
Liverpool	1.46	1.03	1.29
Penrith	1.33	1.15	1.17
Wyang	1.82	1.96	1.46
Group Average	1.88	2.09	2.21

Debt service ratio

This indicator assesses the degree to which revenues from continuing operations are committed to the repayment of debt. It is generally higher for councils in growth areas where loans have been required to fund infrastructure such as roads and water and sewerage works. Debt service costs include debt redemption from revenue, transfers to sinking funds and bank overdraft interest.

The industry accepted benchmark for the debt service ratio is <10% satisfactory, 10% to 20% is fair, and >20% is of concern. High growth coastal councils may have a high debt service ratio. The use of loan funds for infrastructure improvements and other capital purposes is considered to be a prudent financial strategy allowing for contribution to the cost of the asset through its life by the community. When assessing this financial indicator, the ratio may be compared over a number of years in conjunction with other financial performance ratios such as the unrestricted current ratio.

Some factors affecting this indicator are:

- New development
- Debt policy
- Interest rate movements and loan terms
- Capital investment strategies and capital contributions policies
- The level of cash reserves
- The state of infrastructure/life stage of assets
- Variations in loan repayments

Debt service ratio	2006/07	2007/08	2008/09
Council	%	%	%
Blue Mountains	6.15	6.83	6.75
Campbelltown	6.41	5.95	5.36
Gosford	4.23	5.39	6.04
Hills	0.00	0.00	0.00
Hornsby	4.91	4.66	4.61
Liverpool	7.30	7.67	7.66
Penrith	7.38	7.13	7.45
Wyang	10.25	9.96	8.80
Group Average	6.09	6.25	6.13

Capital expenditure ratio

Councils control and have responsibility for assets such as roads, stormwater drainage, sewerage/water schemes, buildings and equipment. They need to ensure that operating and community assets are managed effectively and efficiently to meet community services expectations. An indication of good asset management is whether asset maintenance and replacement is keeping up with depreciation.

This indicator assesses a council's ability to replace or add to capital assets compared with the consumption (depreciation) of assets. It does not include land, water and sewerage assets.

Some factors affecting this indicator are:

- The capital expenditure policy
- The valuation methodology
- One off changes to asset base
- The depreciation rate used

	2006/07	2007/08	2008/09
Capital expenditure ratio			
NSW Mean	1.4	6.6	2.9
NSW High	19.3	28.9	130.3
NSW Low	-24.2	-4.5	-7.0
NSW Median	1.1	5.6	1.6

Capital expenditure ratio	2006/07	2007/08	2008/09
Council			
Blue Mountains	0.75	2.91	1.04
Campbelltown	0.50	11.65	0.30
Gosford	2.07	4.47	0.90
Hills	1.81	5.29	3.07
Hornsby	0.63	5.34	1.24
Liverpool	2.12	5.50	1.84
Penrith	1.60	9.18	1.63
Wyang	2.00	4.13	1.84
Group Average	1.57	5.75	1.50

This ratio is a result of the net change in written down value of the total property, plant and equipment compared to total depreciation however Council's infrastructure renewals ratio for 2008-2009 was 0.71.

Corporate

There are two key performance indicators for corporate:

- Number of equivalent full time staff
- Compliance with statutory reporting deadlines

Number of equivalent full time staff

Councils disclose the number of equivalent full time staff in their financial reports. This figure is based on the total number of full or part-time staff and casual staff on council's payroll on the last payday of June in each year. For example, 100 full time staff and 2 part-time staff who work 2.5 days per week equals 101 full time staff. It includes staff employed in council trading activities, such as water and sewerage.

Some factors affecting this indicator are:

- The council's budget and organisation structure
- The level of contracting out eg changes from day labour to contract work
- The type and extent of service delivery
- Whether the council has created or reduced services
- Boundary changes occurring during the year

	2006/07	2007/08	2008/09
Number of equivalent full time staff			
NSW Mean	286	289	292
NSW High	1,512	1,517	1,595
NSW Low	30	32	32
NSW Median	183	195	199

Number of equivalent full time staff	2006/07	2007/08	Variation	2008/09	Variation
Council					
Blue Mountains	492.00	506.00	2.8	498.00	-1.6
Campbelltown	637.00	646.00	1.4	613.00	-5.1
Gosford	979.00	1,100.00	12.4	1,107.00	0.6
Hills	593.00	620.00	4.6	605.00	-2.4
Hornsby	584.00	591.00	1.2	603.00	2.0
Liverpool	578.00	598.00	3.5	605.00	1.2
Penrith	963.18	977.00	1.4	959.00	-1.8
Wyong	865.00	878.00	1.5	1,039.00	18.3
Group Average	711.40	739.50	4.0	753.63	1.9

Compliance with statutory reporting deadlines

Councils are required to submit their annual reports to the Division of Local Government, Department of Premier and Cabinet by 30 November each year. The annual report must include a State of the Environment (SoE) report. The SoE report is often submitted as a separate document due to its size or because it has been prepared as a regional SoE report with other councils.

In addition the annual report must include a statement on the council's performance in relation to access and equity activities to meet residents' needs. Access and equity activities are any activities that aim to promote social justice and enhance community well being.

Councils are required to submit a current social/community plan to the Division of Local Government, Department of Premier and Cabinet every five years to assist in the development of strategies and initiatives appropriate to the current and future needs of their local communities.

A copy of the council's audited financial reports and the auditor's report must be sent to the Director General and to the Australian Bureau of Statistics as soon as practicable after receiving the auditor's report (no later than 7 November). Councils must also include a complete copy of the audited financial report in their annual report.

The Director General may approve an extension of time for completing the financial report. If an extension has been granted for the financial report, the due date will be amended.

This indicator highlights the level of compliance by councils with the deadlines for submitting their annual reports, including SoE reports and a statement on the council's performance in relation to access and equity activities, social/community plans and audited financial reports.

As the Government's Integrated Planning and Reporting reforms are being implemented by councils in stages, the Division is no longer reporting on compliance with social/community plan reporting requirements. All councils are scheduled to have commenced operating under the Integrated Planning and reporting framework by 2012/13. Appropriate compliance indicators will be introduced after that time.

Some factors affecting this indicator are:

- How efficiently the planning and reporting process is managed
- The efficient of data management, including record keeping
- Delays in receiving component sections eg the audited financial reports
- The availability of staff
- Technical delays in publication

Symbols used for corporate reports received by the Division

On time	Received on or before time
< = 2	Late - less than or equal to 2 weeks
< = 4	Late - greater than 2 weeks and less than or equal to 4 weeks
< = 8	Late - greater than 4 weeks and less than or equal to 8 weeks
< = 14	Late - greater than 8 weeks and less than or equal to 14 weeks
Not received	At the time of compiling, the Department has not received report

Annual report received by Division	2006/07	2007/08	2008/09
Council			
Blue Mountains	N	Y	Y
Campbelltown	Y	Y	Y
Gosford	Y	Y	Y
Hills	Y	Y	Y
Hornsby	Y	Y	Y
Liverpool	Y	N	Y
Penrith	Y	Y	Y
Wyong	Y	Y	Y

State of the Environment report received by Division	2006/07	2007/08	2008/09
Council			
Blue Mountains	Y	Y	Y
Campbelltown	N	Y	Y
Gosford	N	Y	Y
Hills	Y	Y	Y
Hornsby	Y	Y	Y
Liverpool	N	N	Y
Penrith	Y	Y	Y
Wyong	N	Y	Y
Financial report received by Division	2006/07	2007/08	2008/09
Council			
Blue Mountains	Y	Y	Y
Campbelltown	Y	Y	Y
Gosford	Y	Y	Y
Hills	Y	Y	Y
Hornsby	Y	Y	Y
Liverpool	Y	Y	Y
Penrith	Y	Y	Y
Wyong	Y	Y	Y
Access and Equity Statements	2006/07	2007/08	2008/09
Council			
Blue Mountains	Y	Y	Y
Campbelltown	Y	Y	Y
Gosford	Y	Y	Y
Hills	Y	Y	Y
Hornsby	Y	Y	Y
Liverpool	Y	N	Y
Penrith	Y	Y	Y
Wyong	Y	Y	Y

Environmental management and health services

The sustainable management of natural resources, the protection of the environment and the maintenance of public health are key council responsibilities.

There is one key performance indicator for environmental management and health services.

Environmental management and health expenses per capita

This indicator measures the amount spent on environmental management and health per head of population.

Some factors affecting this indicator are:

- The number of environmental management and health staff employed
- Council policies about regulation
- The population mix
- The land usage mix
- Socioeconomic factors
- The extent to which State legislation is applied

	2006/07	2007/08	2008/09
Environmental management and health expenses per capita	\$	\$	\$
NSW Mean	26	27	30
NSW High	378	277	236
NSW Low	6	7	0
NSW Median	31	32	37

Environmental management and health expenses per capita Council	2006/07	2007/08	Variation	2008/09	Variation
Blue Mountains	56.76	66.15	16.5	66.79	1.0
Campbelltown	16.48	18.66	13.2	21.39	14.7
Gosford	7.42	7.65	3.1	3.49	-54.4
Hills	8.83	9.39	6.4	11.27	20.0
Hornsby	28.58	28.03	-1.9	29.34	4.7
Liverpool	11.20	12.10	8.0	10.26	-15.2
Penrith	18.49	20.55	11.1	25.08	22.0
Wyong	25.04	27.53	10.0	32.36	17.5
Group Average	18.91	20.51	8.5	21.71	5.9

Recreation and leisure services

Councils play a significant role in the provision of recreation and leisure services. They provide and/or maintain parks, playing fields, swimming pools, beaches, walking and bicycle tracks, tennis courts and multi-purpose recreation facilities. They also fund, assist and provide information to the community about sport and recreation organisations.

Councils are encouraged to develop and implement strategies that will result in more people becoming physically active.

There is only one key performance indicator for recreation and leisure services.

Net recreation and leisure expenses per capita

Councils have a greater opportunity to receive revenues from recreation services than from the other services included in this publication. This indicator therefore measures the calculated net amount spent on recreation and leisure services per head of population.

Some factors affecting this indicator are:

- The size, type and number of facilities
- The adoption of the user pays principle
- The nature of section 94 contributions
- The population mix
- The available open space and natural resources eg beaches and bushland
- The amount of non-resident usage eg tourism

	2006/07	2007/08	2008/09
Net recreation and leisure expenses per capita	\$	\$	\$
NSW Mean	72	76	83
NSW High	224	272	306
NSW Low	0	15	-41
NSW Median	43	84	98

Net recreation and leisure expenses per capita	2006/07	2007/08	Variation	2008/09	Variation
Council					
Blue Mountains	75.72	90.28	19.2	80.42	-10.9
Campbelltown	80.76	77.35	-4.2	108.48	40.2
Gosford	69.76	71.58	2.6	80.67	12.7
Hills	69.40	76.67	10.5	66.83	-12.8
Hornsby	64.82	64.74	-0.1	74.98	15.8
Liverpool	15.02	22.25	48.1	40.16	80.5
Penrith	55.97	59.15	5.7	59.26	0.2
Wyong	64.35	63.93	-0.6	76.95	20.4
Group Average	60.28	63.46	5.3	71.91	13.3

Community Services

Councils provide facilities such as community centres and halls, senior citizen centres, aged care centres, childcare centres and youth centres. They employ community development staff and provide services for groups in the community with specific needs eg the aged, people with disabilities, Aboriginal and Torres Straight Islanders, and people from diverse cultural and linguistic backgrounds.

There is one key performance indicator for community services.

Community services expenses per capita

This indicator measures the amount spent on community services per head of population.

Some factors affecting this indicator are:

- The number of community services staff employed
- The number and range of community services provided
- The population mix
- The availability of funding
- Socioeconomic factors
- Council policies

	2006/07	2007/08	2008/09
Community services expenses per capita	\$	\$	\$
NSW Mean	54	59	65
NSW High	1,143	1,301	1,392
NSW Low	1	0	0
NSW Median	42	46	52

Community services expenses per capita	2006/07	2007/08	Variation	2008/09	Variation
Council					
Blue Mountains	38.59	32.32	-16.3	27.18	-15.9
Campbelltown	77.34	82.42	6.6	104.53	26.8
Gosford	64.84	65.68	1.3	68.95	5.0
Hills	34.31	32.92	-4.0	67.84	106.0
Hornsby	41.14	38.19	-7.2	43.45	13.8
Liverpool	34.58	37.93	9.7	50.50	33.1
Penrith	98.87	99.72	0.9	103.70	4.0
Wyong	48.41	50.78	4.9	47.89	-5.7
Group Average	56.23	56.71	0.9	67.14	18.4

Comments in Regard to Key Performance Indicators

Finance and Rating

In regard to the sources of total revenue the 2008-2009 data shows Council continues to have a strong reliance on rates however has slightly decreased due to success in the receipt of grant funding during the year. In addition user charges have increased above the group average due to property rentals.

As previously reported to Council the Unrestricted Current Ratio has continued to improve as a result of the adopted strategy of providing for surplus budgets and is well above the group average. Council's Debt Service Ratio of 5.36 is below the group average and reflects Council's conservative borrowing program.

Council's capital ratio which assesses a Council's ability to replace or add to capital assets is below the group average however has been dramatically affected by the fair value of council assets.

Corporate

Council's number of full time staff is substantially below the group average and Council met all its statutory reporting deadlines during 2008-2009.

Environmental Management

This indicator measures the amount spent on Environmental Management and Health per head of population. 2008-2009 saw a 14% increase in expenditure per capita and is above the group average.

Recreation and Leisure

Council's expenditure on Recreation and Leisure has significantly increased in 2008-2009 and continues to be well above the group average.

Community Services

Council continues to be well above the group average with a 26% increase in expenditure on Community Services in 2008-2009.

Summary

The Comparative Data is designed to help both the Community and Council's to assess the performance of their Council across a broad range of activities. This enhanced transparency and public accountability helps to develop performance benchmarks and industry best practice models, however the comparative data publication can be misleading due to different priorities of each Local Government.

The Comparative Data for 2008-2009 highlights Council's continuous improvement in most activities and places Council well above their group and state averages for the majority of the key indicators.

As indicated earlier in this report the Comparative Data is another tool to seek to identify areas for continuous improvement and will be taken into consideration in the preparation of strategies that may be implemented through Council's Management and Long Term Financial Plans.

Officer's Recommendation

That the information be noted.

Committee's Recommendation: (Rule/Borg)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 19 October 2010 (Dobson/Rule)

That the Officer's Recommendation be adopted.

Council Minute Resolution Number 208

That the Officer's Recommendation be adopted.

2.3 Revised Policy - Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors

Reporting Officer

Acting Manager Corporate Support

Attachments

Revised Policy - Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors.

Purpose

To adopt a Policy for the payment of expenses and provision of facilities to the Mayor, Deputy Mayor and Councillors to comply with Section 252 of the Local Government Act 1993. It should be noted that there are no changes recommended to the current policy.

History

Following a review of a number of Council's Expenses Policies the Department of Local Government released guidelines in 2006 and 2007 to assist Council's in the review and preparation of Policies for the payment of expenses and the provision of facilities.

Council has adopted a Records Management Policy with adopted procedures for Policy development and review. The review of all Council Policies is in accordance with the Records Management procedures relating to the Policy review date. The attached Policy is recommended to Council for adoption.

Report

In accordance with Section 252(1) of the Local Government Act 1993 Council is required to adopt a Policy for the payment of expenses and provision of facilities on an annual basis and submit the policy to the Division of Local Government, Department of Premier and Cabinet by 30 November each year.

The current Policy has been reviewed in accordance with the Division's guidelines and the findings from the Division's review of a sample of Council Policies undertaken in 2007.

The review found that the current Policy complies with the Division's guidelines and no amendments are required. It is therefore recommended that the current Policy be adopted and a copy forwarded to the Division of Local Government, Department of Premier and Cabinet in accordance with Section 252(1) of the Act.

Officer's Recommendation

1. That Policy Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors shown as the attachment to this report be adopted.
2. That the review date be set at 30 October 2011.
3. That a copy of the adopted Policy of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors be forwarded to the Division of Local Government, Department of Premier and Cabinet.

Committee's Recommendation: (Hawker/Rule)

1. That Policy Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors shown as the attachment to this report be adopted with the following amendments:
 - (i) Provision of Facilities - Mayor - Internet - Council shall make available to the Mayor facilities for internet use and email. These facilities shall be available to the Mayor at:
 - The Civic Centre
 - At the Mayor's home; and
 - When the Mayor is away from home
 - (ii) Travelling Expenses - Reimbursement of travelling expenses for use of private motor vehicle on Council business will be as provided in the Local Government State Award, as varied from time to time. Where the alternate means of travel would be by air, the vehicle travelling expenses be restricted to the Local Government State Award rates or the value of the economy class airfare whichever is the lesser. Council business includes approved Council, Committee, Sub Committee and Working Party meetings, plus authorised site inspections and other authorised business.
2. That the review date be set at 30 October 2011.
3. That a copy of the adopted Policy of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors be forwarded to the Division of Local Government, Department of Premier and Cabinet.

CARRIED


Council Meeting 19 October 2010 (Dobson/Rule)

That the Committee's Recommendation be adopted.

Council Minute Resolution Number 208

That the Committee's Recommendation be adopted.

ATTACHMENT 1

		POLICY
Policy Title	Payment of Expenses and Provision of Facilities to the Mayor, Deputy Mayor and Councillors	
Related Documentation	Council's Code of Conduct ICAC Publication - No Excuse for Misuse, Preventing the Misuse of Council Resources DLG Guidelines for Payment of Expenses and Provision of Facilities Model Code of Conduct for Local Councils in NSW DLG Circulars 08/03, 07/22 and 06/57	
Relevant Legislation/ Corporate Plan	Local Government Act 1993	
Responsible Officer	Director Business Services	

Policy details may change prior to review date due to legislative changes, therefore this document is uncontrolled when printed.

Objectives

- In recognition of the importance of the role of the Mayor, to provide support in order to assist the Mayor in discharging the functions of the civic office.
- To provide a range and level of support and facilities to Councillors to assist them in discharging their functions of civic office.
- To assist the Mayor and Councillors in representing the interests of the residents and ratepayers of the City of Campbelltown and to facilitate communication between the community and the Council.
- To provide a level of support which will serve to encourage candidates to seek election to civic office.
- To provide for the reimbursement of expenses incurred by Councillors at conferences and seminars.
- To provide a travel policy which is transparent to the community and to ensure that the benefits of any travel are reported in a structured manner.

Policy Statement

The Local Government Act, 1993 which came into force on 1 July 1993, directs Council to adopt a policy concerning payment of expenses and the provision of facilities to the Mayor, Deputy Mayor and Councillors in relation to discharging the functions of civic office.

The Act also requires that the existing policy must be reviewed annually and submitted to the Department of Local Government by 30 November each year.

Scope

This Policy applies to the Mayor and all elected Councillors of Campbelltown City Council for expenses incurred or facilities provided when Councillors are performing their civic duties as Councillors.

Legislative Context

In accordance with Section 252 of the Local Government Act, Council will pay expenses incurred to or to be incurred and provide facilities for the Mayor, Deputy Mayor and Councillors to enable them to discharge their functions of civic office.

This Policy excludes annual fees paid to the Mayor and Councillors under Section 248 to 251 inclusive of the Local Government Act, 1993.

The Department of Local Government Updated Guidelines for the Payment of Expenses and the Provision of Facilities to Mayors and Councillors were issued on 28 May 2007 (DLG 07-22) and have been taken into account in preparing this Policy.

Principles

Conferences and Seminars

Who May Attend Conferences and Seminars:

Any interested Councillor may attend conferences, seminars and similar functions nominated by the Council. In addition, the Mayor may nominate a substitute attendee in his or her stead for functions within the Council area, or general Sydney metropolitan area, on those occasions where the Mayor is unable to be present.

Conference Costs

The Council will pay all normal registration costs charged by organisers, including the costs of related official luncheons, dinners and tours that are relevant to the interests of the Council or assist Councillors to discharge the functions of their civic office.

Travel

All reasonable travel costs will be met by the Council. Where appropriate, travel will be provided by air (economy class). Depending upon the circumstances, it may be more appropriate for travel to be undertaken by car or train.

If a Councillor requests the use of a Council vehicle for travel then the use of the vehicle can be determined by the Mayor and/or the General Manager under the current provisions for use of Council Vehicles by Councillors on authorised Council business.

Private vehicles may be used subject to prior approval from the General Manager. Councillors using a private vehicle will be paid the kilometre rate set by the appropriate Local Government Industrial Award as varied from time to time, but subject to any such payment not exceeding economy class air fares to and from the nearest airport to the particular destination of the Conference.

Councillors shall be issued with Cab Charge vouchers for taxi fares that are incurred while attending conferences and other Council related functions. All unused Cab Charges shall be returned to the Manager Executive Services within fifteen (15) days of the conference. The General Manager shall have the right to reject any unauthorised Cab Charges.

Accommodation and Sustenance

Reasonable accommodation including the night before and/or after the conference, where this is necessary, will be met by the Council. Accommodation selected shall be approved by the General Manager.

Council will be responsible for the reasonable cost of meals where they are not part of the conference program.

Spouse/Partner

Where the Councillor is accompanied by his or her spouse/partner costs incurred for the spouse/partner (including travel, sustenance, registration and partner's program) will be borne by the Councillor. Council will not be responsible for any costs incurred by other members of a Councillor's family.

However where a Councillor is accompanied by his or her spouse/partner to the annual Local Government Association Conference Council will meet the cost of registration and the official dinner for the spouse/partner. Travel expenses and any additional accommodation expenses will be the personal responsibility of the Councillor.

Provision Of Facilities

Mayor

Accommodation – A furnished office suite located on the Third Floor of the Administration Building.

Staff – A Personal Secretary on a shared basis with the General Manager.

Stationery and Postage – Mayoral stationery, business cards, Christmas cards, diary/electronic organiser, filing cabinet and briefcase, together with postage expenses.

Periodicals – Annual subscriptions of up to two periodicals subject to the approval of the General Manager.

Meals – Meals and beverages in conjunction with Council and Committee Meetings and Inspections.

Refreshments – Food and beverages in conjunction with civic functions and hosting meetings involving community groups and representatives.

Insignia of Office – Mayoral robes, chain, badge and name plate indicating office held provided to Mayor. Badge and name plate provided to partner to be worn at civic functions. Mayoral robes and chain remain the property of the Council.

Communication System – A mobile telephone, approved by the General Manager, be provided by Council and that call costs up to the value of \$350 per month be met by Council. A personal computer or a laptop, personal digital assistant and combined printer, copier, scanner and facsimile machine, approved by the General Manager, in the Mayor's home, fully services and maintained by Council.

The ownership of this equipment is retained by Council, however, at the end of the term of office on Council the mobile telephone, personal computer or a laptop, personal digital assistant and combined printer, copier, scanner and facsimile machine may be acquired by the Mayor at the current market value based on the current depreciation rate and depending on the condition of the equipment.

Office Equipment – A Facsimile Machine and personal computer in the Mayor's office, fully serviced and maintained by Council. The ownership of this equipment is retained by Council. A four drawer lockable metal filing cabinet for the Mayor's residence.

Telephone Answering Machine – The provision of a telephone answering machine. The equipment shall remain the property of Council and shall be returned upon ceasing to hold office, however, the equipment may be acquired by the Mayor on ceasing to hold office at its current market value based on the current depreciation rate and depending on the condition of the machine.

Motor Vehicle Parking Space – A permanent parking space in the basement of the Administration Building.

Council Vehicle – A Council vehicle will be provided for official and associated use.

Care Expenses – That council meet reasonable cost of care arrangements including child care expenses and the care of elderly, disabled and/or sick immediate family members of Councillors to allow them to attend Council, Committee and Sub Committee Meetings and Working parties at a rate equal to the carer's recommended fee structure for Campbelltown Family Day Care. Carer costs will be paid to cover the period 30 minutes prior to the scheduled commencement time of the meeting and one hour after the conclusion of the meeting.

Training - That Council meet all related expenses for training and educational courses that are directly related to the Mayor's civic functions and responsibilities.

Internet – Council shall make available to the Mayor facilities for internet use and email. These facilities shall be available to Councillors at:

- The Civic Centre
- At the Mayor's home; and
- When the Mayor is away from home

Deputy Mayor and Councillors

Office Space – The provision of a lounge area, Committee Rooms and three offices on the Third Floor of the Administration Building to be pre-booked and used by Councillors in the conduct of their duties of office.

Staff Assistance – As required for answering constituents' requests.

Stationery and Postage – Councillors' stationery, business cards, Christmas cards, diary/electronic organiser, filing cabinet and briefcase, together with postage expenses.

Periodicals – Annual subscriptions of up to two periodicals subject to the approval of the General Manager.

Meals – Meals and beverages in conjunction with Council and Committee Meetings and Inspections.

Refreshments – Beverage service in the Councillors' Lounge.

Insignia of Office – Badge and name plates provided to Councillors and partner to be worn at civic functions.

Communication System – Mobile telephones, approved by the General Manager, to be provided by the Council to the Deputy Mayor and other Councillors and that call costs up to a value of \$350 per month be met by Council. A personal computer or a laptop, personal digital assistant and combined printer, copier, scanner and facsimile machine, approved by the General Manager, in the Deputy Mayor's and Councillors' homes, fully serviced and maintained by Council. The ownership of this equipment is retained by Council, however, at the end of the term of office on Council, the equipment may be acquired by the Deputy Mayor and Councillors at the current market value based on the current depreciation rate and depending on the condition of the equipment.

Office Equipment – The provision of a photocopier, telephone facilities and a personal computer in the work area adjacent to the Councillors' offices, fully serviced and available for the use of all Councillors. A four door lockable metal filing cabinet for their residence.

Telephone Answering Machine – Councillors requesting the provision of a telephone answering machine shall be provided with one. The equipment shall remain the property of Council and shall be returned upon ceasing to hold office however, the equipment may be acquired by the Deputy Mayor and Councillors on ceasing to hold office at its current market value based on the current depreciation rate and depending on the condition of the machine.

Council Vehicle – If available, and subject to approval by the Mayor and General Manager, the use of a Council vehicle on authorised Council business.

Care Expenses – That council meet reasonable cost of care arrangements including child care expenses and the care of elderly, disabled and/or sick immediate family members of Councillors to allow them to attend Council, Committee and Sub Committee Meetings and Working parties at a rate equal to the carer's recommended fee structure for Campbelltown Family Day Care. Carer costs will be paid to cover the period 30 minutes prior to the scheduled commencement time of the meeting and one hour after the conclusion of the meeting.

Training - That Council meet all related expenses for training and educational courses that are directly related to the Councillor's civic functions and responsibilities.

Internet – Council shall make available to the Councillors facilities for internet use and email. These facilities shall be available to Councillors at:

- The Civic Centre
- At the Councillors home; and
- When a Councillor is away from home

Insurance

Councillors will receive the benefit of insurance cover to the limit in Council's insurance policies for the following:

Personal Injury – Personal injury or death whilst on Council business covering bodily injury caused by accidental, violent, external and visible means. Personal injury insurance also provides specified benefits for lost income and other expenses arising from permanent disablement, temporary total disability and temporary partial disability. The cover does not include medical expenses.

Professional Indemnity – Applies in relation to claims arising out of the Councillor's (alleged) negligent performance of civic duties or exercise of their functions as Councillors provided the performance or exercise of the relevant civic duty or function is in the opinion of council bona fide and/or proper. This is subject to any limitations or conditions set out in the policy of insurance that is taken out at the direction of Council.

Public Liability – Applies in relation to claims arising out of the Councillor's (alleged) negligent performance of civic duties or exercise of functions as Councillors. This is subject to any limitations or conditions set out in the policy of insurance that is taken out at the direction of Council.

Councillors and Officers Liability – Applies to cover expenses incurred by Councillors in respect of claims made against them for any alleged wrongful acts arising out of their official capacities (but excludes cover for statutory penalties)

Legal Assistance

Legal assistance will be provided to Councillors in the event of an enquiry, investigation or hearing, into the conduct of a Councillor by:

- The Independent Commission Against Corruption
 - The Office of the Ombudsman
-

- Department of Local Government
- The Police
- The Director of Public Prosecutions or
- The Local Government Pecuniary Interest Tribunal

Legal assistance will be provided to Councillors in respect to legal proceedings being taken by or against a Councillor in the Local, District or Supreme Courts, arising out of or in connection with the Councillor's performance of his or her civic duties or exercise of his or her functions as a Councillor.

Council shall reimburse such Councillor, after the conclusion of the enquiry, investigation, hearing or proceeding, for all legal expenses properly and reasonably incurred, given the nature of the enquiry, investigation, hearing or proceeding, on a solicitor/client basis.

Legal assistance will be provided subject to the following conditions:

- The amount of such reimbursement shall be reduced by the amount of any moneys that may be or are recouped by the Councillor.
- The enquiry, investigation, hearing or proceeding results in a finding substantially in favour of the Councillor.
- The amount of such reimbursement is limited to the equivalent of the fees being charged by Council's Solicitors

Private Benefits

Councillors should not generally obtain private benefit from the provision of equipment and facilities, nor from travel bonus or any other loyalty schemes. However it is acknowledged that incidental use of council equipment and facilities may occur from time to time. Such incidental private use is not subject to a compensatory payment.

Where more substantial private use has occurred payment should be made to cover the level of private use or the fees payable under Section 248 may be reduced by an amount representing the private benefit.

Reimbursement

Reimbursement of costs and expenses to Councillors should only be made upon the production of appropriate receipts and tax invoices, and the completion of the required claim forms within three (3) months of the expense being incurred.

The Council will normally pay registration fees, accommodation deposits and airline tickets directly in advance. Where this is not appropriate or possible a cash allowance or cheque equivalent will be paid to the Councillor in advance. However Councillors must fully reconcile all expenses against the cost of the advance when they return within 28 days.

Travelling Expenses

Reimbursement of travelling expenses for use of private motor vehicle on Council business initially, at the rate of 54 cents per kilometre for vehicles less than 2.5 litres and 62 cents per kilometre for vehicles over 2.5 litres, as provided in the Local Government State Award, as varied from time to time. Where the alternate means of travel would be by air, the vehicle travelling expenses be restricted to the above rates or the value of the economy class air fare whichever is the lesser. Council business includes approved Council, Committee, Sub-Committee and Working Party meetings, plus authorised site inspections and other authorised business.

Overseas and Interstate Travel

This policy has been developed by the Local Government Association for the guidance of member Councils in planning interstate and overseas travel for Councillors where Council funds will be used to finance the journey. It recognises that there are occasions when representatives will need to travel interstate or overseas to represent the interests of their local areas.

The thrust of the policy is that plans for any such travel should be transparent to the community and have an identifiable benefit to the local area through Council activity.

Policy – Interstate Travel

In most cases the need for such travel cannot be anticipated with as long a lead time as can reasonably be expected for overseas travel. There are also issues involving Councils close to interstate borders (such as Albury Councillors visiting Wodonga, and Tweed Councillors visiting Logan City). In these cases no special policy should apply.

There are instances where Councillors are required to visit Canberra for official purposes such as meetings with federal parliamentarians and ministers. For purposes of this policy the ACT is regarded as being within NSW.

Where Councillors propose to travel interstate, the proposals should be considered at an open Council meeting through a report from the Mayor or General Manager.

Where the cost of the travel is not expected to exceed \$2,500 for transport, accommodation, and out of pocket reimbursement of expenses per person, no detail need be supplied other than a recommendation for approval that the visit is to take place.

Where the cost of travel is expected to exceed \$2,500 for transport, accommodation, and out of pocket reimbursement of expenses per person, a detailed report should be provided outlining:

- Who is to take part in the travel.
- The objectives to be achieved in undertaking it, including an explanation of what community benefits will accrue to undertaking the visit.
- Details of costs, including any amounts expected to be reimbursed by participants.

If the travel is to be sponsored by private enterprise, ICAC guidelines and reporting structures should be followed.

A detailed report should be included in the Annual Report in the year which the travel was undertaken, outlining how the travel's objectives were met and how the community benefited from it.

Policy – Overseas Travel

Proposals for overseas travel by Councillors on Council business should be documented in the annual Management Plan. The Plan must be widely circulated in the community. Community input about the proposed visit can therefore be considered as part of the Management plan review and budget finalisation process.

Proposals should indicate:

- Who is planned to take part in the travel.
- The objectives for undertaking it, including an explanation of what community benefits will accrue from the exercise, with an approximate budget.
- Detailed costs including a statement of any amounts expected to be reimbursed by the participants.

The Council should consider the above proposals in open meeting and resolve whether or not the travel is to take place. Where exceptional cases arise and travel has to be undertaken at short notice, the proposal must be put to Council for decision.

If Council agrees to the travel taking place Councillors will be personally responsible for the cost of their international air travel. However, where the Mayor and/or the General Manager have been invited to officially represent Campbelltown overseas the Council shall meet their cost of international air travel. Where the Mayor and/or the General Manager have been officially invited to represent Council overseas a report be presented to Council

A detailed report should be given in the Annual Report for the year in which the visit took place, outlining how the objectives were met and what quantifiable benefits will flow to the community.

If the visit is to be sponsored by private enterprise, ICAC guidelines and reporting structures should be followed and this should form part of the community reporting process.

Responsibility

The General Manager shall report to Council at the end of every financial year an annual statement of the expenses claimed by each Councillor in relation to any item in this policy document. That report must be filed with the Council on or before 1 September each year. The report will include:

- All direct expenses claimed.
 - Use of Council cars and the log book relating to same.
 - Details of each Councillor attending conferences and what conferences they attended.
 - The money expended at the conference, including credit card use, adjusted to each Councillor.
 - Cabcharge provided to Councillors
 - Details of all travel claimed by Councillors.
-

Effectiveness of this Policy

This policy will be reviewed annually in accordance with the Department of Local Government Guidelines to ensure its continuing suitability and effectiveness. Records of reviews shall be maintained.

END OF POLICY STATEMENT

2.4 Revised Policy - Questions from Councillors

Reporting Officer

Acting Manager Corporate Support

Attachments

Questions from Councillors Policy

Purpose

To submit the revised Questions from Councillors Policy to Council for consideration.

Report

The abovementioned Policy has recently fallen due for review and as such has been revised in accordance with Council's Records Management Policy and the adopted procedure for Policy Development and Review.

This Policy is to formalise Council's procedure on responding to Councillors questions and allow for minor matters to be dealt with without delay and any matters requiring policy decision to be sanctioned by Council prior to implementation.

In reviewing this Policy there were no changes required.

This Policy complies with Council's Code of Meeting Practice.

Officer's Recommendation

1. That the Questions from Councillors Policy as shown in the attachment be adopted.
2. That the Policy review date be set at 31 December 2013.

Committee's Recommendation: (Borg/Rule)

That the Officer's Recommendation be adopted.

CARRIED


Council Meeting 19 October 2010 (Dobson/Rule)

That the Officer's Recommendation be adopted.

Council Minute Resolution Number 208

That the Officer's Recommendation be adopted.

ATTACHMENT 1

 The logo for Campbelltown City Council, featuring a stylized graphic of three curved lines forming a shape reminiscent of a flame or a stylized 'C', followed by the text 'campbelltown' in a sans-serif font and 'city council' in a smaller font below it.		POLICY REGISTER
Policy Number	1.1.08	
Policy Title	Questions from Councillors	

Policy details may change prior to review date due to legislative changes, therefore this document is uncontrolled when printed.

Objectives

To formalise Council's procedure on responding to Councillors questions and allow for minor matters to be dealt with without delay and any matters requiring policy decision to be sanctioned by Council prior to implementation.

Policy Statement

1. That any question relating to work requiring attention or Council decisions to be implemented be dealt with as a "Question Without Notice" at the Council Meeting.
2. That any question relating to new activities be raised in one of the following methods:
 - a) As a recommendation to Council from the appropriate Standing Committee in its General Business Section.
 - b) As a "Notice of Motion" submitted by Councillors to the Council. Notice of motions may be lodged with the General Manager up to 4.30pm on the Thursday prior to the Council Meeting.
 - c) As an item of "Urgent General Business" on the night of the Council Meeting with the concurrence of the Chairperson.

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END OF POLICY STATEMENT

3. PROPERTY SERVICES

3.1 Electricity Supply - Proposed Leumeah Pedestrian Bridge

Reporting Officer

Manager Property Services

Attachments

Site Plan

Purpose

To seek Council approval for the granting of an easement for electricity purposes in favour of Integral Energy over Council land at Leumeah.

Report

As part of pre-construction planning and design requirements for the Leumeah Pedestrian Bridge to be constructed over the rail corridor linking the northern Leumeah rail commuter car park to the Campbelltown Sportsground, it is a requirement that a dedicated electricity supply be provided to the structure for lighting and operation of the service lift.

It has been identified that an existing Integral Energy padmount substation (PM 11320) located within the Campbelltown Sportsground car park has sufficient electricity loading in reserve that Council could utilise in order to provide electricity supply to the Leumeah Pedestrian Bridge.

Campbelltown Sportsground and its associated car park is located upon Lot 2 in DP 1019063 having an area of approximately 8.565 hectares, zoned 6(a) Open Space and is classified as 'operational land'. It is bounded by Old Leumeah Road, Pembroke Road and Rose Payten Drive.

The electricity supply would be drawn from PM 11320 along the eastern boundary of the existing Campbelltown Sportsground car park to the eastern foot of the proposed Leumeah Pedestrian Bridge. At this point it is intended that the electricity supply would utilise the structure itself to clear the access road into the Campbelltown Tennis Club car park and rail corridor to the western side lifts.

It is a requirement of Integral Energy that the electricity route from PM 11320 to the eastern foot of the Leumeah Pedestrian Bridge is protected by a 1 metre wide underground electricity easement in its favour.

The proposed electricity easement is approximately 1.0 x 110 metres (total area 110 square metres) to be located along the eastern boundary of the existing Campbelltown Sportsground car park upon Lot 2 in DP 1019063. In this respect the proposed easement will occupy less than 0.5% of the total site area.

It should be noted that in addition to the creation of an electricity easement, Council will also be required to secure an easement for access and electricity supply at a stratum level over the adjoining land owned by Western Suburbs Leagues Club. The creation of this proposed stratum easement will be covered in a separate report to Council.

As the easement is required for infrastructure purposes it is proposed that the easement would be granted to Integral Energy for nil consideration with Council to be responsible for all costs associated with creating the easement.

Accordingly it is recommended that Council approve the granting of an easement for electricity purposes in favour of Integral Energy for the purpose of providing a dedicated power supply to the Leumeah Pedestrian Bridge.

Officer's Recommendation

1. That Council grant an easement for electricity purposes in favour of Integral Energy upon Lot 2 in DP 1019063 on the terms as outlined in the report.
2. That all documentation associated with the granting of easement for electricity purposes in favour of Integral Energy be executed under the Common Seal of Council.

Committee's Recommendation: (Hawker/Borg)

That the Officer's Recommendation be adopted.

CARRIED

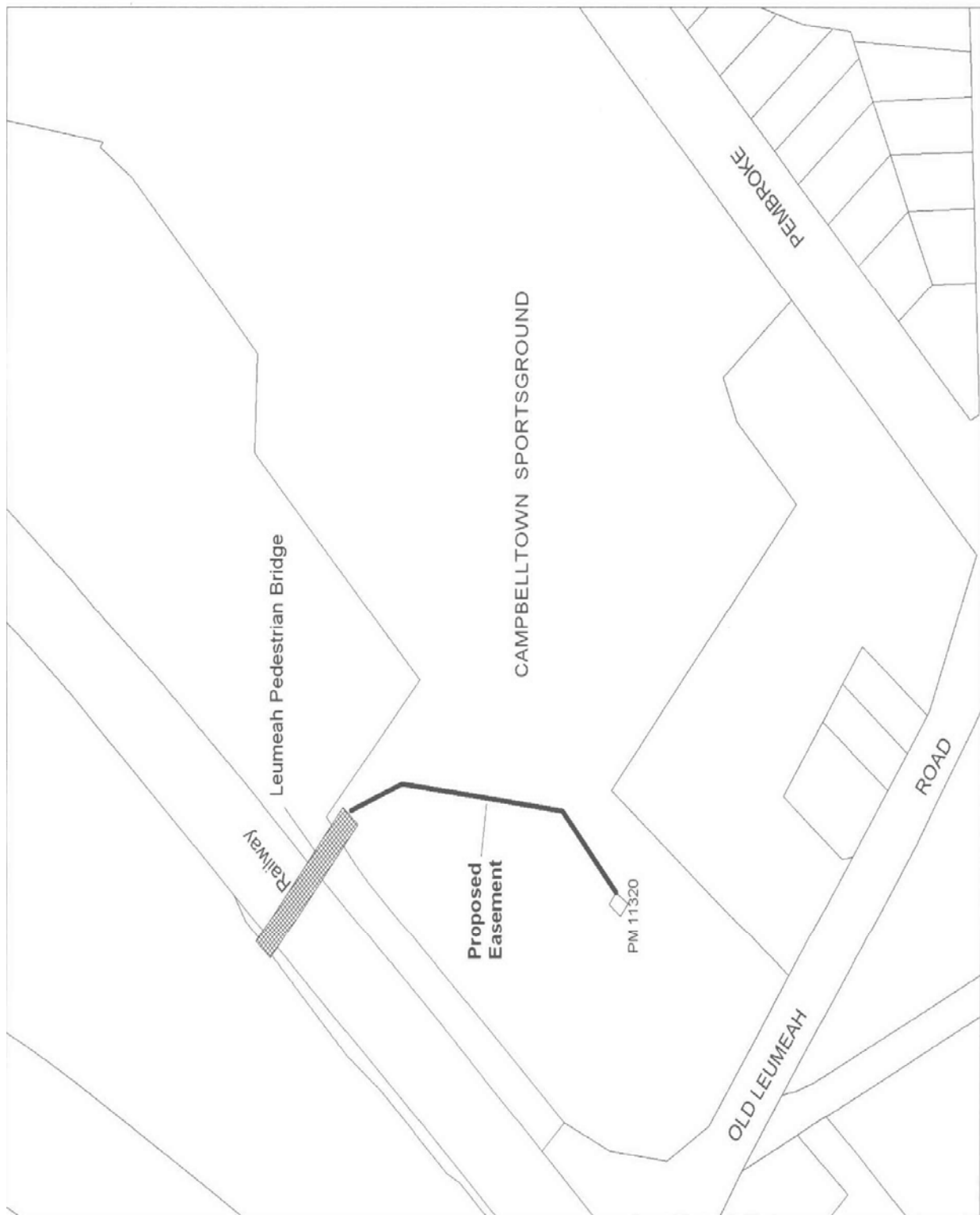
Council Meeting 19 October 2010 (Dobson/Rule)

That the Officer's Recommendation be adopted.

Council Minute Resolution Number 208

That the Officer's Recommendation be adopted.

ATTACHMENT 1



4. FINANCIAL SERVICES

4.1 Investment Report - August 2010

Reporting Officer

Manager Financial Services

Attachments

Investment Portfolio Performance – August 2010

Purpose

To provide a report to Council outlining the investment portfolio performance for August 2010.

Report

Council invests any surplus funds that become available through the financial instrument designated by the Ministerial Order from the Division of Local Government. The *Local Government Act, 1993* and the Local Government (General) Regulation 2005 require a monthly investment report be presented to Council.

Council's Investment Portfolio as at 31 August 2010 stood at approximately \$75m. Funds are currently being managed both by Council staff and Fund Managers and are in accordance with the *Local Government Act, 1993*, Local Government (General) Regulation 2005 and Council's Investment Policy.

Monthly Performance

The return for the entire portfolio on an annualised basis was 5.68%. This reflects an out performance of the 90 day bank bill index benchmark which returned 4.72%. Funds directly invested returned 5.78% for the month.

Rolling Year to Date (annualised) Return	August
Council Managed Funds	5.05%
Local Government Fixed Out Cash Fund	4.61%
<i>Benchmark: 90 Day Bank Bill Index</i>	<i>4.13%</i>

Council's portfolio is diversified with 64% in term deposits of varying lengths of maturity which are dependent on market expectations and Council's investment strategy, 19% in floating rate notes which give Council a set margin above either 30 or 90 day bank bills, 16% in Local Government Financial Services managed fund and 1% in a National Australia Bank offset facility.

All investments are placed with Approved Deposit Taking Institutions who meet the eligibility for the government wholesale funding guarantee.

Credit Exposure	August
AAA to AA-	65%
A+ to A	21%
A- to BBB-	9%
Other Approved Deposit Taking Institutions	5%

Economic Outlook

The official cash rate remains at 4.50 per cent. The Board of the Reserve Bank at its meeting on 7 September 2010 judged the setting of monetary policy to be appropriate for the time being, citing that growth in the short term is close to trend, inflation close to target and the global outlook remaining somewhat uncertain. The Board will, however, be mindful of when inflation might start posing a threat again, particularly within the resources sector as well as recent data from the ABS showing a fall in unemployment to 5.1%.

Councils investment portfolio continues to outperform the benchmark of the 90 day bank bill index. The recently published Local Government Investment Guideline leaves little scope for the enhancement of Councils investment portfolio with the various investment products being offered. However, to enhance the portfolio, advantage is taken on the length of maturity of the investment given the rating of the institution and the guarantee of the Federal Government for investments placed with Approved Deposit Taking Institutions.

Regular liaison with Councils external financial advisor, Spectra Financial Services, assists in monitoring all of the risk factors to maximise Councils return on the investment portfolio while minimising the risk associated with this strategy.

Officer's Recommendation

That the information be noted.

Committee's Recommendation: (Rule/Borg)

That the Officer's Recommendation be adopted.

CARRIED

Council Meeting 19 October 2010 (Dobson/Rule)

That the Officer's Recommendation be adopted.

Council Minute Resolution Number 208

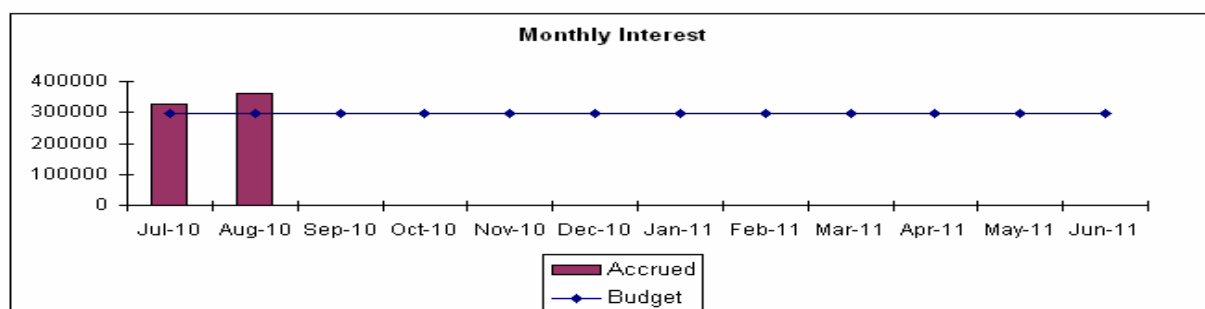
That the Officer's Recommendation be adopted.

ATTACHMENT 1

CAMPBELLTOWN CITY COUNCIL INVESTMENT PORTFOLIO Summary August 2010

Benchmark UBS Warburg 90 Day Bank Bill Index
Portfolio Balance \$74,643,322.08

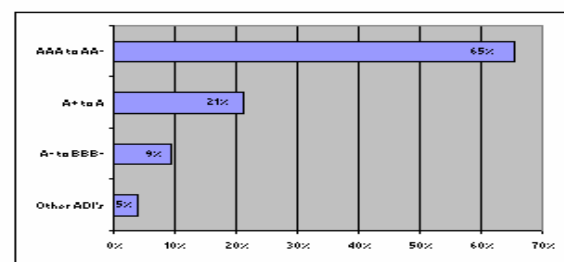
Monthly Performance	Return (mth)	Return (pa)
UBSW 90 Bank Bill Index	0.40%	4.72%
Total Portfolio	0.48%	5.68%
<i>Performance to Benchmark</i>	+ 0.08%	+ 0.97%
Portfolio - Direct Investments	0.49%	5.78%
<i>Performance to Benchmark</i>	+ 0.09%	+ 1.06%
Portfolio - Managed Funds	0.45%	5.26%
<i>Performance to Benchmark</i>	+ 0.05%	+ 0.54%



Year to Date Performance

Credit Exposure

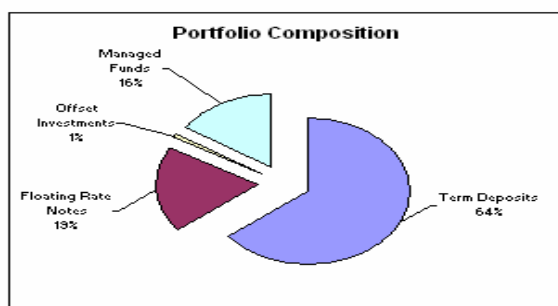
Rolling 12 Month Period
5.05% Council Managed Funds
4.61% LGFS Fixed Out Cash Fund
4.13% Benchmark



Interest Budget to Actual
Budget to Period \$591,667
Accrued to Period \$689,795

Securities

Institutions



	Amount Invested	% Portfolio
Macquarie Bank	\$ 1,000,000.00	1%
LGFS Managed Funds	\$ 11,734,247.64	16%
Suncorp Metway	\$ 3,094,142.10	4%
National Australia Bank	\$ 6,920,641.59	9%
NSW Treasury	\$ 4,448,000.00	6%
Westpac Bank	\$ 8,169,750.71	11%
ANZ Bank	\$ 3,043,056.09	4%
Citibank	\$ 1,000,000.00	1%
St George Bank	\$ 3,000,000.00	4%
Commonwealth Bank	\$ 12,071,101.27	16%
Bank Western Australia	\$ 9,162,382.68	12%
ING Bank	\$ 1,000,000.00	1%
Illawarra Mutual BS	\$ 1,000,000.00	1%
Newcastle Perm BS	\$ 1,000,000.00	1%
Heritage BS	\$ 1,000,000.00	1%
Rural Bank	\$ 1,000,000.00	1%
Members Equity Bank	\$ 1,000,000.00	1%
Adelaide Bank	\$ 1,000,000.00	1%
Bank of Queensland	\$ 1,000,000.00	1%
Mystate Financial CU	\$ 1,000,000.00	1%
Defence Services CU	\$ 1,000,000.00	1%
Maitland Mutual BS	\$ 1,000,000.00	1%
Total	\$74,643,322.08	100%

5. BUSINESS ASSURANCE

5.1 Establishment of Internal Audit Committee

Reporting Officer

Manager Business Assurance

Attachments

1. Draft Internal Audit Framework
2. Draft Internal Audit Charter
3. Draft Internal Audit Plan 2010/11
4. Draft Audit Committee Charter

Purpose

1. To seek Council's approval to adopt of the proposed Draft Internal Audit Framework, Draft Internal Audit Charter, Draft Internal Audit Plan for 2010/11 and Draft Audit Committee Charter.
2. To provide Council with information for establishing an Audit Committee and the membership of such a committee as per the Division of Local Government guidelines; (the Division)

History

In 2008 pursuant to Section 23A of the *Local Government Act* 1993, the Division released *Internal Audit Guidelines* (the guidelines) for local government in NSW via Circular number 08-64. Section 23A of the Act states;

- (1) "For the purposes of this Act, the Director-General may from time to time prepare, adopt or vary guidelines relating to the exercise by a council of any of its functions.
- (2) A council must take any relevant guidelines issued under this section into consideration before exercising any of its functions."

Council established an internal audit function in late 2008, with the creation of the Business Assurance section. Since then a number of activities have been undertaken to develop Council's approach to the implementation of the guidelines.

In January 2010, Council engaged an Internal Auditor to undertake the function of internal audit. The internal auditor has since reviewed the guidelines, met with Directors and Managers to discuss the implementation of internal audit and established themselves as part of the local government practitioner's network.

A short paper and presentation was provided to the Innovation and Performance Sub Committee of Council in April 2010 and the full Council was briefed on the proposed implementation of internal audit in August 2010.

Report

The proposed approach to the establishment of the internal audit function and Audit Committee has been based on the requirements of the guidelines, research into how other similar Councils undertake the functions and after discussions with staff. Below is a summary of how it is intended to address the main components of the guidelines to assist governance of Council.

Internal Audit function

The internal audit function resides within the Business Assurance Section of Council and reports directly to the General Manager. A framework for the management of the function can be found at Attachment 1. The framework outlines the roles and responsibilities for all parties involved in internal audit.

The principle function of internal audit is the provision of independent reviews of governance, internal controls, procedures, and practices through providing proactive auditing and advice that adds value to the business. An internal audit charter can be found at Attachment 2.

Council is also required to prepare short and long term audit plans that address key operational issues and risks. Ideally both plans would be based on a thorough analysis of corporate risks (commonly referred to as Enterprise Risk Management). A short term (annual) plan has been developed based on consultation with relevant stakeholders about areas of perceived risk and validated with known areas of exposure within the industry.

The draft annual plan is submitted for Council's approval in lieu of an existing Audit Committee (Attachment 3). After the establishment of the Committee the responsibility for approving the annual audit plan will revert to the Audit Committee. A long term (three year) plan will be developed on the completion of enterprise risk analysis, it is anticipated that it will be completed in early 2011. The three year plan will also be presented to the Audit Committee.

Audit Committee

There appears to be no consistent approach to the implementation of the guidelines as they relate to the establishment of an Audit Committee across Councils. As previously discussed, it is proposed to establish an Audit Committee that will comprise of two external independent members, the Mayor, the Deputy Mayor and the Chairperson or a member of the Corporate Governance Committee. An independent is proposed to be the chairperson of the Committee, which is inline with the guidelines.

It is proposed that the Committee meet at least twice per year. The Committee will have clear roles and responsibilities communicated and documented in an Audit Committee Charter (Attachment 4). The Charter is a requirement of the guidelines. The first Charter is to be approved by full Council, however in the future the Committee will have responsibility for reviewing and updating the Charter which will be reported to Council.

External Audit

The scope of work required by the external auditor requires the review of the implementation of all Councils policies and procedures in managing and reporting the financial affairs of Council. The role of the Internal Auditor does not encroach upon the scope of work that is required to be conducted by Councils external auditor. At the completion of each audit conducted by the external auditor a management letter is forwarded to the General Manager to advise of any breaches in process, policy, procedure or reporting requirements that is legislated by the relevant accounting standards, exposure drafts, urgent issues group pronouncements, requirements under the Local Government General Regulations 2005 or the Local Government Code of Accounting Practice. Any area that may require attention recommended through the management letter may become an issue monitored via the internal audit function.

External Audit will continue to provide an opinion on the Council's annual financial reports, as required under Divisions 2 and 3 of the *Local Government Act* 1993. This information will be provided to the Audit Committee for information.

Summary

This report provides details on the establishment of an internal audit program and Audit Committee for Council. The report provides the following documents for Councils consideration and approval;

1. Draft Internal Audit Framework
2. Draft Internal Audit Charter
3. Draft Internal Audit Plan 2010/11
4. Draft Audit Committee Charter

Pending approval of the proposals contained in this report the necessary administrative frameworks will be established to allow commencement of the implementation of the annual audit plan as soon as possible. Council will also source a list of suitably qualified candidates to sit as independents on the Committee, with the aim of holding the first Committee meeting in early in 2011.

The relationship between the role of the Innovation and Performance Sub Committee and the Audit Committee will be refined as the organisation introduces the activities of the Audit Committee. The Innovation and Performance Sub Committee was established by Council in response to a request to capture and report on innovation at Council and overall performance of Council. The Audit Committee is a requirement of the Division of Local Government's Internal Audit Guidelines, which are prescribed in the Local Government Act, for Councils to take into consideration before exercising any of its functions. Council may wish to review the role of the Innovation and Performance Sub Committee as the Internal Audit Committee evolves.

Officer's Recommendation

1. That Council approve the establishment of an Audit Committee and the composition of such a committee to consist of 2 independent members, the Mayor, the Deputy Mayor and the Chairperson or a member of the Corporate Governance Committee.
2. That Council adopt the Draft Internal Audit Framework, the Draft Internal Audit Charter and the Draft Internal Audit Plan for 2010/11.
3. That Council adopt the Draft Audit Committee Charter, pending the establishment of the Audit Committee.

Committee's Recommendation: (Hawker/Rule)

1. That Council approve the establishment of an Audit Committee and the composition of such a committee to consist of 2 independent members, the Mayor, the Deputy Mayor and the Chairperson or a member of the Corporate Governance Committee.
2. That Council adopt the Draft Internal Audit Framework, the Draft Internal Audit Charter and the Draft Internal Audit Plan for 2010/11 subject to the Draft Internal Audit Framework document being amended to reflect Committee membership as outlined in Recommendation 1.
3. That Council adopt the Draft Audit Committee Charter, pending the establishment of the Audit Committee subject to the Committee membership being amended to read as outlined in Recommendation 1 and the meeting frequency be amended to a minimum of two times per year.

CARRIED


Council Meeting 19 October 2010 (Dobson/Rule)

That the Committee's Recommendation be adopted.

Council Minute Resolution Number 208

That the Committee's Recommendation be adopted.

ATTACHMENT 1

 campbelltown city council	BUSINESS ASSURANCE
Internal Audit Framework	
Group	Responsibility
Council	Notes Audit Committee Activities
Audit Committee Committee members – 2 independent members Mayor Deputy Mayor Chairperson Corporate Governance Committee Observers – General Manager Director Business Services Manager Business Assurance Internal Auditor	<ul style="list-style-type: none"> • Approves <ul style="list-style-type: none"> - Internal audit framework - Charter for committee and internal audit - Three year rolling internal audit program - Annual internal audit plan • Reviews <ul style="list-style-type: none"> - Implementation of recommendations and management actions from audits - Progress against three year program and annual internal audit plans - Annual progress report against plans - Charters biannually <p>Reports progress to Council annually</p>
Management Representative Council Executive Manager Business Assurance	<ul style="list-style-type: none"> - Ensures appropriate resourcing of function - Supports plan implementation - Implements recommendations and management actions from audits
Internal Audit General Manager Manager Business Assurance Internal Auditor	<ul style="list-style-type: none"> - Develops internal audit framework - Develops three year rolling program and annual plan - Day to day implementation of internal audit plan - Implements internal audit program/plan including identification of resourcing requirements - Develops and tracks internal audit performance measures - Develops and maintains internal audit procedure manual

ATTACHMENT 2


 campbelltown city council	BUSINESS ASSURANCE
INTERNAL AUDIT CHARTER	
1. Role of Internal Audit	
<p>Internal Audit is an independent review of the adequacy and effectiveness of governance and processes within Campbelltown City Council. The function assists the General Manager in his/her primary responsibility in the sound management of the day to day operations of Council.</p> <p>The principle functions of Internal Audit are to:</p> <ul style="list-style-type: none">• Provide the Executive with an independent review of governance, internal controls, procedures, and practices through conducting audits.• Assist Council to achieve its goals by providing a high quality and cost effective service that adds value by proactive auditing and advice on best practice activities.• Regular and timely communication of findings and recommendations.• Conduct and participate in special projects / training as requested.• Liaise with External Audit providers to ensure all required work is properly coordinated and carried out.• Systematically conduct regular follow-ups on management actions to audit recommendations.	
2. Objective and scope	
<p>The objective of Internal Audit is to assist the General Manager in identifying operational improvement opportunities identifying unsound practices, recognise potential cost savings and performance improvements.</p> <p>The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the Councils internal controls and process efficiencies against existing authorised statements, procedures, policies, legislative requirements and best practice.</p>	
3. Authority and access	
<p>Internal Audit requires full and free access to all data and information stored in any format or medium for the purpose of achieving audit objectives in any system operating within Council.</p>	
4. Independence	
<p>It is essential that the Internal Auditor is independent to the activities they review. Therefore, in performing the tasks internal audit are not to have direct responsibilities for, nor authority over, any activities reviewed.</p>	

ATTACHMENT 3

2010/11 Internal Audit Plan						
AUDITABLE AREAS	2010/ 11	2011/ 12	2012/ 13	RISK RATING	Status	Suggested Internal Audit Scopes
OPERATIONAL/STRATEGIC REVIEWS						
Procurement Procedures	✓			High	2011	Review across Council focusing on co-ordination of strategic procurement activities to assess whether goods and services are purchased at best value, meet business needs and are adequately managed to protect Council's interests.
Section 94 Revenue & Expenditure	✓			High	Beginning late Oct 2010	Review of contributions through to actual expenditure as per S94 Plans including calculation and levying of developer contributions, the collection and recording of receipts on the Contributions Register, accounting and reporting and compliance with the EP&A Act 1979
COMPLIANCE / INTERNAL CONTROL REVIEWS						
Cash Control/handling at off site locations	✓			High	2010	Review to determine whether adequate and timely cash management processes are in place, at offsite locations throughout council.
Payroll and Leave Management	✓			High	2011	System review of policies, procedures and controls over payments to employees, authorities, allocation of labour costs, recording of absences, recording, approval and payment of overtime, monitoring of work performed, recording and monitoring of leave taken, transfers & estimates.

Note 2011/13 audit planning is to be completed by July 2011 and this will then combine with the above audits to form the three year strategic plan.

ATTACHMENT 4

 campbelltown city council	BUSINESS ASSURANCE
AUDIT COMMITTEE CHARTER	
<p>1. Objective</p> <p>The objective of the Audit Committee (Committee) is to provide independent advice and assistance to the General Manager on matters related to risk management, control, governance, and statutory compliance.</p> <p>2. Authority</p> <p>The Committee is authorised to operate within the scope of its role and responsibilities, to:</p> <ul style="list-style-type: none"> • Obtain any information it needs from any employee or external party via the General Manager (subject to their legal obligations to protect information). • Discuss any matters with the external auditor or other external parties (subject to confidentiality considerations). • Request the attendance of any employee or Councillor at Committee meetings via the General Manager. • Obtain external legal or other professional advice considered necessary to meet its responsibilities as approved by the General Manager. <p>3. Composition and Tenure</p> <p>The Committee will consist of:</p> <p><u>3.1 Members (voting)</u></p> <p>Mayor Deputy Mayor Chairperson Corporate Governance Committee Independent external member (not a member of the Council). Independent external member (an independent to be the chairperson).</p> <p>The independent external member will be appointed for a four year term in line with the Council elections, after which they will be eligible for extension or re-appointment following a formal review of their performance.</p> <p>The members of the Committee, taken collectively, will have a broad range of skills and experience relevant to the operations of Campbelltown City Council. At least one member of the Committee shall have accounting or related financial management experience, with understanding of accounting and auditing standards in a public sector environment.</p> <p><u>3.2 Attendee (non-voting)</u></p> <p>General Manager Director Business Services Manager Business Assurance Internal Auditor</p> <p><u>3.3 Invitees (non-voting) for specific Agenda items</u></p> <p>Representatives of the external auditor. Other officers and Councillors may attend by invitation as requested by the Committee.</p> <p>4. Role and Responsibilities</p> <p>The Committee has no executive powers. In carrying out its responsibilities, the Committee must at all times recognise that primary responsibility for management of Council rests with the General Manager</p>	
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as defined by the *Local Government Act 1993*.

The responsibilities of the Committee are to consider material provided by the General Manager, via Internal Auditor on matters related to:

- The internal audit coverage and Internal Audit Plan and approval of the plan;
- Consideration of the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved Internal Audit Plan;
- Review of all audit recommendations or management actions and consider issues identified and action taken on issues raised, including identification and dissemination of better practices;
- Monitoring the implementation of internal audit recommendations by management;
- A biannual review of the Internal Audit Charter to ensure appropriate authority, access and reporting arrangements are in place;
- A periodic review of the performance of Internal Audit;
- Consideration of all external audit recommendations and issues identified;
- Business processes including those to manage external parties such as contractors;
- The review and updating of relevant authorised statements, policies and procedures and compliance with those;
- The exercising of delegations;
- Reinforcement of the principles outlined in the Code of Conduct;
- The completion and appropriate management sign off of annual financial reports;
- Noting whether appropriate action has been taken in response to audit recommendations and adjustments;
- Noting the contents of the annual report;
- Noting the completion of the annual performance management cycle for the organisation;
- Determining whether management has appropriately considered legal and compliance matters as part of its operations;
- Reviewing the effectiveness of the system for monitoring compliance with relevant laws, regulations and associated government policies;
- Operating within the spirit of this charter including ensuring confidentiality and Code of Conduct principles are followed;
- Understanding the relevant legislative and regulatory requirements appropriate to Campbelltown City Council;
- Contributing the time needed to study and understand the papers provided; and
- Applying good analytical skills, objectivity and good judgment.

5. Reporting

Annually, Internal Audit via the General Manager will provide a performance report for consideration of the committee to be included with the Committees annual report to Council.

6. Administrative arrangements

6.1 Meetings

The Committee will meet a minimum of three times per year. The need for any additional meetings will be decided by the Chair of the Committee in consultation with the General Manager, though other Committee members may make requests to the Chair for additional meetings.

A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all Committee responsibilities as detailed in this Audit Committee Charter.

In addition, at any time an individual Committee member may request a meeting with the Chair of the Committee.

6.2 Attendance at Meetings and Quorums

A quorum will consist of three Committee members. Meetings can be held in person, by telephone or by video conference.

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6.3 Secretariat

The Manager Business Assurance provides secretariat support to the Committee. The Secretariat will ensure the agenda for each meeting and supporting papers are circulated, prior to the meeting, and ensure minutes of the meetings are prepared and maintained. Minutes shall be approved by the Chair and circulated to each member within three weeks of the meeting being held and electronically filed on Dataworks.

6.4 Conflicts of Interest

Committee members should operate in line with clauses 17 and 18 of Campbelltown City Council's Code of Conduct for Council meetings.

6.5 Induction

New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

6.6 Assessment Arrangements

The Chair of the Committee will initiate a review of the performance of the Committee at least once every four years. The review will be with appropriate input from management and any other relevant stakeholders, as determined by the Chair.

6.7 Review of Audit Committee Charter

At least once every two years the Audit Committee will review this Audit Committee Charter. The Council will approve any changes to this Audit Committee Charter.

Approved: Council Meeting Date:

6. HUMAN RESOURCES

No reports this round

7. INFORMATION MANAGEMENT AND TECHNOLOGY

No reports this round

8. CUSTOMER SERVICES

No reports this round

9. GENERAL BUSINESS

Nil.

21. CONFIDENTIAL ITEMS

21.1 RailCorp Acquisitions

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(g) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to the following: -

- (g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege

There being no further business the meeting closed at 5.53pm.

S Dobson
CHAIRPERSON
