



HEPBURN SHIRE COUNCIL AUDIT AND RISK ADVISORY COMMITTEE MINUTES

MONDAY 24 FEBRUARY 2020

TOWN HALL

76 VINCENT STREET

DAYLESFORD

1:00 PM

This Document is printed on 100% Australian recycled paper

MINUTES

Town Hall
76 Vincent Street, Daylesford
Commencing 1:00PM

CONTENTS PAGE

| | | |
|----|---|---|
| 1. | IN CAMERA DISCUSSION TO SET MEETING PRIORITIES..... | 4 |
| 2. | ACKNOWLEDGEMENT OF TRADITIONAL OWNERS | 4 |
| 3. | OPENING OF MEETING | 4 |

MINUTES
 AUDIT AND RISK ADVISORY COMMITTEE
 24 FEBRUARY 2020

| | | |
|------|---|----|
| 4. | APOLOGIES..... | 4 |
| 5. | DECLARATIONS OF CONFLICTS OF INTEREST..... | 4 |
| 6. | CONFIRMATION OF MINUTES..... | 4 |
| 7. | MATTERS ARISING FROM PREVIOUS MEETING..... | 6 |
| 8. | RISK PROFILE..... | 7 |
| 8.1 | MAJOR PROJECT UPDATE INSPECTORATE REPORT | 7 |
| 8.2 | REVIEW OF RISK EVENT SUMMARY..... | 7 |
| 8.3 | FRAUD AND PROTECTED DISCLOSURE STATEMENT..... | 7 |
| 8.4 | RISK EVENT SUMMARY | 7 |
| 8.5 | SIGNIFICANT LEGAL ACTIONS..... | 7 |
| 8.6 | OHS INCIDENTS REPORT..... | 7 |
| 8.7 | FORMAL COMPLAINTS RECEIVED..... | 7 |
| 8.8 | HEPBURN HUB AT THE REX – PROPOSED PROJECT PLAN..... | 9 |
| 8.9 | TRENTHAM COMMUNITY HUB PROJECT UPDATE | 10 |
| 8.10 | MAJOR PROJECTS UPDATE – CRESWICK TRAILS | 13 |
| 9. | INTERNAL AUDIT..... | 14 |
| 9.1 | INTERNAL AUDIT REVIEW OF PRIVACY MANAGEMENT | 14 |
| 10. | EXTERNAL AUDIT | 15 |
| 10.1 | REVIEW OF AUDITOR GENERALS FINAL MANAGEMENT | 15 |
| 11. | FINANCIAL AND MANAGEMENT REPORTING..... | 16 |
| 11.1 | FINANCIAL REPORT AS AT 31 DECEMBER 2019..... | 16 |
| 11.2 | MID YEAR BUDGET REVIEW 2019/20 | 24 |
| 11.3 | PROJECT AND PERFORMANCE REPORTING..... | 25 |
| 12. | COMPLIANCE AND CONTROLS..... | 26 |
| 12.1 | LOCAL GOVERNMENT UPDATE | 26 |
| 13 | CLOSE OF MEETING..... | 27 |

EVAN KING
 CHIEF EXECUTIVE OFFICER
 21 February 2020

1. IN CAMERA DISCUSSION TO SET MEETING PRIORITIES

2. ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

We would like to acknowledge we are meeting on Jaara people country, of which members and elders of the Dja Dja Wurrung community and their forebears have been custodians for many centuries.

On this land, the Jaara people have performed age old ceremonies of celebration, initiation and renewal.

We acknowledge their living culture and their unique role in the life of this region.

3. OPENING OF MEETING

The meeting opened at: 1:00pm

PRESENT:

Mr Trevor Shard; Mr Robert Taylor; Cr Licia Kokocinski; Cr John Cottrell;
Ms Carol Pagnon

IN ATTENDANCE:

Mr Evan King, Chief Executive Officer; Mr Bradley Thomas, Director Community and Corporate Services; Mr Bruce Lucas, Director Infrastructure and Development Services; Ms Krysten Forte, Manager Governance and Risk; Ms Danielle How, Manager Finance; Mr Ben Grounds, Project Manager

4. APOLOGIES

Ms Rachelle Tippett

5. DECLARATIONS OF CONFLICTS OF INTEREST

Nil.

6. CONFIRMATION OF MINUTES

MOTION

6.1.1. That the Minutes of the Audit and Risk Advisory Committee held on 25 November 2019 (as previously circulated to committee members under separate cover) be confirmed.

Moved: Mr Robert Taylor

Seconded: Ms Carol Pagnon

Carried

7. MATTERS ARISING FROM PREVIOUS MEETING

8. RISK PROFILE

8.1. INSPECTORATE REPORT CHIEF EXECUTIVE OFFICER

The Chief Executive Officer provided a verbal update of the Inspectorate investigation.

8.2 RISK REVIEW SUMMARY DIRECTOR COMMUNITY AND CORPORATE SERVICES

In providing this advice to the Audit and Risk Advisory Committee, we (Bradley Thomas Director Community and Corporate Services, Vivienne Green Manager People and Culture, and Katherine Toom Coordinator Governance and Information), have no interests to disclose in this report.

PURPOSE

The purpose of this report is to provide the Audit and Risk Advisory Committee with an update on high and urgent risk areas and incidents including fraud, injuries and claims.

BACKGROUND

In order for the Audit and Risk Advisory Committee to be informed about areas of focus or concern, this report provides a summary of fraud and protected disclosure events, incidents and urgent risks.

ISSUE/DISCUSSION

8.3 FRAUD AND PROTECTED DISCLOSURE STATEMENT

8.4 RISK EVENT SUMMARY

8.5 SIGNIFICANT LEGAL ACTIONS

8.6 HAZARD & INCIDENTS REPORT

8.7 FORMAL COMPLAINTS RECEIVED

MOTION

- 8.6.1. That the Audit and Risk Advisory Committee notes the risk update for February 2020, including a verbal update on both the increase in Freedom of Information (FOI) requests for 2019-2020 and the Glenlyon Recreation Reserve.

Moved: Ms Carol Pagnon

Seconded: Mr Robert Taylor

Carried

8.8 HEPBURN HUB AT THE REX – PROPOSED PROJECT PLAN DIRECTOR INFRASTRUCTURE & DEVELOPMENT SERVICES

PURPOSE

The purpose of this report is to provide the Audit and Risk Advisory Committee with an update on the Hepburn Hub at the Rex Project

8.9 TRENTHAM COMMUNITY HUB PROJECT UPDATE MANAGER MAJOR PROJECTS

PURPOSE

The purpose of this report is to provide an update on the Trentham Community Hub project.

BACKGROUND

The planning, discussions, and efforts - both within the community and by Council - to develop a new community hub facility in Trentham have occurred over several years. A number of varied views over the location and scope of the project have existed in the community. In August 2018, subsequent to a community survey about the location of the Community Hub, Council resolved on a single solution, outlining the location, budget and funding strategy, and services to be delivered from the facility. That resolution is:

That Council:

- *Confirms that it will design the Trentham Community Hub at 66 High Street Trentham in line with the majority result of the postal survey.*
- *Confirms it will deliver the Trentham Community Hub pending adequate Government funding at 66 High Street Trentham in line with the majority result of the postal survey.*
- *Proceeds to develop Concept Designs with a quantity surveyed cost estimate through a public request for tender for design services with the specification including the following key elements:*
 - *total cost of \$3.5 million including fit out and contingency;*
 - *the Trentham Community Hub will include the original hall and new additions. The original hall of the Trentham Mechanics Institute will be retained and other parts of the building will be demolished;*
 - *scope elements that have been agreed are limited to library, visitor information centre, customer service, meeting and function rooms, and original main hall;*
and community consultation is required in detailing the concept plans for the above mentioned services already agreed.
- *Confirms its financial commitment of \$800,000 to the construction of the Trentham Community Hub in future years.*
- *Resolves that the contract appointment following the public request for tender for design services be brought back to a Council meeting for decision.*
- *Resolves that it no longer intends to hand the crown land at 66 High Street Trentham back to the Department of Environment Land Water and Planning as this site will be used for the Trentham Community Hub.*

Council Plan 2017:2021:

current committed scope is to undertake design of the facility in order to pursue external funding opportunities for the construction stage.

ISSUE/DISCUSSION

A number of issues introduce risks to the project:

- Historic community sentiment and division
- History of Council pursuing varying solutions
- Community-perceived communication and trust issues of Council
- Community involvement in the project

In August 2019, a new Project Control Group (PCG) was formed, consisting of the Chief Executive Officer, the Director of Corporate and Community Services (who is the Project Sponsor), the Director of Infrastructure and Development Services, and the Project Manager of the project. The PCG determined that a Project Advisory Group (PAG) would be a key element in the community's involvement in the project.

Subsequent to this governance structure being established, a project plan (focussed on the delivery of the design) was developed, as was the Terms of Reference (ToR) and Expression of Interest (EoI) form for the PAG. The project plan, ToR, and EoI form were all adopted by Council at the September 2019 Council meeting, adding to the strength of governance and transparency of the project.

The EoIs were then open for 19 days and promoted to the community using a range of channels. Fifteen submissions were received by the closing date, assessed by the project manager and the PCG against the TOR, and a briefing report presented to Councillors.

Council subsequently appointed seven members to the PAG at the November Council meeting. This first meeting of the PAG occurred in December 2019, and the second in January 2020.

The Request for Tender for the design of the Trentham Community Hub was advertised from the 18/11/2019 until the 21/12/2019. The specification was developed specifically for this project and allows staging of concept and detailed designs to act flexibly for Council's approach. AS4122-2010 General Condition of Contract for Consultants is used for this project as the general contract conditions.

This contract will be recommended for award at the February Council meeting. As part of both the development of the project plan, and for the procurement plan, risk assessments were undertaken. The project risk register will be reviewed periodically as part of the regular PCG meetings. The project plan contains key milestones for the project, based on a detailed project program developed in MS Project.

Group, and appointment by Council of the Project Advisory Group membership. The contract for the facility's design will be awarded at the February Council Meeting.

8.10 MAJOR PROJECT UPDATE – CRESWICK TRAILS DIRECTOR INFRASTRUCTURE AND DEVELOPMENT SERVICES

PURPOSE

The purpose of this report is to provide an update on the Creswick Trails project.

BACKGROUND

Council, in partnership with the Department of Environment Land Water and Planning (DELWP), Parks Victoria (PV), Central Highlands Water (CHW) and Hancock Victorian Plantations (HVP) has secured funding through Regional Development Victoria (RDV) for a sum of \$2.566M to construct a 100km mountain bike trail network, trail head, pump track and car park - the project is known formally as the 'Creswick Trails Project'.

Council is the project sponsor and has committed an additional \$1.5M over two financial years through Council's budgetary process to ensure project delivery in line with the funding milestone dates (referenced below).

Council intends to maintain overall responsibility for the management and coordination of the Project and has engaged consultants to provide additional support throughout the project phases as needed.

MOTION

8.10.1 That the reports on the three projects being the Hepburn Hub at The Rex, the Trentham Community Hub, and Creswick Trails be noted for information.

Moved: Mr Robert Taylor
Seconded: Ms Carol Pagnon
Carried

9. INTERNAL AUDIT

9.1 INTERNAL AUDIT REVIEW OF PRIVACY MANAGEMENT DIRECTOR COMMUNITY AND CORPORATE SERVICES

PURPOSE

The purpose of this report is to present the reports prepared by Internal Auditor on projects during the previous quarter to the Audit and Risk Advisory Committee for their review.

BACKGROUND

The following reports have been received during the quarter:

- Review of Privacy Management (with focus on the VPDSS as better practice criteria)

The following internal audit field work has been undertaken and report will be presented to the Committee at the next meeting.

- Project Management (with specific focus on Hepburn Hub)

MOTION

That the Audit Risk and Advisory Committee:

- 9.1.1 Receives and reviews the final report provided on the Review of Privacy Management.
- 9.1.2 notes the scope of the review of project management (with specific focus on Hepburn Hub).
- 9.1.3 Request that a report be provided to the Audit and Risk Committee at the earliest opportunity and a subsequent out of session committee meeting to be convened with a report detailing the project management and project controls from the Project Management Internal Audit.

Moved: Mr Robert Taylor

Seconded: Ms Carol Pagnon

Carried:

10. EXTERNAL AUDIT

10.1. REVIEW OF AUDITOR GENERAL'S FINAL MANAGEMENT LETTER AND DRAFT RESPONSES

DIRECTOR COMMUNITY AND CORPORATE SERVICES

PURPOSE

The purpose of this report is to provide the Audit and Risk Advisory Committee with the Draft Audit Strategy received from the Victorian Auditor-General's Office (VAGO).

MOTION

10.1.1 That the Audit and Risk Advisory Committee notes the Victorian Auditor-General's Office Audit Strategy for year ending 30 June 2020.

Moved: Cr Licia Kokocinski

Seconded: Mr John Cottrell

Carried

11. FINANCIAL AND MANAGEMENT REPORTING

11.1. FINANCIAL REPORT AS AT 31 DECEMBER 2019 DIRECTOR COMMUNITY AND CORPORATE SERVICES

PURPOSE

The purpose of this report is to present to Council a summary of Council's financial performance for the 2019/20 financial year up to 31 December 2019.

BACKGROUND

This report provides information on Council's operating performance for the period 1 July 2019 to 31 December 2019 and compares the Income Statement to the revised budget, which includes operating projects carried forward from 2018/19, and the Balance Sheet and Statement of Cash Flows to last year. The budgeted figures are based on the proposed mid-year budget changes, which is being considered at the February Council Meeting.

ISSUE/DISCUSSION

Income Statement

Hepburn Shire Council Comprehensive Income Statement For the Period Ended 31 December 2019

| | YTD Budget 2019/20 | YTD Actual 2019/20 | YTD Variance | |
|---------------------------------------|-----------------------|-----------------------|--------------|------------|
| | \$'000 | \$'000 | \$'000 | % |
| Income | | | | |
| Rates and charges | 21,104 | 21,152 | 47 | 0% |
| Statutory fees and fines | 452 | 417 | (34) | -8% |
| User fees | 472 | 403 | (68) | -15% |
| Grants - operating | 2,768 | 2,721 | (47) | -2% |
| Grants - capital | 985 | 691 | (295) | -30% |
| Contributions - monetary | 270 | 278 | 8 | 3% |
| Contributions - non monetary | - | - | - | |
| Net gain/(loss) on disposal of assets | 92 | 192 | 100 | 109% |
| Other income | 863 | 766 | (97) | -11% |
| Total income | <u>27,006</u> | <u>26,620</u> | <u>(386)</u> | <u>-1%</u> |
| Expenses | | | | |
| Employee costs | 6,744 | 6,794 | (50) | -1% |
| Materials and services | 5,140 | 4,541 | 599 | 12% |
| Bad and doubtful debts | 9 | 1 | 7 | 83% |
| Depreciation and amortisation | 3,595 | 3,595 | - | 0% |
| Borrowing costs | 96 | 95 | 2 | 2% |
| Other expenses | 471 | 353 | 118 | 25% |
| Total expenses | <u>16,055</u> | <u>15,379</u> | <u>676</u> | <u>4%</u> |
| Surplus/(deficit) for the year | <u>10,950</u> | <u>11,241</u> | <u>290</u> | |

Income Statement – Income

Note 1 – User fees income is down compared to budget by \$68K with waste service fees down by \$9K and Aged Care fees down by \$58k. Invoicing for both services was delayed in October and November, and this was resolved in January 2020.

Note 2 – Grants Capital income is less than budget year to date due to timing of receipt compared to budget. Project schedules impact the receipt of grants as they often require acquittal of projects before final grant payments are received.

Note 3 – This can be attributed, in the main, to the timing of vehicle sales compared to the budget.

Note 4 – Other income is lower than budget by \$97K. The majority relates to a decrease of interest received by \$30K due to low interest rates, and rent down by \$59K in relation to commercial turnover rent not invoiced for October and November as turnover figures were not supplied by the tenant in a timely manner, but corrected in 2020.

Income Statement – Expenses

Note 5 – Materials and services are below budget by \$599K. This is due mainly to some under expenditure in operating projects to date, including building maintenance, Municipal Fire Emergency, Youth Strategy and Bio-diversity. These are expected to return to budget by 30 June 2020.

Note 6 - Other expenses are less than budget by \$118K. This variance to budget is mainly due to a timing difference in the payment of community grants compared to budget, which will correct in Q3, 2019/20.

Balance sheet

Hepburn Shire Council Balance Sheet As at 31 December 2019

| | Current Year | Prior Year | Variance Year on Year | | |
|--|----------------|----------------|-----------------------|-------------|----|
| | Actual | Actual | \$'000 | % | |
| | \$'000 | \$'000 | | | |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 18,607 | 6,038 | 12,569 | 68% | 1 |
| Trade and other receivables | 13,962 | 13,378 | 584 | 4% | |
| Other financial assets | 1,133 | 10,933 | (9,800) | -865% | 2 |
| Inventories | 7 | 7 | (0) | -6% | |
| Non-current assets classified as held for sa | - | 545 | | | |
| Other assets | 12 | 144 | (132) | -1121% | 3 |
| Total current assets | 33,721 | 31,045 | 2,675 | 8% | |
| Non-current assets | | | | | |
| Property, infrastructure, plant and equipm | 261,020 | 245,693 | 15,327 | 6% | |
| Intangible assets | 382 | 426 | (45) | -12% | |
| Total non-current assets | 261,402 | 246,119 | 15,283 | 6% | |
| Total assets | 295,123 | 277,164 | 17,958 | 6% | |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 282 | 237 | (45) | -16% | 4 |
| Trust funds and deposits | 2,079 | 1,946 | (133) | -6% | |
| Provisions | 2,213 | 1,872 | (341) | -15% | 5 |
| Interest-bearing loans and borrowings | 427 | 596 | 169 | 40% | 6 |
| Other Liabilities | 254 | 18 | (236) | -93% | 7 |
| Total current liabilities | 5,255 | 4,670 | (585) | -11% | |
| Non-current liabilities | | | | | |
| Provisions | 442 | 447 | 5 | 1% | |
| Interest-bearing loans and borrowings | 3,803 | 3,975 | 173 | 5% | 8 |
| Other Liabilities | 63 | 80 | 18 | 29% | 9 |
| Total non-current liabilities | 4,308 | 4,503 | 195 | 5% | |
| Total liabilities | 9,563 | 9,173 | (390) | -4% | |
| Net assets | 285,559 | 267,991 | 17,568 | 6% | |
| Equity | | | | | |
| Accumulated surplus | 165,008 | 161,111 | 3,898 | 2% | |
| Reserves | 120,551 | 106,881 | 13,670 | 11% | 10 |
| Total Equity | 285,559 | 267,991 | 17,568 | 6% | |

Balance Sheet

Note 1 - Cash and Cash Equivalents are higher than last year due to more cash being held in short term deposits rather than long term investments because of low interest rates. We are also holding unspent capital grant expenditure.

Note 2 – Other financial assets are less than last year, refer to note 1, as increased funds being held in short term investments because of low interest rates, in an attempt to seek improved interest rates.

Note 3 – Other Assets are less due to the reduction of prepayments particularly MomentumOne where council deducted the prepayment of \$70K off outstanding invoices.

Note 4 - Trade and Other Payables higher as processed payments are not paid until payment terms are due \$45K.

Note 5 – Provisions have increased this year, and that is mainly due to an increase in long service leave provisions, several new staff have joined with prior government service.

Note 6 – No new borrowings in the past two financial years, and therefore there has been a principal debt reduction.

Note 7 - Other Liabilities is unspent grant income received from Department of Health Services for services, which maybe required to be repaid.

Note 8 - No new borrowings in the past two financial years, and therefore there has been a principal debt reduction.

Note 9 – Income received in advance for rental of Council owned premises is reducing each year as it is taken up as income in the current year.

Note 10 – An increase in the asset revaluation reserve of \$13M as the result of an inhouse revaluation of Roads (30 June 2019).

Hepburn Shire Council Statement of Cash Flows For the Period Ended 31 December 2019

| | Current Year Actual | Prior Year Actual | | |
|--|----------------------------------|----------------------------------|-----------------|-------|
| | Inflows/ (Outflows) \$'000 | Inflows/ (Outflows) \$'000 | | |
| Cash flows from operating activities | | | | |
| | | | - | 100% |
| Rates and charges | 11,264 | 10,851 | (413) | -4% |
| Statutory fees and fines | 425 | 485 | 60 | 14% |
| User fees | 356 | 183 | (174) | -49% |
| Grants - operating | 3,209 | 2,428 | (781) | -24% |
| Grants - capital | 991 | 970 | (21) | -2% |
| Contributions - monetary | 278 | 117 | (161) | -58% |
| Reimbursements | | | - | 100% |
| Interest received | 217 | 272 | 55 | 25% |
| Rent received | 311 | 429 | 118 | 38% |
| Trust funds and deposits taken | 202 | 79 | (123) | -61% |
| Rents (inclusive of GST) | | | - | 100% |
| Other receipts | 73 | 146 | 73 | 100% |
| Net GST refund/payment | 57 | 94 | 37 | 64% |
| Employee costs | (6,708) | (6,386) | 322 | -5% |
| Materials and services | (6,384) | (6,023) | 361 | -6% |
| Trust funds and deposits repaid | | | - | 100% |
| Other payments | (353) | (265) | 88 | -25% |
| Net cash provided by/(used in) operating activities | <u>3,939</u> | <u>3,379</u> | <u>(560)</u> | -14% |
| Cash flows from investing activities | | | | |
| Payments for property, infrastructure, plant and equipment | (2,957) | (2,322) | - | 0% |
| Proceeds from sale of property, infrastructure, plant and equipment | 146 | 44 | (102) | -70% |
| Payments for investments | 5,000 | (5,000) | (10,000) | -200% |
| Proceeds from sale of investments | - | - | - | 100% |
| Loans and advances made | | | - | 100% |
| Payments of loans and advances | | | - | 100% |
| Net cash provided by/(used in) investing activities | <u>2,189</u> | <u>(7,278)</u> | <u>(9,781)</u> | -447% |
| Cash flows from financing activities | | | | |
| Finance costs | (95) | (114) | (19) | 20% |
| Proceeds from disposal of financial assets | | | - | 100% |
| Proceeds from borrowings | - | - | - | 100% |
| Repayment of borrowings | (185) | (315) | (130) | 71% |
| Net cash provided by/(used in) financing activities | <u>(279)</u> | <u>(429)</u> | <u>(149)</u> | 53% |
| Net increase (decrease) in cash and cash equivalents | 5,848 | (4,327) | (10,175) | -174% |
| Cash and cash equivalents at the beginning | 12,759 | 10,365 | (2,394) | -19% |
| Cash and cash equivalents at the end of the period | <u>18,607</u> | <u>6,038</u> | <u>(12,569)</u> | -68% |

CASH FLOW STATEMENT STATEMENT OF CASHFLOWS

Note 1 – Decrease in inflows as planning fees are down on this time last year.

Note 2 - User fees are higher than this time last year as a result of invoices raised at the end of 2018/19 not paid until 2019/20.

Note 3 –Grants received, are higher than this time last year and this is due to grants being invoiced at the end of 2018/19 and being received in 2019/20.

Note 4 – Increase in inflows from contributions monetary is due to increased subdivision activity.

Note 5 – Decrease in Inflows from interest received due to the decrease in interest rates.

Note 6 – Decrease in inflows from the turnover component of rent charged due to the delay in rent invoices for October and November, correct in 2020.

Note 7 – Decrease in outflows for investments as most of investments are at call.

STATEMENT OF CAPITAL WORKS

Hepburn Shire Council Statement of Capital Works as at 31 December 2019

| | <i>Forecast Budget</i> | <i>YTD Actual</i> | <i>% Spent YTD</i> |
|--|----------------------------|-------------------|------------------------|
| TOTAL PROPERTY | 7,099,721 | 545,308 | 8% |
| TOTAL PLANT AND EQUIPMENT | 2,487,080 | 969,784 | 39% |
| INFRASTRUCTURE | | | |
| Roads | 5,701,301 | 1,178,222 | 21% |
| Bridges | 490,505 | 163,494 | 33% |
| Footpaths and cycleways | 745,163 | 36,572 | 5% |
| Drainage | 239,640 | 24,562 | 10% |
| Recreational, leisure and community facilities | 829,888 | 133,932 | 16% |
| Parks, open space and streetscapes | 1,046,650 | 441,371 | 42% |
| Other infrastructure | 355,171 | 53,936 | 15% |
| TOTAL INFRASTRUCTURE | 9,408,318 | 2,032,453 | 22% |
| TOTAL CAPITAL WORKS | 18,995,119 | 3,547,545 | 19% |

Expenditure is traditionally low in the early part of a financial year as projects are in design and procurement phase. The YTD spend of \$3.55million compares favourably with the amount spent to the same period in prior financial years (\$2.29million in 2018/19 and \$1.98million in 2017/18).

Detailed capital works reporting (by project) was provided to the Councillor briefing on 28 January 2020.

Total Property - Several building projects are behind schedule - Project plans are under development for works to be scheduled and delivered.

Plant and Equipment – \$192k of fleet replacements carry forward from 2018-19 have been delivered. The Bioenergy facility is in testing phase with \$115k of stage two works delivered, and a further \$80K has been committed. Purchases of fleet and heavy plant will be undertaken throughout 2019/2020.

Roads – Works have commenced on several the road's projects, while year-to-date expenditure is currently low there are \$1 million in committed expenditure against these projects. The remainder of the projects are in the design phase, with tenders scheduled for release between October and January.

Bridges – Two of the major projects are in design and specification stages, with tender release scheduled early in 2020.

Footpaths and Cycleways – Footpath renewal works began in January 2020. The Fairview Trail project in Clunes is in preliminary development stages, and other projects are on schedule with a December commencement.

Drainage – A contractor has been appointed for the delivery of the program, with works to begin by April 2020.

Recreational, leisure & community – There are a significant number of projects in this years' program, many are currently in preliminary phases, with the majority of works to be completed in the 1st half of 2020.

Parks, open spaces and streetscapes – There are a significant number of projects in this years' program, many are currently in preliminary phases, with the majority of works to be completed in the 1st half of 2020.

MOTION

11.1.1 That Committee receives and notes the financial report for the six months from 1 July 2019 to 31 December 2019.

Moved: Mr Robert Taylor

Seconded: Cr Licia Kokocinski

Carried

11.2 MID YEAR BUDGET REVIEW 2019-20

DIRECTOR COMMUNITY AND CORPORATE SERVICES

PURPOSE

The purpose of this report is to advise the Audit and Advisory Committee of the mid-year budget review and the subsequent adopted forecast budget for 2019/20, which includes carry forward projects from 2018/19, and adopted amendments as part of the mid-year review.

MOTION

11.2.1 That Committee notes the adopted mid-year budget adjustments for the financial year 2019/20.

Moved: Cr John Cottrell

Seconded: Ms Carol Pagnon

Carried

11.3. PROJECT AND PERFORMANCE REPORTING

DIRECTOR COMMUNITY AND CORPORATE SERVICES

In providing this advice to the Audit and Risk Advisory Committee as the Financial Services Manager, I Danielle How have no interests to disclose in this report.

PURPOSE

The purpose of this report is to provide a report on Council's Project Performance.

BACKGROUND

The report is discussed with Councillors in detail at Councillor briefing, and included for information purposes only for the Committee.

OFFICER'S RECOMMENDATION

11.3.1 That the Audit and Risk Advisory Committee notes the update on Council's Project Reports as at December 2019.

MOTION

11.3.1 That the Audit and Risk Advisory Committee notes the update on Council's Project Reports as at December 2019.

Moved: Mr Robert Taylor

Seconded: Cr Licia Kokocinski

Carried

12. COMPLIANCE AND CONTROLS

12.1 LOCAL GOVERNMENT UPDATE

Director Community and Corporate Services provided a verbal update on the proposed Local Government Act, and implications for Council.

13. CLOSE OF MEETING

Meeting closed at 5.35pm
