

# PEEL-HARVEY CATCHMENT COUNCIL

## Finance and Audit Steering Committee Notes of Meeting



Held at 9.00am 12 August 2019

PHCC Office, 58 Sutton Street, Mandurah

### In Attendance:

Marilyn Gray	Treasurer (Chair)
Caroline Knight	Chairperson
Jane O'Malley	Chief Executive Officer
Karen Henderson	Manager, Finance & Payroll
Howard Mitchell	Community Member *Remote attendance via phone hookup (9.45am)

Apologies: Nil

### 1. Confirmation of previous notes:

Moved: Caroline Knight      Seconded: Marilyn Gray

**That the notes of previous meeting be confirmed as a true and correct record of the Finance and Audit Steering Committee meeting of 1 April 2019.**

*CARRIED*

### 2. Business Arising from Previous Meetings :

Actions arising from meeting of 4 December 2017:

No	Action	Responsible	Complete
1.	Item 6.6 [10 July 2017] – Terms of Reference Finance & Audit Committee <b>ACTION: Can now progress along with other Sub-Committee ToR now that 1.7 Sub-Committees Policy was endorsed at August 2018 General Meeting.</b> <b>Update: Jane and Karen to review, and present for endorsement by Board at December Meeting.</b>	Jane Karen	In progress

Actions arising from meeting of 17 September 2018:

No	Action	Responsible	Complete
2.	Item 3.1 Future investment strategies [17 September 2018]: Karen to progress with discussions on the setting up of Term Deposit Accounts with ANZ Business Manager, Jessica Cummins, for both Corporate and Project funds, with the option of rolling over funds at the end of term and linked in accordance of delegation of authority.	Karen	Complete



	<b><i>ACTION: Marilyn to delete Allison's credit card (not yet activated), but keep the delegation open to the Administration Officer position so that it can transfer to the new person when they are appointed.</i></b>		
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Actions arising from meeting of 1 April 2019:

7.	Item 3.1 [1 April 2019] Term Deposit <b><i>ACTION: Marilyn to liaise with Westpac Business Manager the week of renewal. Length of term to be determined by best rates available on renewal. Rate of 2.18% for 12 months expiring 12 June 2020.</i></b>	Marilyn	Complete
8.	Item 4.10 [1 April 2019] Finance Report – Single Touch Payroll <b><i>ACTION: Delegated Authority to be updated to list City of Mandurah as an approved PHCC AusKey authority with ATO for payroll use.</i></b>	Jane	Complete
9.	Item 6.2 [1 April 2019] Organisation Audit <b><i>ACTION: Karen to obtain quote from AMD Chartered Accountants to conduct the F18-19 Organisation Audit</i></b> <b><i>UPDATE: Quote from AMD Chartered Accountants for \$5,150 endorsed via Out of Session. Audit was conducted 1&amp;2 August 2019.</i></b>	Karen	Complete
10.	Item 6.3 [1 <sup>st</sup> April 2019] Peel CCI Business After Hours <b><i>ACTION:</i></b> <b><i>1. Marilyn to present snapshot of presentation to the Board Members at the April Meeting.</i></b> <b><i>2. Jane to include snapshot with the Board Induction package.</i></b>	Marilyn Jane	Complete Complete

### 3. Reinvestment of Term Deposit:

Figure 1 –Term Deposit’s made by PHCC since December 2011 – Westpac [Corporate Funds]

Amount	Lodgement Date			Maturity Date			Rate	Term	Interest
	Day	Month	Year	Day	Month	Year			
\$375,000.00	19	December	2011	19	June	2012	5.75	6	\$10,810.79
\$385,810.79	19	June	2012	19	Nov	2012	5.05	5	\$8,167.03
\$393,977.82	19	Nov	2012	19	April	2013	4.44	5	\$7,236.37
\$ 401,214.49	19	April	2013	19	Oct	2013	4.25	6	\$8,549.17
\$409,763.66	19	Oct	2013	27	Nov	2013	2.5	*	\$1,094.57
\$410,858.23	27	Nov	2013	27	June	2014	3.6	7	\$8,590.88
\$419,449.11	27	June	2014	27	Jan	2015	2.5	*	\$54.59
\$419,503.70	27	June	2014	27	Dec	2014	3.6	6	\$7610.83
\$427,111.53	31	December	2014	30	June	2015	3.55	6	\$7518.97
-	30	June	2015	Additional PHCC corporate fund					\$150,000.00
\$584,633.50	30	June	2015	30	Dec	2015	3.05 0	6	\$8,940.09
\$593,573.59	30	December	2015	7	Jan	2016	3.0	*	\$108.92
\$593,682.51	7	January	2016	7	June	2016	3.0	5	\$7,416.97
\$601,099.48	7	June	2016	7	June	2017	2.7	12	\$16,229.69
\$617,329.17	7	June	2017	7	June	2018	2.55	12	\$15,741.89
\$633,071.06	7	June	2018	12	June	2018	2.55	*	\$71.88
\$633,142.94	12	June	2018	12	June	2019	2.67	12	\$16,904.92
\$650,047.86	12	June	2019	12	June	2020	2.18	12	

Figure 2 –Term Deposit’s made by PHCC since December 2016 – ANZ [Project Funds]

Amount	Lodgement Date			Maturity Date			Rate	Term	Interest
	Day	Month	Year	Day	Month	Year			
\$1,000,000	15	December	2016	15	June	2017	2.5	6	\$12,465.75
\$1,500,00.00	18	October	2017	18	May	2018	2.35	7	\$20,473.97
\$1,000,000	17	June	2019	17	Dec	2019	2.05	6	

### 4. Finance Manager Report

The main focus during the months of June and July have been to:

1. Finalise Year 1 of the Regional Landcare Program with the 4 Quarter 4 Project Invoices and final Core Services invoice sent to Dept of Environment and Energy on 28<sup>th</sup> June 2019;
2. Preparation of Quarterly reporting requirements for the REI and 2 Peel Harvey Estuary Projects;

3. Preparation of Annual Financial Statements for audit for the REI and 2 Peel Harvey Estuary Projects;
4. Preparation of Half Yearly reporting requirement at 30<sup>th</sup> June 2019 for the Alcoa Foundation Project;
5. Carry forward unspent funding for existing projects into the new financial year and preparing annual budgets;
6. Reconciling employment budget at 30 June 2019;
7. 6 Payment runs prepared and authorised for payment consisting of over 120 Tax Invoices.
8. Prepare the financial reports for the Organisation Audit that was conducted on 1 and 2 August.

Audits:

1. The 2018-2019 Organisation Audit was conducted over two days (1<sup>st</sup> & 2<sup>nd</sup> August) by Rebecca Broad and Isadore Sy from AMD Chartered Accountants. Strict timeframes meant TOIL was approved by CEO to allow me to finalise the EOY Financial Statements by 29<sup>th</sup> July to allow the data to be provided to Auditors prior to the audit. Bart Katarski was an invaluable help as he assisted to management of electronic folders and a fresh set of eyes for cross-checking data. Jane and Pat provided Governance and Insurance documents as required. I am expecting follow up questions but it is anticipated that the audit will be finalised by Monday 26<sup>th</sup> August to allow me enough time to prepare the AGM Reports prior to going on leave beginning of September.

I am not expecting any changes to the Financial Statements, however, until the audit is finalised,

The draft Statement is:

Total Assets:	\$5,942,669.20
Total Liabilities:	\$4,721,928.75
Total Equity:	\$1,220,740.45
Total Profit 18/19:	\$131,230.72

2. The REI and Peel Harvey Estuary Grants that have been submitted for annual acquittal audits are currently being reviewed and should be finalised by 26<sup>th</sup> August.

Other:

1. **Insurances:** The decision made last July to transfer all Insurance Policies to be managed by Broker Sam Norrish of Nexus Risk Services Pty Ltd has paid dividends with substantial savings to the Organisation for our Workers Compensation and vehicles. Thank you to Pat Sutton, Corporate Services Manager, for the work involved to make sure that we meet our Insurance Obligations and the savings made.
2. **Mileage Rate:** The Mileage Rate for use of private vehicle for business related travel remains at 68 cents per kilometre. This applies to both Staff and Member Claims.
3. **HRRT:** At the request of HRRT Board, I provided the Harvey River Restoration Taskforce with an update of unspent funds at 30<sup>th</sup> June 2019. HRRTs Equity is currently under \$100,000 with the only secured funding coming from PHCC through their Peel Harvey Estuary FishRec Grant but have submitted an application to State NRM in their latest round of grants.

4. **ACNC:** The Responsible Persons listing was updated at 30<sup>th</sup> June 2019.
5. **Whole of Project Life (WoPL) Spreadsheet:** Year 2 Templates have been created and need to be updated with new budget details. Program Managers are providing this information and I will be working updating sheets over the next 2 weeks for a rollout to officers.
6. **Single Touch Payroll:** EOY Payroll Reporting went smoothly. Staff received their Income Statement via their MyGov Account. No queries were raised during the course of the audit, both payroll and entitlements. Staff records were checked thoroughly.
7. **Annual Leave:** I will be taking 5 weeks annual leave from Wednesday 4<sup>th</sup> September to Monday 7<sup>th</sup> October. Pat will keep the payments ticking over by doing 2 payment runs whilst I am away. Allison had been trained up to assist with the day-to-day financial tasks, but due to upcoming resignation, I am more than happy to get the finances “up to speed” on my return.

8. **Bank Statement Balance** as at 31 July 2019:

ANZ Corporate Online Saver Account	\$494,555.75
Westpac Term Deposit	\$650,047.86
ANZ Term Deposit	\$1,000,000.00
ANZ Project Online Saver Account	\$2,996,659.72
ANZ Project Cheque Account	\$167,802.45
ANZ Transaction Account	\$50.44
Petty Cash	\$119.20
Merchandise	\$150.00
ANZ Visa Card	-\$2,488.24
<b>Total Cash at Hand:</b>	<b>5,306,897.18</b>

5. **Signing off on Bank Statements**

March to June Bank Statements have been sighted and signed off by Treasurer, Marilyn Gray.

6. **Other Business**

**6.1 Vehicles – Increase the vehicle lease from \$600/month to \$750/month**

Jane reported that the Project Vehicle lease payment of \$600/month has been unchanged for six years and requested a review to ensure that PHCC is charging projects “real” costs by comparing commercial lease rates but ensuring budgets could afford the increase. With the new project funding structure across the Organisation, vehicles are now funded across a number of projects rather than 1 project as we have seen in the past. For 2019/2020, all vehicles will be budgeted/expended from Project 1600 – POE (Project Officer Employment) which will streamline the fiscal management of vehicles. Karen reported that the proposed budget for each vehicle is \$16,900pa with a budget breakdown of:

Lease:	\$9,000
Insurance:	\$1,000
Service:	\$1,000
Fuel/Travel:	\$4,500
Misc:	\$1,400
<b>Total:</b>	<b>\$16,900</b>

Jane reported that she had contacted a local Car Dealer we previously leased vehicles from, and the current minimum commercial lease arrangements is \$750/month depending of mileage and proposed that PHCC increase its monthly lease rate to the same rate, noting that our vehicle fleet is aging and maintenance costs incurred by PHCC Support could increase in the future and we need to have sufficient funds to cover such costs.

*Moved: Marilyn Gray*

*Seconded: Caroline Knight*

***That the monthly vehicle lease rate for each PHCC vehicle be increased from \$600/month to \$750/month effective 1 July 2019.***

*CARRIED*

## **6.2 Distribution of retained earnings at 30 June**

Karen reported that she was waiting on the Organisation Audit to be finalised before distributing the retained earnings as at 30 June 2019.

***ACTION: Karen to update the F&A Committee at next meeting.***

## **6.3 2019-2020 PHCC Support and Employment Budget**

Draft PHCC Support and Employment Budgets were circulated to Committee Meeting for review and comment. Howard phoned in remotely to provide comments to the budget and any concerns answered. Caroline requested that only notations for all line-items with a variation of +/- 10% be provided and referenced for easier cross-checking by Board Members.

Karen to make the relevant adjustments and F&A Committee recommend that the Draft Budgets be presented to Board Members at the August 2019 General Meeting for endorsement.

***ACTION: Karen to make necessary adjustments to the proposed PHCC Support and Employment budgets. Marilyn to present Draft Budget to Board at August General Meeting for endorsement.***

## **6.4 Finance Training for new Bank Signatories**

Marilyn requested training to be provided to Caroline Knight, Sue Fyfe and Amanda Willmott prior to commencing Online Banking authorisation. Karen to provide an overview of the Purchasing procedures and Marilyn to go through the process of authorisation by conducting a "live" payment run.

***ACTION: Karen to arrange training for new signatories (Caroline, Amanda and Sue), when Karen is back from leave.***

## **6.5 Accounts Receivable: Formalising Local Government Funding Agreement with MOUs**

Jane advised that funding agreements with Local Government will be formalised through MOUs providing a more secure arrangement for longer term agreements.

- Shire of Murray – Minimum \$5,000/year
- City of Mandurah - \$20,000/year for Science Advisor position
- Shire of Waroona - \$2,500 for Land Conservation works Lake Clifton

- 4 Local Govt in the Hotham-William – Send letters requesting Year 3 funding as per MOU arrangement.

**7. Next Meeting:**

Monday 2<sup>nd</sup> December 2019, 10am at PHCC Office.

Meeting closed at 10.30am

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Chairman

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Date



Actions arising from previous meetings:

No	Action	Responsible	Complete
1.	Item 6.6 [10 July 2017] – Terms of Reference Finance & Audit Committee  <b>ACTION: Can now progress along with other Sub-Committee ToR now that 1.7 Sub-Committees Policy was endorsed at August 2018 General Meeting. Jane and Karen to review, and present for endorsement by Board at December meeting.</b>	Jane Karen	In progress
2.	Item 6.3 [17 September 2018]  New MYOB file be purchased and set up new Chart of Accounts in accordance with Australian Accounting Standards.  <b>ACTION: Karen to keep developing the new structure and seek assistance where necessary.</b>	Karen	In progress
3.	Item 6.2 [3 December 2018] Credit Card Review  <b>ACTION: Marilyn to delete Allison's credit card (not yet activated), but keep the delegation open to the Administration Officer position so that it can transfer to the new person when they are appointed.</b>	Marilyn	In progress

Actions arising from meeting of 12 August 2019:

No	Action	Responsible	Complete
1.	Item 6.3 [12 August 2019] 2019-20 PHCC Support & Employment Budget.  <b>ACTION:</b> <b>1. Karen to make necessary adjustments to the proposed PHCC Support and Employment budgets.</b> <b>2. Marilyn to present Draft Budget to Board at August General Meeting for endorsement.</b>	Karen  Marilyn	
2.	Item 6.4 [12 August 2019] Finance Training for new Bank Signatories  <b>ACTION: Karen to arrange training for new signatories (Caroline, Amanda and Sue), when Karen is back from leave.</b>	Karen Marilyn	
3.	Item 6.5 [12 August 2019] Accounts Receivable: Formalising Local Government Funding Agreement with MOUs  <b>ACTION: Jane to formalise funding with Shire of Murray, Shire of Waroona, City of Mandurah and letters sent to 4 H-W Shires</b>  Murray MOU complete; Waroona waiting Jane; Mandurah waiting City (Brett Brenchley); 4 x letters sent to HW 6 August 2019 (no.s 77-79)	Jane	