



**EASTERN WASTE MANAGEMENT
AUTHORITY**

AGENDA

ORDINARY MEETING OF THE BOARD OF MANAGEMENT

Meeting to be held on Thursday 16 November commencing at 5:30pm,
at the City of Norwood, Payneham & St Peters, 175 The Parade, Norwood

1. PRESENT
2. APOLOGIES
3. CONFIRMATION OF THE MINUTES

RECOMMENDED: That the Minutes of the Eastern Waste Management Authority Board Meeting held on Thursday 21 September 2017, be received, confirmed and adopted

That the Minutes of the Eastern Waste Management Authority Audit and Risk Management Committee held on Monday 13 November 2017, be noted (sent under separate cover)
4. CONFLICTS OF INTEREST
5. MATTERS ARISING FROM THE MINUTES
6. QUESTIONS WITHOUT NOTICE
7. REPORTS
 - 7.1 Financial Report: September Quarter 2017 + Budget Review One.....6
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8. CONFIDENTIAL REPORTS
 - 8.1 Contract Update.....39
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9. OTHER BUSINESS
9. NEXT MEETING OF THE BOARD
The next Board Meeting to be announced
10. CLOSURE OF MEETING



- Adelaide Hills Council ● City of Burnside ● Campbelltown City Council
- City of Mitcham ● City of Norwood, Payneham & St. Peters ● Corporation of the Town of Walkerville

**MINUTES OF THE ORDINARY BOARD MEETING OF THE
EASTERN WASTE MANAGEMENT AUTHORITY**

Held on Thursday 21 September 2017 at 5.33pm at the City of Norwood, Payneham & St Peters,
175 The Parade, Norwood

1. PRESENT

Directors:

| | |
|-----------------|--|
| Mr B Cunningham | Independent Chairperson |
| Mr L Miller | Adelaide Hills Council (Proxy) |
| Cr G Piggott | City of Burnside |
| Mr P Di Iulio | Campbelltown City Council |
| Cr K Hockley | City of Mitcham |
| Mr M Barone | City of Norwood, Payneham & St Peters |
| Cr G Busato | Corporation of the Town of Walkerville |

In Attendance:

| | |
|------------------|--------------------------------------|
| Mr R Gregory | General Manager |
| Mr S Raymond | Manager Corporate Services |
| Miss A Quintrell | Office Administrator |
| Mr J Jovicevic | Dean Newbery & Partners - Accountant |

2. APOLOGIES

Cr L Green Adelaide Hills Council

3. CONFIRMATION OF THE MINUTES

Moved Cr Busato that the Minutes of the Eastern Waste Management Authority Board Meeting held on Thursday 29 June 2017, be received, confirmed and adopted.

Seconded Cr Piggott

Carried

Moved Cr Hockley that the Minutes of the Eastern Waste Management Authority Audit and Risk Management Committee held on Tuesday 19 September 2017, be noted.

Seconded Mr Miller

Carried

4. CONFLICTS OF INTEREST

Nil

5. MATTERS ARISING FROM THE MINUTES

- Register of Interest

6. QUESTIONS WITHOUT NOTICE

Nil

7. GENERAL MANAGERS REPORTS

REPORTS REQUIRING DECISIONS

7.1 AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2017

Moved Cr Hockley:

1. That the Independent Chairman and General Manager be authorised to sign the Financial Statements as presented and forward to Member Councils;
2. That the practice of bi-annual adjustments and subsequent invoice adjustments is undertaken as an ongoing practice; and
3. That the 2017/18 Quarter 1 is reconciled at Budget Review 1 and any subsequent refund, if it occurs, is returned to Member Councils.

Seconded Cr Piggott

Carried

7.2 REGULATION 10 FINANCIAL REPORT

Moved Cr Busato that the Report is received and noted.

Seconded Mr Barone

Carried

7.3 FINAL LONG TERM FINANCIAL PLAN

Moved Cr Hockley:

1. That the Board adopt East Waste's Long Term Financial Plan, and the General Manager develop a public facing version of the document;
2. The Long Term Financial Plan be formally forwarded to Member Councils; and,
3. That the Board instruct the General Manager to develop a Treasury Management Policy.

Seconded Cr Busato

Carried

7.4 STAFF MATTER

Moved Cr Hockley that Pursuant to Section 90 (2) and (3) of the Local Government Act 1999, an order be made by the East Waste Board that the public be excluded from attendance at the meeting to the extent (and only to the extent) that the Board considers it necessary and appropriate to act in a meeting closed to the public in order to receive, discuss and consider in confidence:

(h) legal advice, and;

That the Board is satisfied that, the principle that the meeting should be conducted in a safe open place to the public, has been outweighed by the need to keep the receipt, discussion and consideration of the information confidential.

Seconded Cr Piggott

Carried

Moved Cr Hockley that an order be made under the provisions of Section 91 (7) of the Local Government Act 1999, that the report, attachments and discussion of the subject matter, having been dealt with on a confidential basis under Section 90 (3) of the Act, should be kept confidential on the grounds of legal advice as contained in Section 90 (3) (h) until the matter is finalised.

Seconded Cr Piggott

Carried

The time being 7.07pm Mr John Jovicevic left the meeting.

7.5 CHARTER REVIEW

Moved Cr Busato that having now received approval from the Minister for Local Government, the Board authorises the General Manager to publish the amended East Waste Charter in the South Australian Government Gazette.

Seconded Cr Piggott

Carried

7.6 AUDIT & RISK COMMITTEE INDEPENDENT MEMBER EXPIRY

Moved Cr Piggott:

1. That the Board reappoint Mr Leigh Hall as an Independent Member to the East Waste Audit and Risk Management Committee for a further two years, with his term expiring on 30 June 2019; and,
2. That East Waste Management Authority Audit and Risk Management Committee Terms of Reference Clause 4.4 be reviewed to better clarify appointments and tenure.

Seconded Cr Busato

Carried

7.7 CITY OF NORWOOD, PAYNEHAM & ST PETERS – UNAUTHORISED MOBILE GARBAGE BIN COLLECTIONS REVIEW

Moved Cr Busato that the Report is noted and the report be provided to Member Councils.

Seconded Cr Hockley

Carried

REPORTS FOR INFORMATION

7.8 ANNUAL PLAN 17/18 PROGRESS

Moved Cr Piggott that the Report is received and noted.

Seconded Mr Miller

Carried

7.9 CITY OF PROSPECT INCOMING MEMBER COUNCIL UPDATE

Moved Cr Piggott the Report is received and noted.

Seconded Mr Miller

Carried

8. BUSINESS IMPROVEMENT MANAGER (CORPORATE) REPORT

8.1 ANNUAL REPORT 16/17 UPDATE

Moved Cr Hockley that the Report is received and noted.

Seconded Cr Piggott

Carried

8.2 RFT 2017/02 - SUPPLY OF BULK FUEL

Moved Cr Busato that Pursuant to Section 90 (2) and (3) of the Local Government Act 1999, an order be made by the East Waste Board that the public be excluded from attendance at the meeting to the extent (and only to the extent) that the Board considers it necessary and appropriate to act in a meeting closed to the public in order to receive, discuss and consider in confidence:

(k) tenders for the supply of goods, the provision of services or the carrying out of works; and,

That the Board is satisfied that, the principle that the meeting should be conducted in a safe open place to the public, has been outweighed by the need to keep the receipt, discussion and consideration of the information confidential.

Seconded Cr Piggott

Carried

Moved Cr Busato that an order be made under the provisions of Section 91 (7) of the Local Government Act 1999, that the report and minutes of the subject matter, having been dealt with on a confidential basis under Section 90 (3) of the Act, should be kept confidential on the grounds that disclosure of information could confer commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer commercial advantage on a third party as contained in Section 90 (3) (b) (i) until December 2022 with a review every twelve (12) months.

Seconded Mr Miller

Carried

9. OTHER BUSINESS

- SKM Recycling update.
- Shane Raymond Contract Extension.

10. NEXT MEETING OF THE BOARD

The next Board Meeting to be held on Thursday 16 November at the City of Norwood, Payneham & St Peters at 5.30pm.

11. CLOSURE OF MEETING

There being no further business the meeting closed at 7.24pm

Confirmed

DATE: _____

CHAIRMAN: _____

7.1: Financial Report: September Quarter 2017 + Budget Review One

| | |
|-----------------------|--|
| REPORT AUTHOR: | General Manager |
| ATTACHMENTS: | A: Profit & Loss Report |
| | B: Business Unit Profit & Loss Report |
| | C: Common Fleet Costing Worksheet |
| | D: Statement of Comprehensive Income |
| | E: Balance Sheet |
| | F: Statement of Cash Flow |
| | G: Statement of Changes in Equity |
| | H: Uniform Presentation of Finances Statement |

Purpose of the Report

To provide the Board with detailed Financial Statements for the September Quarter 2017 and a report on Budget Review One (BR1) as prescribed by the Regulations.

Background

At the meeting held 29 June 2017, the East Waste Board resolved:

FY18 ANNUAL PLAN & BUDGET ENDORSEMENT

Moved Mr Di Iulio that the 2017/2018 Annual Plan is adopted, and that *the 2017/2018 Budget is adopted, noting that there will be subsequent changes in Budget Review 1 due to new services coming online early in the new financial year.*

Seconded Mr Barone **Carried**

In accordance with Regulation 9 of the Local Government (Financial Management) Regulations 2011:

1. A council, council subsidiary or regional subsidiary must prepare and consider the following reports:
 1. at least twice, between 30 September and 31 May (both dates inclusive) in the relevant financial year (where at least 1 report must be considered before the consideration of the report under subregulation (1)(b), and at least 1 report must be considered after consideration of the report under subregulation (1)(b))—a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;
 - (b) between 30 November and 15 March (both dates inclusive) in the relevant financial year—a report showing a revised forecast of each item shown in its budgeted financial statements for the relevant financial year compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.

The attached statements (refer Attachments) have been prepared in accordance with the above stated regulation.

Report

For efficiency of reporting the decision has been made to combine both the September Quarter Financial and Budget Review One information into a single report which has also resulted in a change to the presentation of financial information.

September Quarter 2017

East Waste commenced two new services in the First Quarter, being City of Norwood, Payneham & St Peters At-Call Hard Waste Collection and Campbelltown City Council Street and Reserve Litter Bin Collection. Along with continued strong performance, a First Quarter operating surplus of \$69,272 was achieved versus a budgeted surplus of \$29,896.

A detailed Profit & Loss Statement is contained within Attachment A (refer Attachment A), with the following key items to note for the September Quarter 2017 versus Adopted Budget 17/18 being:

- **Green Organics Disposal Income:** Variance of \$64,321 versus budget is offset with variance from corresponding income account and is principally due to the longer than expected winter delaying the onset of spring growth;
- **Hard Refuse Collections** is \$18,571 under budget, even with the commencement of NPSP, which is reflective of reduced collections across all other Councils, however with Hard Refuse Disposal Income being \$9,064 over budget it demonstrates that despite reduced collections more hard refuse is being collected. This statement is supported by anecdotal evidence from the Drivers. Both variances are offset with variance from corresponding income account;
- **Litter Income:** \$18,487.00 over budget due to introduction of Campbelltown Litter not initially being budgeted for;
- **Recyclables Rebate Income & Expense:** \$72,536 under budget as only two of three rebates received for the quarter. This has been resolved in Quarter Two;
- **Disposal Fees – Waste Income & Expense:** Actual against a \$0 budget due to oversight in formulation of 2017/18 budget. This has been resolved in Budget Review One and relates to Adelaide Hills Waste at times, for efficiency, being dumped at Cleanaway, Wingfield and on-charged;
- **Infrastructure Grant Income:** Actual against a \$0 budget due to oversight in formulation of 2017/18 budget. This has been resolved in Budget Review One;
- **Depreciation:** \$30,000 under budget due to four (4) new trucks being delivered by manufacturer later in quarter than anticipated;
- **Maintenance Trucks:** \$36,150 over budget due to annual truck audits & subsequent repairs;
- **Legal Fees:** \$22,288 principally over budget due to advice surrounding City of Prospect becoming Member Council and correct application of Enterprise Agreement in relation to RDOs;
- **Wages & Salaries:** \$84,094 over budget due to the introduction of the NPSP and City of Campbelltown services, less reliance on casual drivers and an unexpected resignation package totalling \$24,000;
- **Wages: Casual Agency:** \$51,906 under budget due less reliance on casual drivers in September Quarter;
- **Annual Leave Accrued:** \$25,216 under budget due to leave being correctly accrued and taken by staff. This will be expected to increase over the remainder of the financial year; and
- **Member Council Rebate:** \$408,161 allowance has been included in the proposed budget amendments as negative revenue, titled 'Member Council Rebate', to reflect the reduced service fees charged in Quarter Two and Three. This reduced income directly impacts the overall budget, with an Operating Deficit of \$42,426 shown for the financial year.

At the meeting held 21 September 2017, the East Waste Board resolved (in part):

7.1 AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2017

Moved Cr Hockley:

2. That the practice of bi-annual adjustments and subsequent invoice adjustments is undertaken as an ongoing practice; and
3. That the 2017/18 Quarter 1 is reconciled at Budget Review 1 and any subsequent refund, if it occurs, is returned to Member Councils.

Seconded Cr Piggott

Carried

As noted, an operating surplus of \$69,272 has been realised in Quarter One (1) and in line with the above resolution, Member Councils will receive the rebate detailed below in Table 1, in the form of a fee reduction on Quarter Three (3) invoices.

Table 1: 2017/18 Quarter One (1) Member Council Rebate

| Council | Common Fleet Costing | Rebate |
|---------------------------|-----------------------------|---------------|
| Adelaide Hills Council | 24.35% | \$16,867.73 |
| City of Burnside | 19.22% | \$13,314.07 |
| Campbelltown City Council | 20.76% | \$14,380.86 |
| City of Mitcham | 15.71% | \$10,882.63 |
| City of NP&SP | 16.51% | \$11,436.80 |
| Town of Walkerville | 3.45% | \$2,389.88 |
| | 100% | \$69,271.98 |

Budget Review One

As noted upon adoption, there have been a number of significant changes to the 2017/18 Annual Plan and Budget, as a result of:

- City of Prospect becoming a Member Council (revenue of \$864,410 per annum and resulting 8.02% Common Fleet Percentage) and East Waste commencing the following services on 2 October 2017:
 - Collection of all three kerbside waste streams;
 - Collection of Street and Reserve litter bins;
 - An at-call hard waste service;
 - Bin Repairs Maintenance and Replacement;
 - Second Bin Permit Services;
 - Education Services; and
 - A range of Customer Service and, Procurement and Contract Management Services; and
- City of Norwood Payneham and St Peters instructing East Waste to perform its at-call hard waste service (revenue and matching expense of \$96,855 per annum) commencing 1 July; and
- Campbelltown City Council instructing East Waste to perform its public place and litter service (revenue and matching expense of \$80,076 per annum), commencing 1 July.

As East Waste operates on a Common Fleet Costing Model, Administration and Overhead Expenses have all been adjusted accordingly to account for the above revenue increases.

Other key financial items of note are detailed in Table 2.

Table 2: Budget Review One Key Items

| Item | Description |
|--|--|
| Financial Year 2017 Member Council Rebate | Rebate of \$408,161 returned to Member Councils via fee reduction. This relates to the rebate on FY2017 waste collections overcharges as well as the return of Operating Surplus for Q1 FY2018. |
| Wages & Salaries Expense | Movement of \$144,573 – this accounts for the increased drivers for new services and reduction (approximately \$99,000) following correct treatment of the East Waste Collective Workplace Agreement. |
| Waste Disposal Income & Expense | Increase of \$103,082 due to an oversight of Adelaide Hills Waste at times for efficiency, being dumped at Cleanaway, Wingfield and on-charged. |
| Bin Replacement & Maintenance Income & Expense | Increase of \$53,665 as a result of a number of Councils opting into the new Mastec MGB contract. |
| Depreciation Expense | Increase of \$49,780 due to purchase of new Rear-Loader vehicle not previously budgeted for. |
| Fringe Benefit Tax Expense | Inclusion of \$24,000 due to an omission when the original budget was developed. An FBT assessment has previously not completed, hence inclusion as a new expense. |
| Consulting Expense | Increase of \$10,000 due to Payroll and Accounts Payable external audit. Assumption that this will be approved by Board in later agenda item. |
| Kerbside Comparative Audits Expense | Increase of \$15,000 to meet the requirements of the Receipt and Processing of Kerbside Recyclables. |
| Borrowings | The original budget assumed no borrowings for new RACV Collection Vehicles. As a result of the LTFP development and subsequent instructions from the Board, the purchases of RACVs are now funded through borrowings via the LGFA. |

East Wastes external accountancy firm Dean Newberry & Partners have prepared the Review report in the prescribed format which details the varied budget papers (refer Attachment A).

RECOMMENDATION

The Board:

- 1. Endorse the September Quarter 2017 Financial Report and 2017/18 Budget Review One as presented.**
- 2. Notes the September Quarter 2017 operating surplus of \$69,271.98 derived prior to the City of Prospect joining and this amount is returned to the Member Councils in the form of a fee reduction in line with the 2017/18 Adopted Budget Common Fleet Costings.**

Attachment A

EAST WASTE DETAILED PROJECTED PROFIT & LOSS REPORT (BUDGET) for the Financial Year Ending 30 June 2018

| | FY2018 ACTUAL YTD (July - September) | FY2018 BUDGET YTD | FY2018 VARIANCE (BUDGET YTD V ACTUAL YTD) | FY2018 ADOPTED BUDGET | FY 2018 PROPOSED BUDGET | FY 2018 ESTIMATED BUDGET MOVEMENT |
|--|--|----------------------|--|--------------------------|----------------------------|---|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| WASTE COLLECTION ACTIVITIES | | | | | | |
| Waste Collection Income | | | | | | |
| 3Logix Reporting Fee | 477 | 500 | (23) | 2,000 | 2,000 | - |
| Administration | 53,951 | 53,950 | 1 | 215,800 | 238,921 | 23,121 |
| Bin maintenance/Replacement Bins | 34,000 | 38,750 | (4,750) | 155,000 | 208,665 | 53,665 |
| Bin Supply - AHC | 16,145 | 16,145 | 0 | 64,578 | 64,578 | - |
| 2nd Bin Replacement | 84,943 | 80,100 | 4,843 | 90,000 | 90,000 | - |
| G/O Disposal Income | 243,855 | 308,176 | (64,321) | 1,232,705 | 1,297,988 | 65,283 |
| Green Organics | 630,540 | 630,515 | 25 | 2,522,061 | 2,681,808 | 159,747 |
| Hard Refuse | 89,969 | 108,539 | (18,571) | 434,157 | 555,781 | 121,624 |
| Hard Refuse Disposal Income | 80,353 | 71,289 | 9,064 | 285,156 | 331,291 | 46,135 |
| Household Refuse | 1,062,393 | 1,061,457 | 936 | 4,245,829 | 4,427,232 | 181,403 |
| Litter | 95,954 | 77,467 | 18,487 | 309,868 | 421,288 | 111,420 |
| Recyclables | 806,990 | 806,990 | 0 | 3,227,961 | 3,397,592 | 169,631 |
| Recyclables Rebate | 129,458 | 201,994 | (72,536) | 807,978 | 849,862 | 41,884 |
| Waste Disposal Income | 23,667 | - | 23,667 | - | 103,081 | 103,081 |
| Member Council Rebate | - | - | - | - | (408,161) | (408,161) |
| Workers Compensation Rebates | - | - | - | - | - | - |
| Total Income | 3,352,696 | 3,455,873 | (103,177) | 13,593,093 | 14,261,926 | 668,833 |
| Cost of Operations | | | | | | |
| 2nd Bin Reimbursement | 84,943 | 80,100 | 4,843 | 90,000 | 91,505 | 1,505 |
| Depreciation | 430,232 | 460,555 | (30,323) | 1,842,220 | 1,892,000 | 49,780 |
| Disposal Fees - G/O | 239,642 | 308,176 | (68,535) | 1,232,705 | 1,297,988 | 65,283 |
| Disposal Fees - Hard | 80,353 | 71,289 | 9,064 | 285,156 | 331,291 | 46,135 |
| Disposal Fees - Waste | 25,770 | - | 25,770 | - | 103,081 | 103,081 |
| Audits/Contamination | - | - | - | 40,000 | 40,000 | - |
| Fuel; Gas & Oil | 241,436 | 243,766 | (2,330) | 975,065 | 1,012,497 | 37,432 |
| Fuel Tax Credits | (58,460) | (60,000) | 1,540 | (240,000) | (241,831) | (1,831) |
| Interest Expense | 91,788 | 132,953 | (41,166) | 340,490 | 367,150 | 26,660 |
| Maintenance - Motor Vehicles | 7,621 | 8,000 | (379) | 32,000 | 32,535 | 535 |
| Maintenance - Trucks | 318,879 | 282,729 | 36,150 | 1,130,917 | 1,277,130 | 146,213 |
| Maintenance - Truck Contract | 47,100 | 52,500 | (5,400) | 210,000 | 213,511 | 3,511 |
| Maintenance - Bins | 42,134 | 54,797 | (12,663) | 219,186 | 273,243 | 54,057 |
| Recycling Rebate | 129,458 | 201,995 | (72,536) | 807,978 | 849,862 | 41,884 |
| Registration & Insurance | 79,789 | 77,000 | 2,789 | 229,973 | 256,151 | 26,178 |
| Superannuation | 84,821 | 80,885 | 3,936 | 313,146 | 324,047 | 10,901 |
| Wages & Salaries | 1,039,337 | 955,243 | 84,094 | 3,947,227 | 4,091,800 | 144,573 |
| Wages: Casual Agency | 87,678 | 139,584 | (51,906) | 587,632 | 637,417 | 49,785 |
| Workers' Compensation | 36,393 | 38,417 | (2,024) | 150,000 | 164,532 | 14,532 |
| Total Cost of Operations | 3,008,913 | 3,127,989 | (119,076) | 12,193,696 | 13,013,910 | 820,214 |
| Waste Collection Operations Surplus / (Deficit) | 343,783 | 327,884 | 15,898 | 1,399,397 | 1,248,016 | (151,381) |

EAST WASTE

DETAILED PROJECTED PROFIT & LOSS REPORT (BUDGET)

for the Financial Year Ending 30 June 2018

| | FY2018 ACTUAL YTD (July - September) | FY2018 BUDGET YTD | FY2018 VARIANCE (BUDGET YTD V ACTUAL YTD) | FY2018 ADOPTED BUDGET | FY 2018 PROPOSED BUDGET | FY 2018 ESTIMATED BUDGET MOVEMENT |
|---|--|----------------------|--|--------------------------|----------------------------|---|
| ADMINISTRATIVE & CORPORATE OVERHEAD ACTIVITIES | \$ | \$ | \$ | \$ | \$ | \$ |
| Other Income | | | | | | |
| Sundry Income | 15 | 2,621 | (2,606) | 10,485 | 10,485 | - |
| Profit from Sale of Fixed Assets | - | 5,000 | (5,000) | 20,000 | 20,000 | - |
| Interest Income | 1,906 | 8,000 | (6,094) | 32,000 | 32,000 | - |
| Grant Income | 15,000 | - | 15,000 | - | 15,000 | 15,000 |
| Total Other Income | 16,921 | 15,621 | 1,300 | 62,485 | 77,485 | 15,000 |
| Other Administration & Overhead Expenses | | | | | | |
| Account Fees | 1,305 | 1,250 | 55 | 5,000 | 5,084 | 84 |
| Accounting & Audit | 7,250 | 7,250 | 0 | 29,000 | 29,485 | 485 |
| Bank Charges | 695 | 525 | 170 | 2,100 | 2,135 | 35 |
| Board Fees | 7,700 | 5,100 | 2,600 | 25,500 | 27,500 | 2,000 |
| Communications | 41,116 | 37,500 | 3,616 | 150,000 | 152,508 | 2,508 |
| Conference | 3,883 | 4,000 | (117) | 16,000 | 16,268 | 268 |
| Consulting | 20,826 | 21,250 | (424) | 85,000 | 96,421 | 11,421 |
| Depreciation | 2,162 | 1,945 | 217 | 7,780 | 7,910 | 130 |
| Education & Training | 7,835 | 7,500 | 335 | 30,000 | 30,652 | 652 |
| Equipment Hire | 6,644 | 12,500 | (5,856) | 50,000 | 50,916 | 916 |
| Fire / Security Service | 3,304 | 3,750 | (446) | 15,000 | 15,251 | 251 |
| Fringe Benefits Tax | - | - | - | - | 24,000 | 24,000 |
| GPS Monthly Tracking | 17,161 | 16,250 | 911 | 65,000 | 67,825 | 2,825 |
| Insurance | 5,336 | 5,500 | (164) | 22,000 | 23,369 | 1,369 |
| Kerbside Audits (comparative) | - | - | 0 | 15,000 | 30,251 | 15,251 |
| Lease: Two-way Radio | 1,710 | 2,000 | (290) | 8,000 | 8,134 | 134 |
| Legal Fees | 31,038 | 8,750 | 22,288 | 35,000 | 35,585 | 585 |
| Licence Fees | - | - | 0 | 2,500 | 2,542 | 42 |
| Other Items - Ottoway | 8,945 | 10,888 | (1,944) | 43,554 | 44,282 | 728 |
| Outgoings Ottoway Depot | 10,185 | 10,757 | (572) | 43,027 | 43,746 | 719 |
| Power | 8,408 | 12,375 | (3,967) | 49,500 | 50,328 | 828 |
| Printing, Stationery, Postage | 14,404 | 10,351 | 4,053 | 41,406 | 44,348 | 2,942 |
| Promotion & Advertising | 6,698 | 12,993 | (6,294) | 51,971 | 53,590 | 1,619 |
| Protective Clothing | 1,683 | 4,446 | (2,763) | 17,784 | 18,336 | 552 |
| Provisions | (4,582) | 20,485 | (25,067) | 81,940 | 83,310 | 1,370 |
| Rent - Ottoway | 49,710 | 50,165 | (454) | 200,659 | 200,659 | - |
| Risk Assessment Expenses | - | 2,500 | (2,500) | 10,000 | 10,167 | 167 |
| Staff Amenities | 14,123 | 14,213 | (89) | 56,851 | 58,036 | 1,185 |
| Staff Medical | 705 | 250 | 455 | 1,000 | 1,017 | 17 |
| Subscriptions | 2,101 | 536 | 1,565 | 2,144 | 2,180 | 36 |
| Sundry Items | 3,179 | 1,778 | 1,401 | 7,111 | 23,090 | 15,979 |
| Telephone | 9,508 | 11,206 | (1,697) | 44,822 | 45,572 | 749 |
| Tools, Minor Equipment | 8,396 | 15,598 | (7,201) | 62,390 | 63,433 | 1,043 |
| Total Administration & Corporate Overhead Expenses | 291,432 | 313,610 | (22,178) | 1,277,038 | 1,367,927 | 90,889 |
| Surplus / (Deficit) Administration & Corporate Overhead Activities | (274,511) | (297,988) | 23,477 | (1,214,553) | (1,290,442) | (75,889) |
| Net Surplus / (Deficit) | 69,272 | 29,896 | 39,376 | 184,844 | (42,426) | (227,270) |

Attachment B

EAST WASTE

DETAILED PROJECTED BUSINESS UNIT PROFIT & LOSS REPORT (BUDGET)

for the Financial Year Ending 30 June 2018

| | FY2018 | PROPOSED BUDGET FY2018 | | | | FY 2018 | FY2018 |
|--|-------------------|------------------------|----------------------------|--------------------------|---------------------------|---------------------------|-------------------|
| | ADOPTED BUDGET | Common Fleet Costing | Bin Maintenance Activities | Corporate Administration | Waste Disposal Activities | ESTIMATED BUDGET MOVEMENT | PROPOSED BUDGET |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| WASTE COLLECTION ACTIVITIES | | | | | | | |
| Waste Collection Income | | | | | | | |
| 3Logix Reporting Fee | 2,000 | 2,000 | - | - | - | - | 2,000 |
| Administration | 215,800 | - | - | 238,921 | - | 23,121 | 238,921 |
| Bin maintenance/Replacement Bins | 155,000 | - | 208,665 | - | - | 53,665 | 208,665 |
| Bin Supply - AHC | 64,578 | - | 64,578 | - | - | - | 64,578 |
| 2nd Bin Replacement | 90,000 | - | 90,000 | - | - | - | 90,000 |
| G/O Disposal Income | 1,232,705 | - | - | - | 1,297,988 | 65,283 | 1,297,988 |
| Green Organics | 2,522,061 | 2,681,808 | - | - | - | 159,747 | 2,681,808 |
| Hard Refuse | 434,157 | 555,781 | - | - | - | 121,624 | 555,781 |
| Hard Refuse Disposal Income | 285,156 | - | - | - | 331,291 | 46,135 | 331,291 |
| Household Refuse | 4,245,829 | 4,427,232 | - | - | - | 181,403 | 4,427,232 |
| Litter | 309,868 | 421,288 | - | - | - | 111,420 | 421,288 |
| Recyclables | 3,227,961 | 3,397,592 | - | - | - | 169,631 | 3,397,592 |
| Recyclables Rebate | 807,978 | - | - | - | 849,862 | 41,884 | 849,862 |
| Waste Disposal Income | - | - | - | - | 103,081 | 103,081 | 103,081 |
| Member Council Rebate | - | 408,161 | - | - | - | 408,161 | (408,161) |
| Workers Compensation Rebates | - | - | - | - | - | - | - |
| Total Income | 13,593,093 | 11,077,540 | 363,243 | 238,921 | 2,582,222 | 668,833 | 14,261,926 |
| Cost of Operations | | | | | | | |
| 2nd Bin Reimbursement | 90,000 | - | 91,505 | - | - | 1,505 | 91,505 |
| Depreciation | 1,842,220 | 1,892,000 | - | - | - | 49,780 | 1,892,000 |
| Disposal Fees - G/O | 1,232,705 | - | - | - | 1,297,988 | 65,283 | 1,297,988 |
| Disposal Fees - Hard | 285,156 | - | - | - | 331,291 | 46,135 | 331,291 |
| Disposal Fees - Waste | - | - | - | - | 103,081 | 103,081 | 103,081 |
| Audits/Contamination | 40,000 | 40,000 | - | - | - | - | 40,000 |
| Fuel; Gas & Oil | 975,065 | 1,012,497 | - | - | - | 37,432 | 1,012,497 |
| Fuel Tax Credits | (240,000) | (241,831) | - | - | - | (1,831) | (241,831) |
| Interest Expense | 340,490 | 367,150 | - | - | - | 26,660 | 367,150 |
| Maintenance - Motor Vehicles | 32,000 | 32,535 | - | - | - | 535 | 32,535 |
| Maintenance - Trucks | 1,130,917 | 1,277,130 | - | - | - | 146,213 | 1,277,130 |
| Maintenance - Truck Contract | 210,000 | 213,511 | - | - | - | 3,511 | 213,511 |
| Maintenance - Bins | 219,186 | - | 273,243 | - | - | 54,057 | 273,243 |
| Recycling Rebate | 807,978 | - | - | - | 849,862 | 41,884 | 849,862 |
| Registration & Insurance | 229,973 | 256,151 | - | - | - | 26,178 | 256,151 |
| Superannuation | 313,146 | 324,047 | - | - | - | 10,901 | 324,047 |
| Wages & Salaries | 3,947,227 | 4,091,800 | - | - | - | 144,573 | 4,091,800 |
| Wages: Casual Agency | 587,632 | 637,417 | - | - | - | 49,785 | 637,417 |
| Workers' Compensation | 150,000 | 164,532 | - | - | - | 14,532 | 164,532 |
| Total Cost of Operations | 12,193,696 | 10,066,940 | 364,748 | - | 2,582,222 | 820,214 | 13,013,910 |
| Waste Collection Operations Surplus / (Deficit) | 1,399,397 | 1,010,600 | (1,505) | 238,921.00 | - | (151,381) | 1,248,016 |

EAST WASTE

DETAILED PROJECTED BUSINESS UNIT PROFIT & LOSS REPORT (BUDGET)

for the Financial Year Ending 30 June 2018

| | FY2018 | PROPOSED BUDGET FY2018 | | | | FY 2018 | FY2018 |
|---|--------------------|------------------------|----------------------------|--------------------------|---------------------------|---------------------------|--------------------|
| | ADOPTED BUDGET | Common Fleet Costing | Bin Maintenance Activities | Corporate Administration | Waste Disposal Activities | ESTIMATED BUDGET MOVEMENT | PROPOSED BUDGET |
| ADMINISTRATIVE & CORPORATE OVERHEAD ACTIVITIES | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Other Income | | | | | | | |
| Sundry Income | 10,485 | - | - | 10,485 | - | - | 10,485 |
| Profit from Sale of Fixed Assets | 20,000 | - | - | 20,000 | - | - | 20,000 |
| Interest Income | 32,000 | - | - | 32,000 | - | - | 32,000 |
| Grant Income | - | - | - | 15,000 | - | 15,000 | 15,000 |
| Total Other Income | 62,485 | - | - | 77,485 | - | 15,000 | 77,485 |
| Other Administration & Overhead Expenses | | | | | | | |
| Account Fees | 5,000 | 5,084 | - | - | - | 84 | 5,084 |
| Accounting & Audit | 29,000 | 29,485 | - | - | - | 485 | 29,485 |
| Bank Charges | 2,100 | 2,135 | - | - | - | 35 | 2,135 |
| Board Fees | 25,500 | 27,500 | - | - | - | 2,000 | 27,500 |
| Communications | 150,000 | 152,508 | - | - | - | 2,508 | 152,508 |
| Conference | 16,000 | 16,268 | - | - | - | 268 | 16,268 |
| Consulting | 85,000 | 96,421 | - | - | - | 11,421 | 96,421 |
| Depreciation | 7,780 | 7,910 | - | - | - | 130 | 7,910 |
| Education & Training | 30,000 | 30,652 | - | - | - | 652 | 30,652 |
| Equipment Hire | 50,000 | 50,916 | - | - | - | 916 | 50,916 |
| Fire / Security Service | 15,000 | 15,251 | - | - | - | 251 | 15,251 |
| Fringe Benefits Tax | - | 24,000 | - | - | - | 24,000 | 24,000 |
| GPS Monthly Tracking | 65,000 | 67,825 | - | - | - | 2,825 | 67,825 |
| Insurance | 22,000 | 23,369 | - | - | - | 1,369 | 23,369 |
| Kerbside Audits (comparative) | 15,000 | 30,251 | - | - | - | 15,251 | 30,251 |
| Lease: Two-way Radio | 8,000 | 8,134 | - | - | - | 134 | 8,134 |
| Legal Fees | 35,000 | 35,585 | - | - | - | 585 | 35,585 |
| Licence Fees | 2,500 | 2,542 | - | - | - | 42 | 2,542 |
| Other Items - Ottoway | 43,554 | 44,282 | - | - | - | 728 | 44,282 |
| Outgoings Ottoway Depot | 43,027 | 43,746 | - | - | - | 719 | 43,746 |
| Power | 49,500 | 50,328 | - | - | - | 828 | 50,328 |
| Printing, Stationery, Postage | 41,406 | 44,348 | - | - | - | 2,942 | 44,348 |
| Promotion & Advertising | 51,971 | 53,590 | - | - | - | 1,619 | 53,590 |
| Protective Clothing | 17,784 | 18,336 | - | - | - | 552 | 18,336 |
| Provisions | 81,940 | 83,310 | - | - | - | 1,370 | 83,310 |
| Rent - Ottoway | 200,659 | 200,659 | - | - | - | - | 200,659 |
| Risk Assessment Expenses | 10,000 | 10,167 | - | - | - | 167 | 10,167 |
| Staff Amenities | 56,851 | 58,036 | - | - | - | 1,185 | 58,036 |
| Staff Medical | 1,000 | 1,017 | - | - | - | 17 | 1,017 |
| Subscriptions | 2,144 | 2,180 | - | - | - | 36 | 2,180 |
| Sundry Items | 7,111 | 23,090 | - | - | - | 15,979 | 23,090 |
| Telephone | 44,822 | 45,572 | - | - | - | 749 | 45,572 |
| Tools, Minor Equipment | 62,390 | 63,433 | - | - | - | 1,043 | 63,433 |
| Total Administration & Corporate Overhead Expenses | 1,277,038 | 1,367,927 | - | - | - | 90,889 | 1,367,927 |
| Surplus / (Deficit) Administration & Corporate Overhead Activities | (1,214,553) | (1,367,927) | 0 | 77,485 | 0 | (75,889) | (1,290,442) |
| Net Surplus / (Deficit) | 184,844 | (357,327) | (1,505) | 316,406 | 0 | (227,270) | (42,426) |

Attachment C

EAST WASTE

COMMON FLEET COSTING WORKSHEET (BUDGET)

for the Financial Year Ending 30 June 2018

2018
\$
PROPOSED BUDGET

| | |
|---|--------------------------|
| Total Waste Collection Costs | 10,066,940 |
| Total Administrative & Corporate Overhead Costs | <u>1,367,927</u> |
| Total Expenses Per Profit & Loss | <u>11,434,867</u> |
| | |
| Less: Member Council Non-Collection Income | |
| Administration Income | - |
| | |
| Total Recoverable Collection Costs - Member Councils | <u>11,434,867</u> |
| | |
| <i>Add: Additional Charges - Board Approved Surplus Charges</i> | - |
| | |
| Total Recoverable Collection Costs - Member Councils | <u>11,434,867</u> |

| Member Council | C&T % | Estimated Costs to be Allocated | FY 2018 Adopted Budget | Estimated Movement |
|--------------------------------------|--------|---------------------------------|------------------------|--------------------|
| Adelaide Hills Council | 22.33% | 2,553,406 | 2,434,014 | 119,391 |
| City of Burnside | 16.78% | 1,918,771 | 1,921,222 | (2,451) |
| Campbelltown City Council | 19.14% | 2,188,634 | 2,075,160 | 113,474 |
| City of Mitcham | 14.12% | 1,614,603 | 1,570,364 | 44,239 |
| City of Norwood Payneham & St Peters | 16.19% | 1,851,305 | 1,650,332 | 200,973 |
| City of Prospect | 8.02% | 917,076 | - | 917,076 |
| Corporation Town of Walkerville | 3.42% | 391,072 | 344,860 | 46,212 |
| Total | | 11,434,867 | 9,995,952 | 1,438,915 |

Attachment D

EAST WASTE

PROJECTED STATEMENT OF COMPREHENSIVE INCOME (BUDGET) for the Financial Year Ending 30 June 2018

| FY 2017 AUDITED ACTUALS \$'000 | | FY 2018 ADOPTED BUDGET \$'000 | FY 2018 PROPOSED BUDGET \$'000 |
|---|--|--|---|
| | INCOME | | |
| 13,068 | User Charges | 13,283 | 13,899 |
| 30 | Investment income | 32 | 32 |
| 40 | Grants, subsidies and contributions | - | 15 |
| 408 | Other | 320 | 374 |
| 13,546 | TOTAL INCOME | 13,635 | 14,319 |
| | EXPENSES | | |
| 5,164 | Employee Costs | 4,410 | 4,580 |
| 6,007 | Materials, contracts & other expenses | 6,870 | 7,534 |
| 332 | Depreciation, amortisation & impairment | 1,850 | 1,900 |
| 1,724 | Finance costs | 340 | 367 |
| 13,227 | TOTAL EXPENSES | 13,470 | 14,382 |
| <u>319</u> | OPERATING SURPLUS / (DEFICIT) | <u>165</u> | <u>(62)</u> |
| 20 | Asset disposals & fair value adjustments | 20 | 20 |
| <u>339</u> | NET SURPLUS / (DEFICIT) | <u>185</u> | <u>(42)</u> |
| - | Other Comprehensive Income | - | - |
| <u><u>339</u></u> | TOTAL COMPREHENSIVE INCOME | <u><u>185</u></u> | <u><u>(42)</u></u> |

Attachment E

EAST WASTE PROJECTED BALANCE SHEET (BUDGET) for the Financial Year Ending 30 June 2018

| FY 2017 AUDITED ACTUALS \$'000 | | FY 2018 ADOPTED BUDGET \$ | FY 2018 PROPOSED BUDGET \$ |
|---|---|------------------------------------|-------------------------------------|
| | ASSETS | | |
| | CURRENT ASSETS | | |
| 1,984 | Cash & Cash Equivalents | 2,530 | 2,443 |
| 412 | Trade & Other Receivables | 339 | 412 |
| - | Other Financial Assets | - | - |
| 2,396 | TOTAL CURRENT ASSETS | 2,869 | 2,855 |
| | NON-CURRENT ASSETS | | |
| 6,046 | Infrastructure, Property, Plant & Equipment | 5,758 | 6,142 |
| 6,046 | TOTAL NON-CURRENT ASSETS | 5,758 | 6,142 |
| <u>8,442</u> | TOTAL ASSETS | <u>8,627</u> | <u>8,997</u> |
| | LIABILITIES | | |
| | CURRENT LIABILITIES | | |
| 826 | Trade & Other Payables | 926 | 826 |
| 1,701 | Borrowings | 1,501 | 2,007 |
| 491 | Provisions | 553 | 574 |
| 3,018 | TOTAL CURRENT LIABILITIES | 2,980 | 3,407 |
| | NON-CURRENT LIABILITIES | | |
| 4,741 | Borrowings | 5,264 | 4,827 |
| 72 | Provisions | 111 | 72 |
| 4,813 | TOTAL NON-CURRENT LIABILITIES | 5,375 | 4,899 |
| <u>7,831</u> | TOTAL LIABILITIES | <u>8,355</u> | <u>8,306</u> |
| <u>611</u> | NET ASSETS | <u>272</u> | <u>691</u> |
| | EQUITY | | |
| 611 | Accumulated Surplus | 272 | 691 |
| <u>611</u> | TOTAL EQUITY | <u>272</u> | <u>691</u> |

Attachment F

EAST WASTE

PROJECTED STATEMENT OF CASH FLOWS (BUDGET)

for the Financial Year Ending 30 June 2018

| FY 2017 AUDITED ACTUALS \$'000 | | FY 2018 ADOPTED BUDGET \$ | FY 2018 PROPOSED BUDGET \$ |
|---|---|------------------------------------|-------------------------------------|
| | CASH FLOWS FROM OPERATING ACTIVITIES | | |
| | RECEIPTS | | |
| 13,465 | Operating Receipts | 14,964 | 15,716 |
| 28 | Investment Receipts | 32 | 32 |
| | PAYMENTS | | |
| (5,279) | Employee costs | (4,411) | (4,580) |
| (7,063) | Materials, contracts & other expenses | (8,148) | (8,880) |
| (320) | Interest Payments | (340) | (367) |
| 831 | NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES | 2,097 | 1,921 |
| | CASH FLOWS FROM INVESTING ACTIVITIES | | |
| | RECEIPTS | | |
| 104 | Sale of Replaced Assets | 20 | 20 |
| | PAYMENTS | | |
| (2,522) | Expenditure on Renewal/Replaced Assets | (1,500) | (1,996) |
| - | Expenditure of New/Upgraded Assets | - | - |
| - | Distribution to Councils | - | - |
| (2,418) | NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES | (1,480) | (1,976) |
| | CASH FLOWS FROM FINANCING ACTIVITIES | | |
| | RECEIPTS | | |
| 122 | Capital Contributed by Member Councils | 122 | 122 |
| 1,926 | Proceeds from Borrowings | - | 1,996 |
| | PAYMENTS | | |
| (1,275) | Repayment of Borrowings | (1,522) | (1,604) |
| 773 | NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES | (1,400) | 514 |
| (814) | NET INCREASE (DECREASE) IN CASH HELD | (783) | 459 |
| | CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD | 2,530 | 1,984 |
| <u>2,798</u> | | | |
| <u>1,984</u> | CASH & CASH EQUIVALENTS AT END OF PERIOD | <u>1,747</u> | <u>2,443</u> |

Attachment G

EAST WASTE

PROJECTED STATEMENT OF CHANGES IN EQUITY (BUDGET)
for the Financial Year Ending 30 June 2018

| FY 2017 AUDITED ACTUALS \$ | | FY 2018 ADOPTED BUDGET \$ | FY 2018 PROPOSED BUDGET \$ |
|-------------------------------------|--|------------------------------------|-------------------------------------|
| 150 | BALANCE AT END OF PREVIOUS REPORTING PERIOD | 611 | 611 |
| 339 | Net Surplus / (Deficit) for Year | 185 | (42) |
| 122 | Contributed Equity | 122,018 | 122 |
| - | Distribution to Councils | - | - |
| <u>611</u> | BALANCE AT END OF REPORTING PERIOD | <u>122,814</u> | <u>691</u> |

Attachment H

EAST WASTE

PROJECTED UNIFORM PRESENTATION OF FINANCES STATEMENT (BUDGET)
for the Financial Year Ending 30 June 2018

| FY2017 | | FY 2018 | FY 2018 |
|-----------------|---|----------------|-----------------|
| AUDITED ACTUALS | | ADOPTED BUDGET | PROPOSED BUDGET |
| \$ | | \$ | \$ |
| 13,546 | Income | 13,635 | 14,319 |
| 13,227 | Expenses | 13,470 | 14,382 |
| <u>319</u> | Operating Surplus / (Deficit) | <u>165</u> | <u>(62)</u> |
| | less Net Outlays on Existing Assets | | |
| 2,522 | Capital Expenditure on Renewal and Replacement of Existing Assets | 1,500 | 1,996 |
| (332) | Depreciation, Amortisation and Impairment | (1,850) | (1,900) |
| (104) | Proceeds from Sale of Replaced Assets | (20) | (20) |
| <u>2,086</u> | | <u>(370)</u> | <u>76</u> |
| | Less Net Outlays on New and Upgraded Assets | | |
| - | Capital Expenditure on New and Upgraded Assets | - | - |
| - | Amounts Specifically for New and Upgraded Assets | - | - |
| - | Proceeds from Sale of Surplus Assets | - | - |
| <u>-</u> | | <u>-</u> | <u>-</u> |
| <u>(1,767)</u> | NET LENDING / (BORROWING) FOR FINANCIAL YEAR | <u>535</u> | <u>(139)</u> |

7.2: TREASURY MANAGEMENT POLICY

REPORT AUTHOR: Manager, Corporate Services
ATTACHMENTS: A: DRAFT East Waste Treasury Management Policy

Purpose of the Report

To provide the Board with an opportunity to adopt the proposed DRAFT East Waste Treasury Management Policy.

Background

In accordance with East Waste's Annual Plan 2017/2018, the Board is to adopt a Treasury Management Policy (the Policy) in this current financial year. Additionally at the meeting held 21 September 2017 the East Waste Board resolved (in part):

FINAL LONG TERM FINANCIAL PLAN

Moved Cr Hockley

3. That the Board instruct the General Manager to develop a Treasury Management Policy.

Seconded Cr Busato

Carried

Report

The intention of the Policy is to set the principles and criteria with regard to East Waste's treasury (cash) management in the context of the Annual Plan and Budget, Long Term Financial Plan and associated projected and actual cash receipts and outlays.

The attached draft outlines how required borrowings will be raised, if relevant, when and how reserves are created and maintained, and how cash and investments will be managed to fund East Waste operations. The policy has been drafted in accordance with:

- Requirements of the *Local Government Act 1999*;
- Clause 61 of the East Waste Charter – *Distributions to Constituent Councils*; and
- East Waste's borrowing and investment relationship with the Local Government Finance Authority.

RECOMMENDATION

That the Board adopt the East Waste Treasury Management Policy as presented.



| | |
|--|----------------------------------|
| Policy: | Treasury Management |
| Responsibility for Review: | General Manager |
| Relevant Legislation: | <i>Local Government Act 1999</i> |
| Relevant Documents: | East Waste Charter |
| Policy Superseded by this policy on its Adoption: | N/A |
| Adoption Authority: | East Waste Board |
| Date of Adoption: | |
| Minute Reference for Adoption: | |
| Next Review: | No later than November 2019 |

1. PURPOSE

The Treasury Management Policy sets the principles and criteria with regard to East Waste's treasury (cash) management in the context of the Annual Plan and Budget, Long Term Financial Plan and associated projected and actual cash receipts and outlays. It outlines how required borrowings will be raised, if relevant, when and how reserves are created and maintained and how cash and investments will be managed to fund East Waste operations.

This Treasury Management Policy establishes a decision framework to ensure that:

- Funds are available as required to support approved outlays;
- Interest and other risks are acknowledged and responsibly managed; and
- The net interest costs associated with borrowing and investing will be selected to deliver the best value for East Waste over the longer term.

2. POLICY SCOPE

This policy applies to all financial assets/liabilities and reserves, including finance leases except for the following specific exclusions:

- Creditors and Provisions; and
- Bank Guarantees.

3. DEFINITIONS

Bank Guarantee

A promise made by a bank to provide payment to East Waste in the event of default.

Borrowings

An amount of money or monies owed by East Waste to a lender for which East Waste agrees to pay the lender interest.

Cash Advance

A loan where principal amounts can be repaid at any time and interest is only payable on the amounts of principal outstanding.

Debenture Loan

A fixed interest rate loan issued by a reputable and creditworthy issuer.

Depreciation

The annual allocation of cost to reflect an asset's service potential over its useful life, which is included in the operating cost of the service that the asset is providing.

Distribution

Distributions (either by cash or in-specie asset) are payments made to Constituent Councils that reflect the distribution of accumulated profit earned by the Authority. Distributions are not recorded as an Operating Expense – they are recorded as a reduction in Equity on the Authority's Balance Sheet.

Financial Sustainability

Is achieved where planned long term service and infrastructure levels and standards are met without unplanned increases in collection fees or disruptive cuts to services.

Net Financial Liabilities

This is a measure of the extent to which East Waste is managing its debt. It can highlight that borrowings are often an effective means of financial stability, rather than trying to fund all assets and services from operating income.

Rebate

A Rebate is a reduction in the previously estimated service fee (applied through Common Fleet percentage) charged to Constituent Councils. A Rebate is recorded as a reduction in Operating Revenue in the period it is applied.

Surplus Funds

An amount of funds leftover when requirements have been met.

4. POLICY STATEMENT

4.1 Investments

The following statement is made with consideration to, and in accordance with, the requirements of Clause 61 of the East Waste Charter – Distributions to Constituent Councils. Clause 61 states:

'The Authority must pay or credit surplus funds to the Constituent Councils in proportion to their shares to the extent the Board determines the Authority can afford to pay having regard to future expenditure the Business Plan anticipates be incurred.'

Any funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings will be invested in accordance with this Policy.

EastWaste

Investments will be made in a prudent manner having regard for the prevailing economic climate, projected interest rate movements and future cash requirements.

Cash investments are to be limited to:

- Deposits with the Local Government Finance Authority.

Unless it is financially advantageous to do so, the maturity date for fixed term investments should not exceed a point in time where the funds could otherwise be applied cost effectively to either defer the need to raise new borrowings or reduce the level of East Waste's existing borrowings.

All investments are to be made exercising care, diligence and skill in the consideration of:

- The purpose of the investment;
- The likely income return and timing of income return;
- The period in which the investment is likely to be required;
- The cost of making and maintaining the investment;
- An assessment on future interest rate movements;
- The liquidity and marketability of the proposed investment; and
- An assessment of future cash flow requirements.

4.2 Surplus Funds

Clause 61 of the East Waste Charter – Distributions to Constituent Councils sets out the requirements East Waste must adhere to with respect to the treatment of surplus funds. Clause 61 states:

'The Authority must pay or credit surplus funds to the Constituent Councils in proportion to their shares to the extent the Board determines the Authority can afford to pay having regard to future expenditure the Business Plan anticipates be incurred.'

If and when a sufficient surplus is realised and subject to a decision of the East Waste Board in accordance with Clause 61, surplus is to return to Constituent Councils.

4.3 Borrowings

Borrowings are not a form of revenue and do not replace the need for East Waste to generate sufficient operating revenue to service its operating requirements. Undertaking borrowings gives rise to both an asset (the cash it provides) and a liability (the obligation to repay the money borrowed).

Borrowings are a useful and valid mechanism to:

- Establish new long term assets that will service Constituent Councils and their residents; and
- Manage timing differences between operating cash inflows and outflows.

EastWaste

East Waste may borrow in accordance with Clause 10.11 of the East Waste Charter which states East Waste may:

‘borrow or raise money within borrowing limits.’

East Waste manages its funds holistically within the constraints of the Annual Plan and Budget and Long Term Financial Plan.

All borrowings are to be made exercising care, diligence and skill in the consideration of:

- Current risk profile;
- Current economic factors;
- The period over which the funds are likely to be required;
- Expected short and long term view of interest rate trends;
- East Waste’s overall debt maturity profile and mix;
- Cost of funding;
- Cost differentials between fixed and variable facilities;
- Long term capacity of repayment of loans;
- The rationale for the borrowings; and
- The cost of making and maintaining the borrowing.

4.4 Authority to Borrow

In accordance with Clause 11.3 of the East Waste Charter, the Board may not delegate the power to borrow money or obtain any other form of financial accommodation unless authorised in an Annual Plan.

Budgeted borrowings that are not taken out within the financial year for which they are approved are not carried over into the following year and the delegated authority to borrow those funds lapse. A new budgeted borrowings limit is then established as part of the following year’s budget.

4.5 Quotations

East Waste will utilise the Local Government Finance Authority as its primary supplier when undertaking new borrowings or investing surplus cash. The Local Government Finance Authority provides significant support to the industry and applies bonus return payments to Councils and Subsidiaries from its profits.

From time to time, at intervals of no more than every two years, at least two competitive quotes will be sourced, compared and documented against the Local Government Finance Authority to ensure they continue to deliver the value to the community (after taking into account all relevant factors, including bonus amounts paid and bonus discounts received).

4.6 Maintain Sufficient Funds to Meet Liabilities

In order to ensure liabilities are met as and when they fall due and to maintain business continuity, East Waste Executive Administration shall maintain a suitable balance of funds held in any operating account to meet current period financial obligations. These limits shall be considered when preparing the Annual Plan and Budget, Budget Reviews and Long Term Financial Plan.

East Waste's Executive Management team will monitor the level of cash equivalents on a weekly basis.

4.7 Reporting

On or before 30 November each year, the East Waste Board shall receive, via the Audit and Risk Management Committee, a specific report regarding treasury management performance relative to the criteria specified in this policy.

This report will highlight:

- The amount of each East Waste borrowing and investment, its interest rate, maturity date and any changes in holdings since the previous report; and
- If applicable, the proportion of fixed interest rate and variable interest rate borrowings at the end of the reporting period.

7.3: Audit of East Waste's Payroll and Accounts Payable Functions

REPORT AUTHOR: General Manager

ATTACHMENTS: Nil

Purpose of the Report

This Report provides a draft Scope of Works for an external Audit of East Waste's Payroll and Accounts Payable/Procurement functions for the Board's consideration and input, ahead of awarding the work in accordance with the Authority's Procurement Policy.

Background

East Waste have addressed at least two significant matters associated with payroll functions in recent times which were associated with historical and long-standing misinterpretations. Following the identification of the most recent misinterpretation, the East Waste Board at the meeting held 21 September 2017, resolved (in part):

7.4 PAYROLL MATTER

Moved Mr Di Iulio:

3. *That an external audit of East Waste's payroll function be undertaken;*

Seconded Mr Miller

Carried

Report

A scope of works has been prepared as the basis for an external auditor to review the internal controls and processes of East Waste's current Payroll function and is detailed below.

Scope of Payroll Audit

The review of Payroll internal controls will focus on internal controls operating within the current 2017/18 financial year. Key areas of review and methodology applied is at a minimum to cover:

1. Review of current MYOB database controls, system access and backup procedures;
2. Review compliance with Australian Tax Office reporting obligations and compliance;
3. Review MYOB database to ensure accurate reflection of working employees;
4. Review of current Enterprise Agreement and Awards for compliance with agreed terms and obligations under these arrangements;
5. Review of leave entitlement accrual, approval and reporting controls (including for leave entitlements allowable under Fair Work for parental leave, carers leave, etc.);
6. Review controls and reporting around the administration of overtime worked by employees;
7. Review controls over employee timesheets;
8. Undertake a review of controls in comparison to industry Better Practice Model(s) to identify any gaps;
9. Review of record retention processes and controls;
10. Review a sample of employee contracts and agreements to ensure terms and conditions of employment are being correctly administered;
11. Review Fringe Benefit Tax (FBT) compliance; and
12. Delivery of a report summarising findings, areas for further investigation and associated recommendations to further enhance and strengthen internal controls.

Given the historical issues identified and rapid maturity of the Organisation in recent years, it would also be prudent to couple this process with a similar review of the Accounts Payable and Procurement. There is some crossover in the functions and given the residual fraud risk that will always exist in an Organisation the size of East Waste, it would be useful to be provided with confidence that all realistic controls and processes are operating within the key financial functions of the Organisation. Savings will also be realised by concurrently undertaking the reviews.

Scope of Accounts Payable/Procurement Audit

The review of accounts payable and procurement functions will focus on associated internal controls operating within the current 2017/18 financial year. Key area of review and methodology applied will be as follows:

1. Review of current MYOB database controls, system access and backup procedures;
2. Review compliance with ATO reporting obligations and compliance;
3. Review adopted Procurement Policies and compliance with adopted procurement principles under the policy;
4. Review of contracts register and method of procurement on a sample of contractor payments;
5. Review credit card, fuel card and purchasing card controls and procedures;
6. Test for correct GST compliance and recording of transactions;
7. Review controls over EFT and cheque payment controls;
8. Review the use of Purchase Order controls;
9. Undertake a review of controls in comparison to industry Better Practice Model(s) to identify any gaps; and
10. Delivery of a report summarising findings, areas for further investigation and associated recommendations to further enhance and strengthen internal controls.

Subject to Committee and Board approval it is intended to procure the work immediately with the intent being to present a draft report to the first Audit and Risk Management Committee meeting in 2018. It is expected that both pieces of work can be delivered for under \$10,000.

RECOMMENDATION

The Board endorses the Scope of Works for the Payroll and Accounts Payable/Procurement Audits.

7.4: DRAFT AUDIT AND RISK MANAGEMENT COMMITTEE TERMS OF REFERENCE**REPORT AUTHOR: Manager, Corporate Services****ATTACHMENTS: A: DRAFT Audit and Risk Management Committee Terms of Reference**

Purpose of the Report

To provide the Board with an opportunity to approve the proposed amendments to the Audit and Risk Management Committee Terms of Reference.

Background

At the meeting held 29 June 2017, the East Waste Board resolved:

TERMS OF REFERENCE AMENDMENTS

Moved Cr Piggott that the Board endorse the proposed amendments/additions to the Audit and Risk Management Committee Terms of Reference

Seconded Cr Busato

Carried

At the meeting held 21 September 2017, in accordance with the endorsed Terms of Reference, the Board reappointed an Independent Member to the Committee for a further term (2 years). Whilst the reappointment process was undertaken in accordance with the Terms of Reference, it was identified that provisions supporting membership reappointment of Independent Members could be strengthened to provide the Board with further clarity surrounding this process. Subsequently the East Waste Board resolved (in part):

AUDIT & RISK COMMITTEE INDEPENDENT MEMBER EXPIRY

Moved Cr Piggott:

2. That East Waste Management Authority Audit and Risk Management Committee Terms of Reference Clause 4.4 be reviewed to better clarify appointments and tenure.

Seconded Cr Busato

Carried

Report

Clause 4.5 of the Terms of Reference currently indicate that *'Independent Members are eligible for reappointment'*. To provide the Board with further guidance surrounding the reappointment process, the following wording is proposed:

Independent Members are eligible for reappointment at the expiration of their term of office at the sole discretion of the Board. An Independent Member may be appointed for a maximum of three consecutive (3) terms. An Independent Member who has served three consecutive (3) terms is eligible to be appointed two (2) years after the expiry of their final term.

In addition to above proposed amendment, it is also proposed to amend the wording which provides the Board with direction regarding the expression of interest process to appoint a new Independent Member to the Committee. Current wording is as follows:

'Expressions of Interest for the Independent Members shall be sought by the Board by way of public advertisement and be for a maximum of term of two (2) years'.

The clause contains some ambiguity and the current requirement to seek an expression of interest by way of public advertisement is open to interpretation, as 'public advertisement' is not defined. By removing this requirement it will provide the Board with scope to undertake an expression of interest process that best suits the needs of the Committee at the time. Therefore to remove all ambiguity it is proposed that the first sentence of Clause 4.4 be replaced with:

Except where an Independent Board member is reappointed in accordance with 4.5,
expressions of Interest for the Independent Members shall be sought by the Board ~~by way of a~~
~~public advertisement~~ and be for a maximum term of two (2) years.

A tracked changed version of the Terms of Reference is provided at Attachment A (Refer Attachment A), which includes the proposed amendments.

RECOMMENDATION

That the Board approve the proposed amendments to the Eastern Waste Management Audit and Risk Management Committee Terms of Reference.

Terms of Reference – Eastern Waste Management Authority Audit and Risk Management Committee

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| 1. Establishment | 1. The Eastern Waste Management Authority (East Waste) Audit and Risk Management Committee is established under Section 41 of the Local Government Act 1999 (the Act), for the purposes of Section 126 of the Act. |
| 2. Title | 1. The East Waste Audit and Risk Management Committee shall be known as the “Committee”. |
| 3. Purpose | <p>1. The principal objective of the Committee is to add value to, and improve, East Waste’s operations, by assisting the Board to meet its legislative and probity requirements as required by the Local Government Act 1999 (as amended) and other relevant Legislation, Standards and Codes.</p> <p>2. The Committee will assist the Board in monitoring the accounting, audit, legislative compliance, financial and strategic risk management, governance and reporting practices.</p> <p>3. The primary objective of the Committee is to assist East Waste in the effective conduct of its responsibilities for financial reporting, management of risk and maintaining a reliable system of internal controls.</p> <p>4. The Committee is established to assist the co-ordination of relevant activities of management and with the external auditor to facilitate achieving overall organisational objectives in an efficient and effective manner.</p> <p>5. As part of East Waste’s Governance obligations to its Constituent Councils, the Board has constituted a Committee to facilitate:</p> <ol style="list-style-type: none"> 1. the enhancement of the credibility and objectivity of internal and external financial reporting; 2. effective management of financial and other risks and the protection of East Waste’s assets; 3. compliance with laws and regulations as well as use of best practice and Governance guidelines; 4. the effectiveness of the external audit; 5. the provision of an effective means of communication between the external auditor, management and the Board. <p>Financial Reporting</p> <p>6. The Committee shall monitor the integrity of the financial statements of East Waste, including its Annual Report, reviewing significant financial reporting issues and judgements which they contain.</p> <p>7. The Committee shall review and make recommendations to the Board (where necessary) regarding:</p> <ol style="list-style-type: none"> 1. the assumptions, indexation, and indicators used in the preparation of financial statements; 2. the consistency of, and/or any changes to, accounting policies; 3. the methods used to account for significant or unusual transactions where different approaches are possible; 4. whether East Waste has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor; 5. the clarity of disclosure in East Waste’s financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management). |

Terms of Reference – Eastern Waste Management Authority Audit and Risk Management Committee

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| | <p>External Audit</p> <p>8. The Committee shall:</p> <ol style="list-style-type: none">1. develop and implement a policy on the supply of non-audit services by the external auditor, taking into the account any relevant ethical guidance on the matter;2. review the terms appointment of the external auditor;3. consider and make recommendations to the Board, in relation to the appointment, re-appointment and removal of East Waste’s external auditor;4. oversee East Waste’s relationship with the external auditor at the direction of the Board, but not limited to:<ol style="list-style-type: none">(a) recommending the approval of the external auditor’s remuneration, whether fees for audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;(b) recommending the approval of the external auditor’s terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit;(c) assessing the external auditor’s independence and objectivity taking into account relevant professional and regulatory requirements and the extent of East Waste’s relationship with the auditor, including the provision of any non-audit services;(d) satisfying itself that there are not relationships (such as family, employment, investment, financial or business) between the external auditor and East Waste (other than the ordinary course of business);(e) monitoring the external auditor’s compliance with legislative requirements on the rotation of audit partners;(f) assessing the external auditor’s qualifications, expertise and resources and the effectiveness of the audit process.5. review and make recommendation on the annual audit plan, which is to define the dates and timing for the interim and full audit, and the bringing forward of any recommendation to the Committee and Board;6. review any representation letter requested by the external auditor before they were signed by management; and7. review the management letter and management’s response to the external auditors findings and recommendations. <p>Internal Controls and Risk Management</p> <p>9. The Committee shall review and make recommendations to the Board (where necessary) regarding:</p> <ol style="list-style-type: none">1. the application, updating (where relevant) and continued compliance with East Waste’s Risk Management Framework;2. the effectiveness of East Waste’s internal controls;3. the approval, where appropriate, of statements to be included in the Annual Report concerning internal controls and risk management; and4. the process and probity of tenders and significant transactions exceeding \$100,000 or as directed by the Board. |
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Terms of Reference – Eastern Waste Management Authority Audit and Risk Management Committee

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| | <p>Whistleblowing/Fraud and Corruption Monitoring</p> <p>10. The Committee shall review East Waste’s arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.</p> <p>Reporting Requirements</p> <p>11. The Committee shall make recommendations to the Board as it deems appropriate on any area within its terms of reference where in its view action or improvement is needed.</p> <p>12. The Committee shall after every meeting forward the minutes of that meeting to the next ordinary meeting of the Board.</p> <p>13. The Committee shall report annually to the Board summarising the activities of the Committee during the previous financial year.</p> |
| <p>4. Membership</p> | <p>1. Members of the Committee shall be appointed by the Board of East Waste. The Committee shall consist of five members, three of whom shall be Members of the Board (one of whom is the Chairperson) and two members who are not a member of the Board (independent members).</p> <p>2. One independent member of the Committee must have financial experience relevant to the functions of the Committee as determined by the Board.</p> <p>3. One independent member of the Committee must have experience in the field of legal practitioner and/or risk management and/or governance as determined by the Board.</p> <p>4. Except where an Independent Board member is reappointed in accordance with 4.5, expressions of Interest for the Independent Members shall be sought by the Board by way of a public advertisement and be for a maximum term of two (2) years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to the Board’s Elected Members, hence their terms will expire in alternate years.</p> <p>5. Independent Members are eligible for reappointment <i>at the expiration of their term of office at the sole discretion of the Board. An Independent Member may be appointed for a maximum of three consecutive (3) terms. An Independent Member who has served three consecutive (3) terms is eligible to be appointed two (2) years after the expiry of their final term.</i></p> <p>6. Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each member must vote on every matter that is before the Committee for decision. The Chairperson has a deliberative vote but does not, in the event of an equality of votes, have a casting vote.</p> <p>7. The General Manager and other East Waste employees as directed by the General Manager may attend any meeting as observers or be responsible for preparing papers for the Committee.</p> <p>8. East Waste’s auditor may be invited to attend meetings of the Committee but must attend meetings considering the draft annual financial report and results of the external audit.</p> |

Terms of Reference – Eastern Waste Management Authority Audit and Risk Management Committee

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| | <p>9. Board Member appointments to the Committee shall be for a period of twelve months from the date of appointment, and are eligible for reappointment. Board Member nominations and appointments are to be made by the East Waste Board at their final meeting of each calendar year.</p> |
| 5. Chairperson | <p>1. The Chairperson of the Committee shall be the Chairperson of the Board.</p> |
| 6. Conflict of Interest | <p>1. Applies to all Committee members as per Local Government Act 1999 Part 4 Division 3.</p> |
| 7. Register of Interest | <p>1. Division 2 of Part 4, Chapter 5 of the Local Government Act 1999 applies to the members of the Committee.</p> |
| 8. Frequency of Meetings | <p>1. The Committee shall meet at least quarterly and precede Board meetings.</p> |
| 9. Notice of Meetings | <p>1. Ordinary meetings of the Committee will be held at times and places determined by the Committee. A special meetings of the Committee may be called in accordance with the Act.</p> <p>2. Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, the Board, and any observers, no later than 3 clear days before the date of the meeting. Supporting papers shall be sent to Committee members (and to other attendees as appropriate) and the Board at the same time.</p> <p>3. In accordance with Section 90(1) of the Act, the proceedings of Committee meetings shall be open to the public.</p> |
| 10. Procedures at Meeting | <p>1. As per Local Government (Procedures of Meetings) Regulations 2000 Parts 3 and 4.</p> <p>2. All business put to the Committee will be brought forward to a meeting by motion, recommendation, staff report or other business.</p> <p>3. Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each member must vote on every matter that is before the Committee for a decision.</p> <p>4. The Chairperson of the meeting will have a deliberative vote only.</p> <p>5. The Chairperson shall ensure that the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance, are minuted and that the minutes otherwise comply with the requirements of the Local Government (Procedure at Meetings) Regulations 2000.</p> <p>6. Minutes of Committee meetings shall be circulated within 5 days after a meeting to all members of the Committee and will be forwarded to the subsequent ordinary meeting of the Board.</p> |
| 11. Secretarial Resources | <p>1. The General Manager, East Waste shall provide administrative resources to the Committee to enable it to adequately carry out its functions.</p> |

Terms of Reference – Eastern Waste Management Authority Audit and Risk Management Committee

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| 12. Quorum | 1. The quorum necessary for the transaction of business shall be three members. A duly convened meetings of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. |
| 13. General | 1. The Terms of Reference of the East Waste Audit and Risk Management Committee shall be reviewed at least once every three years, or where legislative changes dictate amendments. |

7.5: APPOINTMENT OF BOARD MEMBERS TO AUDIT & RISK MANAGEMENT COMMITTEE FOR 2018

REPORT AUTHOR: General Manager
ATTACHMENTS: Nil

Purpose of the Report

To appoint Board Members to the East Waste Audit and Risk Management Committee for 2018.

Background

Clause 4.9 of the *Eastern Waste Management Authority Audit and Risk and Management Committee Terms of Reference* states:

Board Member appointments to the Committee shall be for a period of twelve months from the date of appointment and are eligible for reappointment. Board Member nominations and appointments are to be made by the East Waste Board at their final meeting of each calendar year.

Report

Cr Mario Barone and Mr Grant Piggott are the current serving Board Members on the Audit and Risk Management Committee and as per the Clause 4.9 of the Terms of Reference their term expires on 24 November 2017.

The Chair will call for nominations for the 2018 calendar year at the meeting.

RECOMMENDATION

The Board endorses _____ and _____ as Committee Members of the Eastern Waste Management Authority Audit and Risk Management Committee for the 2018 calendar year.

7.6: 2018 Proposed Meeting Schedule

REPORT AUTHOR: General Manager
ATTACHMENTS: Nil

Purpose of the Report

To provide the Board with an opportunity to review proposed Audit & Risk Management Committee and Board meeting dates for 2018.

Background

Nil

Report

Table 1 details proposed meeting dates for the Audit and Risk Management Committee (ARMC) and Board for 2018. The key change is to space the ARMC and Board meetings further apart than the current year, to provide the ability to update Board papers with pertinent information from the ARMC.

Table 1: 2018 Proposed Meeting Dates

| | Audit & Risk Management Committee | Board | Legislative Requirement |
|------------------|--|-----------------------|---|
| Meeting 1 | Tuesday 13 February | Thursday 22 February | Budget Review 2 Draft Annual Plan & Budget |
| Meeting 2 | Tuesday 17 April | Thursday 26 April | Budget Review 3 |
| Meeting 3 | Wednesday 20 June | Thursday 28 June | Annual Plan & Budget Endorsement |
| Meeting 4 | Wednesday 12 September | Thursday 20 September | Audited Financials |
| Meeting 5 | Tuesday 13 November | Thursday 22 November | Budget Review 1 |

Subject to endorsement by the East Waste Board, calendar invites for 2018 meetings shall be sent out prior to Christmas.

Recommendation

The Board endorses the proposed dates of the 2018 Audit and Risk Management Committee and Board meetings.

7.7: Annual Plan Progress Report

REPORT AUTHOR: General Manager
ATTACHMENTS: A: Year to Date Annual Plan Matrix

Purpose of the Report

To provide the Board with an update on the implementation of the activities endorsed in the 2017/2018 Annual Plan.

Background

Nil

Report

The attached matrix provides a snapshot update as to the progress of the Annual Plan implementation.

This is a standing item on the Board Agenda.

Recommendation

That report be received and noted.

Attachment A

| Annual Plan 2017 - 2018 | | | | |
|--|-----------------------|-----------|-----------|--|
| Activities | Annual Plan Reference | Commenced | Completed | Comments (as at 10/11/17) |
| Consultative Committee | 3.1.1 | x | | Committee established & first two meetings held. |
| Risk Management Software (Skytrust) | 3.1.2 | x | | Installed with initial reporting underway. Full capabilities and value to EW of system to be further explored. |
| Payroll Software Integration | 3.1.3 | x | | Kronos system installed, full integration with Payroll expected prior to Xmas |
| Business Continuity ITC | 3.1.4 | x | x | Transfer to cloud based storage completed |
| Service Level Agreements (SLAs) | 3.1.5 | | | SLAs for all Council's/services scheduled for activation in final quarter |
| Detailed Investigation into Gas Fleet | 3.2.1 | x | | Preliminary report to be reviewed. Commence Second Quarter |
| Purchase of 4 Robotic Arm Collection Vehicles (RACV) | 3.2.2 | x | x | Completed |
| Receipt of Recyclables Contract (Auditing) | 3.2.3 | x | | Audits scheduled for third Quarter |
| Hard Waste Services | 3.2.4 | x | x | All Member Council's now utilising EW for Hard Waste Collection. Truck ordered, scheduled for Nov delivery |
| Multi-Unit Dwellings/Council Vehicles | 3.2.5 | x | | Preliminary work undertaken. |
| Generator (back-up power supply) | 3.2.6 | x | | Anticipated installation Second Quarter |
| Bin Sensor Technology (public place bins) | 3.2.7 | x | | Trials across three Council's underway, along with detailed assessment of data and financial viability |
| Litter Collection Services | 3.2.8 | x | x | City of Campbelltown commenced. |
| Weekly Organics Collection Analysis | 3.2.9 | x | | Independent analysis received and currently being reviewed. |
| WHS Committee Meetings | 3.3.2 | x | | Meeting schedule being adhered to. Ongoing. |
| Independent Fleet Audit | 3.3.3 | x | x | Audit completed and required works completed or scheduled. |
| Certificate IV in Training and Assessment | 3.3.4 | x | | Key staff identified and training commenced |
| Why Waste It? Phase 2 Rollout | 3.4.1 | x | | Phase 2 rollout commenced. My Local Services App actively progressed. |
| Operations Assistance Committee | 3.4.2 | x | | Ongoing and effective. Quarterly meetings scheduled. |
| Staff Satisfaction Survey (Full) | 3.4.3 | | | Pulse survey only due. Anticipated commencement in Fourth Quarter |
| Customer Satisfaction Survey (Full) | 3.4.4 | | | Pulse survey only due. Anticipated commencement in Fourth Quarter |
| 10 Year Business Plan Consultation | 3.4.5 | | | Anticipated commencement in second Quarter |