

**CITY OF PALMERSTON**

**Minutes of the Internal Audit Committee Meeting  
held in Council Chambers, Civic Plaza, Palmerston  
on Thursday, 29 October 2015 at 5:05pm**

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**Audio Disclaimer**

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**1. PRESENT**

**Members:** Tim Flynn (Chair)  
Mayor Ian Abbott  
Alderman Andrew Byrne  
Alderman Seranna Shutt

**Staff:** Ricki Bruhn, Chief Executive Officer  
Silke Reinhardt, Acting Director of Corporate Services  
Alyce Breed, Minute Secretary

**Gallery:** Nil

**2. APOLOGIES**

Nil

**3. CONFIRMATION OF MINUTES**

Moved: Mayor Abbott  
Seconded: Alderman Shutt

THAT the minutes of the Internal Audit Committee Meeting held Tuesday, 22 September 2015 pages 48 to 49, be confirmed.

**CARRIED IAC/0071-29/10/2015**

**4. OFFICER REPORTS**

**4.1 First Budget Review 2015/16**

**IAC/034**

Silke Reinhardt, Acting Director of Corporate Services, tabled an amendment in Attachment A of Report IAC/034 First Budget Review 2015/16.

Moved: Alderman Byrne  
Seconded: Mayor Abbott

1. THAT the Committee receives Report Number IA/034.
2. THAT Council adopts the 1<sup>st</sup> Budget Review 2015/16, pursuant to Section 128 (2) of Local Government Act NT.

**CARRIED IAC/0072-29/10/2015**

**4.2 End of Financial Year Statements 2014/15**

**IAC/035**

Moved: Mayor Abbott  
Seconded: Alderman Shutt

1. THAT the Committee receives Report Number IAC/035.

**CARRIED IAC/0073-29/10/2015**

**5. OTHER BUSINESS**

**6. CORRESPONDENCE**

Nil

**7. CONFIDENTIAL REPORTS**

Nil

**8. CLOSURE**

The meeting closed at 5:30pm



(Chair)

**Item 4.1 - Tabled amendment**

**STATEMENT OF COMPREHENSIVE INCOME**  
30/09/2015

	YTD Balance	Original Budget 2015	1st Review Increase/ (Decrease)	2nd Review Increase/ (Decrease)	3rd Review Increase/ (Decrease)	Reviewed Budget
<b>Operating Income</b>						
Rates	\$23,488,451	\$23,916,452	\$264,697	\$0	\$0	\$24,181,149
Statutory charges	\$357,229	\$868,750	\$0	\$0	\$0	\$868,750
User charges	\$121,516	\$419,300	\$10,101	\$0	\$0	\$429,401
Grants, subsidies and contributions	\$944,939	\$2,151,173	\$35,585	\$0	\$0	\$2,186,758
Investment income	\$237,874	\$846,160	\$0	\$0	\$0	\$846,160
Other income	\$103,962	\$48,685	\$44,172	\$0	\$0	\$92,857
<b>Total Operating Income</b>	<b>\$25,253,972</b>	<b>\$28,250,520</b>	<b>\$354,555</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,605,075</b>
<b>Capital Income</b>						
Asset Income	\$12,554	\$35,000,000	\$12,554	\$0	\$0	\$35,012,554
Grants received	\$0	\$1,938,000	\$450,000	\$0	\$0	\$2,388,000
Developer Contributions	\$106,273	\$400,000	\$0	\$0	\$0	\$400,000
<b>Total Capital Income</b>	<b>\$118,826</b>	<b>\$37,338,000</b>	<b>\$462,554</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,800,554</b>
<b>TOTAL INCOME</b>	<b>\$25,372,798</b>	<b>\$65,588,520</b>	<b>\$817,109</b>	<b>\$0</b>	<b>\$0</b>	<b>\$66,405,629</b>
<b>Operating Expenses</b>						
Employee costs	\$1,368,771	\$6,624,802	\$155,000	\$0	\$0	\$6,779,802
Professional Services	\$188,105	\$909,980	(\$40,000)	\$0	\$0	\$869,980
Insurance	\$200,022	\$433,900	\$0	\$0	\$0	\$433,900
Utilities	\$486,987	\$2,262,846	\$2,000	\$0	\$0	\$2,264,846
Materials & Contractors	\$2,251,456	\$11,689,041	\$30,000	\$0	\$0	\$11,719,041
Depreciation, amortisation & impairment	\$2,000,025	\$8,000,100	\$0	\$0	\$0	\$8,000,100
Elected Members Allowances	\$59,847	\$276,889	\$0	\$0	\$0	\$276,889
Other Expenses	\$747,498	\$3,064,758	\$430,284	\$0	\$0	\$3,495,042
<b>Total Operating Expenses</b>	<b>\$7,302,711</b>	<b>\$33,262,316</b>	<b>\$577,284</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,839,599</b>
<b>Capital Expenses</b>						
Land Purchase	\$0	\$0	\$0	\$0	\$0	\$0
Asset Purchase	\$184,372	\$320,000	\$1,846,353	\$0	\$0	\$2,166,353
Asset Upgrade	\$1,086,844	\$11,847,889	\$5,548,682	\$0	\$0	\$17,396,571
<b>Total Capital Expenses</b>	<b>\$1,271,216</b>	<b>\$12,167,889</b>	<b>\$7,395,035</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,562,924</b>
<b>TOTAL EXPENSES</b>	<b>\$8,573,927</b>	<b>\$45,430,205</b>	<b>\$7,972,318</b>	<b>\$0</b>	<b>\$0</b>	<b>\$53,402,523</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>\$16,798,871</b>	<b>(\$5,011,795)</b>	<b>(\$222,729)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,234,525)</b>
Less Depreciation	(\$2,000,025)	(\$8,062,100)	\$0	\$0	\$0	(\$8,062,100)
<b>Net OPERATING SURPLUS / (DEFICIT)</b>	<b>(\$16,798,871)</b>	<b>\$3,050,305</b>	<b>(\$222,729)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,827,575</b>
<b>CAPITAL SURPLUS / (DEFICIT)</b>	<b>\$16,986,976</b>	<b>\$25,170,111</b>	<b>(\$6,932,481)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,237,630</b>
Less Gifted Assets		\$35,000,000				\$35,000,000
<b>Net CAPITAL SURPLUS / (DEFICIT)</b>	<b>(\$16,499,989)</b>	<b>(\$9,829,889)</b>	<b>(\$6,932,481)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$16,762,370)</b>
<b>Net SURPLUS / (DEFICIT)</b>	<b>\$2,251,456</b>	<b>(\$6,779,584)</b>	<b>(\$7,155,210)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$13,934,795)</b>
<b>Borrowings</b>		<b>\$4,000,000</b>				<b>\$4,000,000</b>
Transfer FROM Reserves		(\$3,800,000)	(\$7,155,210)	\$0	\$0	(\$10,955,210)
Transfer TO Reserves		\$1,020,416	\$0	\$0	\$0	\$1,020,415
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>\$2,251,456</b>	<b>\$0</b>	<b>(\$0)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$0)</b>

<b>STATEMENT OF RESERVES</b>							
30/09/2015							
OTHER RESERVES	Opening Balance	Original Budget 2016	1st Review Increase/ (Decrease)	2nd Review Increase/ (Decrease)	3rd Review Increase/ (Decrease)	Reviewed Budget	Balance at the EOY 2016
Election Expenses	\$150,000	\$0	\$0	\$0	\$0	\$0	\$150,000
Disaster Recovery	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000
Strategic Initiatives	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000
Unexpended Grants	\$352,479	\$0	(\$184,425)	\$0	\$0	(\$184,425)	\$168,054
Unexpended Capital Works	\$6,924,035	\$0	(\$6,924,035)	\$0	\$0	(\$6,924,035)	\$0
Property	\$1,881,189	\$0	\$0	\$0	\$0	\$0	\$1,881,189
Plant & Equipment	\$511,404	\$0	\$0	\$0	\$0	\$0	\$511,404
Infrastructure	\$5,584,184	(\$3,179,584)	\$0	\$0	\$0	(\$3,179,584)	\$2,404,600
Developer Funds In Lieu Of Construction	\$4,118,287	\$400,000	\$0	\$0	\$0	\$400,000	\$4,518,287
Community Grants	\$146,750	\$0	(\$46,750)	\$0	\$0	(\$46,750)	\$100,000
<b>Total Reserves</b>	<b>\$20,668,327</b>	<b>(\$2,779,584)</b>	<b>(\$7,155,210)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$9,934,794)</b>	<b>\$10,733,533</b>