

## ADDITIONAL ITEM



**Item No:** 1.5  
**Title:** Mayoral Minute - Establishment of a Finance Committee to Oversee Council's Forensic Financial Audit and 100-Day Action Plan to Recovery  
**Department:** Councillor

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12 October 2020 Ordinary Council Meeting

Reference: F2020/00039 - D14237892

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On Tuesday 6 October 2020, Central Coast Council's Chief Executive Officer, Mr Gary Murphy held an urgent briefing with the Mayor and Councillors to advise the Council is in a serious financial situation and faces an immediate liquidity issue. Some expenditure over the past 12-18 months may have resulted in restricted funds being used contrary to the provisions of the Local Government Act 1993.

A review of Council's budget has revealed further deterioration since the March 2020 result. The deficit reported at that time of \$41 million has now increased to \$89 million.

The Chief Executive Officer informed the Office of Local Government and the Minister of Local Government of the financial situation Council is in.

The Minister for Local Government announced late Tuesday afternoon that the Office of Local Government have been instructed to appoint an independent financial expert and a human resources adviser to ascertain Council's true financial position and identify options to address the issues as quickly as possible.

### ***I formally move:***

- 1 That Council acknowledge the distress this latest news has caused our community, including the impact of community confidence in Council.***
- 2 That Council note essential services will continue as normal for residents.***
- 3 That Council note the forensic internal audit of Council's finances underway, including the establishment of a working group to implement a 100-day action plan to recovery.***
- 4 That Council establish a finance committee comprised of all Councillors, the Office of Local Government appointed independent financial expert and human resources adviser, and an independent legal adviser to oversee Council's forensic internal audit and 100-day action plan to recovery.***

### **Attachments**

*Nil.*