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Shire of Perenjori  
MINUTES  
Finance Committee Meeting

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Held in the Shire of Perenjori Council Chambers, Fowler Street, Perenjori on Thursday 17<sup>th</sup>  
October 2013 to commenced at 10.10 am.

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**13101 PRELIMINARIES**

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**13101.1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS**

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Cr C King officially opened the meeting at 10.10 am.

**13101.2 DISCLAIMER READING**

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**13101.3 RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE (PREVIOUSLY APPROVED)**

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**Present**

Cr CR King  
Cr LJ Smith  
Cr HC Wass  
Cr LC Butler - Observer  
Ali Mills –CEO  
David Fong - SFO  
Carla Sanderson – Executive Officer

**Apologies**

Cr JH Hirsch  
Cr RP Desmond

**13101.4 NOTATIONS OF INTEREST**

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**Financial Interest – Local Government Act s 5.60A**

**Proximity Interest – Local Government Act s 5.60B**

**Interest Affecting Impartiality – Shire of Perenjori Code of Conduct.**

**13101.5 APPLICATIONS FOR LEAVE OF ABSENCE**

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**13101.6 CONFIRMATION OF MINUTES**

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Minutes of Finance Committee Meeting held Thursday 15<sup>th</sup> August 2013 as attached.

**COUNCIL RESOLUTION – ITEM 13101.6**

Moved:

Seconded:

Minutes of Finance Committee Meeting held Thursday 15<sup>th</sup> August 2013 as attached.

Carried:

**Moved: Cr H Wass**

**Seconded: Cr L Smith**

**Council agree that the minutes of the previous meeting are to be reviewed in November's Council Meeting.**

**Carried: 6/0**

**13102 FINANCE & ADMINISTRATION**

**13102.1 FINANCIAL STATEMENTS – SEPTEMBER 2013**

**APPLICANT: SHIRE OF PERENJORI**  
**FILE: ADM 0081**  
**DISCLOSURE OF INTEREST: 0**  
**AUTHOR: DAVID FONG – SENIOR FINANCE OFFICER**  
**RESPONSIBLE OFFICER ALI MILLS–CEO**  
**REPORT DATE: 07 October 2013**  
**ATTACHMENTS MONTHLY FINANCIAL REPORT**

**Executive Summary**

The Financial Activity Statement Report is presented for the Month of 30 September 2013. The report complies with the requirements of Regulation 34 (Financial activity statement report) of the Local Government (Financial Management) Regulations 1996.

**Background**

Each month officers are required to prepare monthly financial reports, covering prescribed information, and present these to Council for acceptance.

**Details**

Presented is the Financial Activity Statement Report – 30 September 2013.

The following statements are presented to Council:

- Statement of Financial Activity (Statutory Reporting by Program) - This provides the budget and actual income and expenditure for operating and non- recurrent as well and the closing surplus to date. (FM Reg 34(1))
- Net Current (Assets) Funding Position (Note 3.)-This provides the amount of assets over liabilities within the Balance Sheet. (FM Reg 34 (1)(e))
- Notes to the Financial Statements include:
  - Note 1.- Significant Accounting Policies
  - Note 2. - Graphical Representation
  - Note 3. – Net Current Funding Position
  - Note 4. – Cash & Investments

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- Note 5. – Major Variances
  - Note 6. – Budget Amendments
  - Note 7. – Receivables & Rates Information
  - Note 8. – Payables - Borrowings
  - Note 9. – Grants and Contributions
  - Note 10. – Cash Back Reserves
  - Note 11. - Capital Disposals and Acquisitions
  - Note 12.- Trust Fund

**Legal Compliance**

Regulation 34 (Financial activity statement report) of the Local Government (Financial Management) Regulations 1996 states –

- (1) A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail –
  - (a) Annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1) (b) or (c);
  - (b) budget estimates to the end of the month to which the statement relates;
  - (c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;
  - (d) material variances between the comparable amounts referred to in paragraphs (b) and (c); and
  - (e) the net current assets at the end of the month to which the statement relates.
- (2) Each statement of financial activity is to be accompanied by documents containing –
  - (a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;
  - (b) an explanation of each of the material variances referred to in subregulation (1) (d); and (c) such other supporting information as is considered relevant by the local government.
- (3) The information in a statement of financial activity may be shown –
  - (a) according to nature and type classification; or
  - (b) by program; or
  - (c) by business unit
- (4) A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be –
  - (a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and
  - (b) recorded in the minutes of the meeting at which it is presented.
- (5) Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.

Section 6.8 of the Local Government Act 1995 (Expenditure from municipal fund not included in annual budget) states –

- (1) A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —
- a. is incurred in a financial year before the adoption of the annual budget by the local government; or
  - b. is authorised in advance by resolution\*; or
  - c. is authorised in advance by the mayor or president in an emergency.
  - d.

**Policy Implications**

Nil

**Financial Implications**

Nil

**Strategic Implications**

Area 5: Investing in Councils Leadership

Goal: Strengthen the Shire's position as an innovative, independent local Government providing excellence in all areas of governance, management and leadership.

**Consultation**

Liaison with CEO, MIS, and External Contractor.

**Comment**

It is recommended that the Financial Activity Statement Report – 30 September 2013 be accepted.

**Voting Requirements - Absolute Majority**

**Officers and Committees Recommendation – Item 13102.1**

That Council, pursuant to Regulation 34 of the Local Government (Financial Management) Regulations 1996, accepts the Financial Activity Statement Report – 30 September 2013.

**COUNCIL RESOLUTION – ITEM 13102.1**

Moved: Cr L Smith

Seconded: Cr H Wass

That Council, pursuant to Regulation 34 of the Local Government (Financial Management) Regulations 1996, accepts the Financial Activity Statement Report – 30 September 2013.

Carried: 6/0

**13102.2 ACCOUNTS FOR PAYMENT**

APPLICANT: SHIRE OF PERENJORI  
FILE: 1306P  
DISCLOSURE OF INTEREST: NIL  
AUTHOR: DAVID FONG – SENIOR FINANCE OFFICER  
RESPONSIBLE OFFICER: ALI MILLS–CEO  
REPORT DATE: 07 October 2013  
ATTACHMENTS: ACCOUNTS FOR PAYMENT

**Executive Summary**

Recommendation - The Schedule of Accounts for 30 September 2013 be confirmed.

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The Schedule of Accounts is presented pursuant to Regulation 13 of the Local Government (Financial Management) Regulations 1996.

The report identifies payments made from the Municipal and Trust Fund.

**Background**

Council has delegated to the Chief Executive Officer the authority to make payments from the Municipal and Trust funds in accordance with the Local Government (Financial Management) Regulations 1996.

Under Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, where a local government has delegated to the Chief Executive Officer the exercise of its power to make payments from the Municipal fund or the Trust fund, each payment from the Municipal fund or the Trust fund is to be noted on a list compiled for each month showing:

- a) The payee's name;
- b) The amount of the payment
- c) The date of the payment; and
- d) Sufficient information to identify the transaction

That list should then be presented at the next Ordinary Meeting of the Council following the preparation of the list, and recorded in the minutes of the meeting at which it is presented.

**Legal Compliance**

Section 6.10 (d) of the Local Government Act 1995 refers, i.e.-

6.10. financial management regulations

Regulations may provide for —

(d) the general management of, and the authorisation of payments out of —

(i) the municipal fund; and

(ii) the trust fund,

of a local government.

Regulation 13(1), (3) & (4) of the Local Government (Financial Management) Regulations 1996 refers, i.e. -

13. Lists of Accounts

(1) If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —

(a) the payee's name;

(b) the amount of the payment;

(c) the date of the payment; and (

d) sufficient information to identify the transaction.

(3) A list prepared under subregulation (1) is to be —

(a) presented to the council at the next ordinary meeting of the council after the list is prepared; and

(b) recorded in the minutes of that meeting.

**Policy Implications**

All accounts paid have been duly incurred and authorised for payment as per approved purchasing and payment procedures.

**Financial Implication**

Ongoing management of Council funds by providing Council with sufficient information to monitor and review payments made.

**Strategic Implications**

Area 5: Investing in Councils Leadership

Goal: Strengthen the Shire’s position as an innovative, independent local Government providing excellence in all areas of governance, management and leadership

**Consultation**

Nil

**Comment**

All accounts paid have been duly incurred and authorised for payment as per approved purchasing and payment procedures and it is therefore recommended that the payments, as contained within the Appendices, be confirmed.

**Voting Requirements - Simple Majority**

<b>Officer and Committees Recommendation – Item 13102.2</b>	
That Council, pursuant to Regulation 13 of the Local Government (Financial Management) Regulations 1996 (as amended), confirms the accounts paid for 30 September 2013 as attached to and forming part of this report.	
That the accounts paid to 30 September 2013 as listed in Schedule covering vouchers numbered from –	
<b>Municipal Account</b>	
EFT	\$444,124.06
Direct Debits	\$43,348.46
Cheques	\$28,725.16
Corporate MasterCard	\$209.01
Bank Fees	\$262.26
<b>Total</b>	<b>\$516,668.95</b>
<b>Trust Account</b>	
EFT	\$300.00
Cheques	\$200.00
Bank Fees	\$0
<b>Total</b>	<b>\$500.00</b>
Totalling \$517,168.95 from Muni and Trust Account for the month of September 13.	
.....(Author).	.....(Manager/CEO)

**COUNCIL RESOLUTION – ITEM 13102.2**

Moved: Cr H Wass

Seconded: Cr L Smith

That Council, pursuant to Regulation 13 of the Local Government (Financial Management) Regulations 1996 (as amended), confirms the accounts paid for 30 September 2013 as attached to and forming part of this report.

That the accounts paid to 30 September 2013 as listed in Schedule covering vouchers numbered from –

<b>Municipal Account</b>	
EFT	\$444,124.06
Direct Debits	\$43,348.46
Cheques	\$28,725.16
Corporate MasterCard	\$209.01
Bank Fees	\$262.26
<b>Total</b>	<b>\$516,668.95</b>

<b>Trust Account</b>	
EFT	\$300.00
Cheques	\$200.00
Bank Fees	\$0
<b>Total</b>	<b>\$500.00</b>

**Totalling \$517,168.95 from Muni and Trust Account for the month of September 13.**

.....(Author).

.....(Manager/CEO)

Carried: 6/0



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Amendment - Council agreed that Item 13102.3 – Confidential Item – Status of Past and Current Financial Management Practices is to be dealt with at the Ordinary Council meeting.

<b>13102.3    CONFIDENTIAL ITEM – STATUS OF PAST AND CURRENT FINANCIAL MANAGEMENT PRACTICES</b>
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<b>APPLICANT:</b>	<b>SHIRE OF PERENJORI</b>
<b>FILE:</b>	<b>ADM 0361</b>
<b>DISCLOSURE OF INTEREST:</b>	<b>Nil</b>
<b>AUTHOR:</b>	<b>ALI MILLS - CEO</b>
<b>RESPONSIBLE OFFICER:</b>	<b>ALI MILLS - CEO</b>
<b>REPORT DATE:</b>	<b>17<sup>TH</sup> OCTOBER 2013</b>
<b>ATTACHMENTS</b>	<b>NIL</b>

<b>Officers Recommendation – Item 13102.3</b>
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That the Council receives the information provided on the past and current Financial Management practices and acknowledges the efforts of the Senior Finance Officer and Consultant, Megan Shirt.
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<b>COUNCIL RESOLUTION – ITEM 13102.3</b>
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Moved:	Seconded:
That the Council receives the information provided on the past and current Financial Management practices and acknowledges the efforts of the Senior Finance Officer and Consultant, Megan Shirt.	

Carried:

<b>13102.4 BUDGET VARIATION TO ALLOW FOR UNBUDGETTED EXPENDITURE</b>
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**APPLICANT:** SHIRE OF PERENJORI  
**FILE:** ADM 0339  
**DISCLOSURE OF INTEREST:** Nil  
**AUTHOR:** ALI MILLS - CEO  
**RESPONSIBLE OFFICER:** ALI MILLS - CEO  
**REPORT DATE:** 17<sup>TH</sup> OCTOBER 2013  
**ATTACHMENTS** NIL

**Executive Summary**

This item seeks Council's endorsement of unbudgeted urgent expenditure to replace the Shire of Perenjori's communications aerial and equipment

**Background**

The existing tower and equipment has been operating inefficiently and has recently ceased working. An assessment provided by the contractor has indicated the tower and equipment have served their purpose and now are irreparable and need replacing. As this needed attending to urgently to ensure communications were put in place for staff as soon as possible providing the necessary safety measures, the expenditure was authorised by the Shire President on the 10<sup>th</sup> October 2013, in accordance with the Local Government Act, 1995.

**6.8. Expenditure from municipal fund not included in annual budget**

- (1) A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —
- (a) is incurred in a financial year before the adoption of the annual budget by the local government; or
  - (b) is authorised in advance by resolution\*; or
  - (c) is authorised in advance by the mayor or president in an emergency.

*\* Absolute majority required.*

It is proposed to reduce the existing allocation amount for the MidWest Regional Council Zero Waste Management Plan from \$10,000 to \$1,800. It is envisaged this project will not occur and thus the funds can be used for the communications.

This expenditure now needs endorsing by Council, as follows:

ACCOUNT NO	NAME	CURRENT AMOUNT	NEW AMOUNT
14928 Capital Exp (NEW)	Plant & Equipment – Communication Repeater	0	8,200
10005	MWRC - ZERO WASTE MANAGEMENT PLAN GEN	10,000	1,800
		10,000	10,000

**Statutory Environment**

**Local Government Act 2005,**

**6.8. Expenditure from municipal fund not included in annual budget**

- (1) A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —
- (a) is incurred in a financial year before the adoption of the annual budget by the local government; or
  - (b) is authorised in advance by resolution\*; or
  - (c) is authorised in advance by the mayor or president in an emergency.

*\* Absolute majority required.*

**Policy Implications**

None Known

**Financial Implications**

No impact to the bottom line of for the 2013/14 budget

**Strategic Implications**

Area 5: Investing in Councils Capacity – Our Leadership

Goal: Strengthen the Shire's position as an innovative, independent local Government providing excellence in all areas of governance, management and leadership.

**Consultation**

MIS

Shire President

**Comment**

Nil

**Voting Requirements – Absolute Majority**

**Officers Recommendation – Item 13102.4**

1. Endorse the following budget variation reducing the allocation to the MWRC – Zero Waste Management Plan and the establishment of a new Capital account titled, Plant and Equipment, Communication Repeater with an amount of \$8,200:

ACCOUNT NO	NAME	CURRENT AMOUNT	NEW AMOUNT
14928 Capital Exp (NEW)	Plant & Equipment – Communication Repeater	0	8,200
10005	MWRC - ZERO WASTE MANAGEMENT PLAN GEN	10,000	1,800
		10,000	10,000

**COUNCIL RESOLUTION – ITEM 13102.4**

Moved: Cr L Smith

Seconded: Cr H Wass

1. Endorse the following budget variation reducing the allocation to the MWRC – Zero Waste Management Plan and the establishment of a new Capital account titled, Plant and Equipment, Communication Repeater with an amount of \$8,200:

ACCOUNT NO	NAME	CURRENT AMOUNT	NEW AMOUNT
14928 Capital Exp (NEW)	Plant & Equipment – Communication Repeater	0	8,200
10005	MWRC - ZERO WASTE MANAGEMENT PLAN GEN	10,000	1,800
		10,000	10,000

Carried: 6/0 by Absolute Majority

**13103 GENERAL BUSINESS**

**13103.1 URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION**

**13103.2 DATE OF NEXT MEETING / MEETINGS**

The next Finance meeting will be held on the 21<sup>st</sup> November 2013.

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13103.3 CLOSURE

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Cr C King officially closed the meeting at 10.40 am.

*I certify that this copy of the Minutes is a true and correct record of the meeting held on 17<sup>th</sup> October 2013.*

*Signed:* \_\_\_\_\_  
*Presiding Elected Member*

*Date:* \_\_\_\_\_