Shire of Perenjori
Finance Committee Meeting
MINUTES
17th October 2013

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

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Preliminaries

13101.1 Declaration of Opening and Announcement of Visitors

Cr C King officially opened the meeting at 10.10 am.

13101.2 Disclaimer Reading

13101.3 Record of Attendance, Apologies and Leave of Absence (Previously Approved)

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

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

13101.6 Confirmation of Minutes

Minutes of Finance Committee Meeting held Thursday 15th August 2013 as attached.
COUNCIL RESOLUTION – ITEM 13101.6

Moved: Cr H Wass  
Seconded: Cr L Smith

Minutes of Finance Committee Meeting held Thursday 15th August 2013 as attached.

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


Background

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

Details


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
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

<table>
<thead>
<tr>
<th>Officers and Committees Recommendation – Item 13102.1</th>
</tr>
</thead>
</table>

COUNCIL RESOLUTION – ITEM 13102.1

Moved: Cr L Smith  
Seconded: Cr H Wass


Carried: 6/0

<table>
<thead>
<tr>
<th>13102.2 ACCOUNTS FOR PAYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPLICANT: SHIRE OF PERENJORI</td>
</tr>
<tr>
<td>FILE: 1306P</td>
</tr>
<tr>
<td>DISCLOSURE OF INTEREST: NIL</td>
</tr>
<tr>
<td>AUTHOR: DAVID FONG – SENIOR FINANCE OFFICER</td>
</tr>
<tr>
<td>RESPONSIBLE OFFICER: ALI MILLS–CEO</td>
</tr>
<tr>
<td>REPORT DATE: 07 October 2013</td>
</tr>
<tr>
<td>ATTACHMENTS: ACCOUNTS FOR PAYMENT</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Officer and Committees Recommendation – Item 13102.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
<tr>
<td>That the accounts paid to 30 September 2013 as listed in Schedule covering vouchers numbered from –</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Municipal Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>EFT</td>
</tr>
<tr>
<td>Direct Debits</td>
</tr>
<tr>
<td>Cheques</td>
</tr>
<tr>
<td>Corporate MasterCard</td>
</tr>
<tr>
<td>Bank Fees</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Trust Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>EFT</td>
</tr>
<tr>
<td>Cheques</td>
</tr>
<tr>
<td>Bank Fees</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

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 –

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Account</td>
<td></td>
</tr>
<tr>
<td>EFT</td>
<td>$444,124.06</td>
</tr>
<tr>
<td>Direct Debits</td>
<td>$43,348.46</td>
</tr>
<tr>
<td>Cheques</td>
<td>$28,725.16</td>
</tr>
<tr>
<td>Corporate MasterCard</td>
<td>$209.01</td>
</tr>
<tr>
<td>Bank Fees</td>
<td>$262.26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$516,668.95</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust Account</td>
<td></td>
</tr>
<tr>
<td>EFT</td>
<td>$300.00</td>
</tr>
<tr>
<td>Cheques</td>
<td>$200.00</td>
</tr>
<tr>
<td>Bank Fees</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$500.00</strong></td>
</tr>
</tbody>
</table>

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

..............................................(Author).  ..............................................(Manager/CEO)

Carried: 6/0
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.

13102.3 CONFIDENTIAL ITEM – STATUS OF PAST AND CURRENT FINANCIAL MANAGEMENT PRACTICES

APPLICANT: SHIRE OF PERENJORI
FILE: ADM 0361
DISCLOSURE OF INTEREST: Nil
AUTHOR: ALI MILLS - CEO
RESPONSIBLE OFFICER: ALI MILLS - CEO
REPORT DATE: 17TH OCTOBER 2013
ATTACHMENTS NIL

Officers Recommendation – Item 13102.3
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.

COUNCIL RESOLUTION – ITEM 13102.3
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:
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 10th 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:

<table>
<thead>
<tr>
<th>ACCOUNT NO</th>
<th>NAME</th>
<th>CURRENT AMOUNT</th>
<th>NEW AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>14928</td>
<td>Capital Exp (NEW) Plant &amp; Equipment –</td>
<td>0</td>
<td>8,200</td>
</tr>
<tr>
<td></td>
<td>Communication Repeater</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10005</td>
<td>MWRC - ZERO WASTE MANAGEMENT PLAN GEN</td>
<td>10,000</td>
<td>1,800</td>
</tr>
</tbody>
</table>

|                                    |                                     | 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:

<table>
<thead>
<tr>
<th>ACCOUNT NO</th>
<th>NAME</th>
<th>CURRENT AMOUNT</th>
<th>NEW AMOUNT</th>
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<tbody>
<tr>
<td>14928</td>
<td>Capital Exp (NEW) Plant &amp; Equipment – Communication Repeater</td>
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<td>10005</td>
<td>MWRC - ZERO WASTE MANAGEMENT PLAN GEN</td>
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<td>1,800</td>
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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:

<table>
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<td>8,200</td>
</tr>
<tr>
<td>10005</td>
<td>MWRC - ZERO WASTE MANAGEMENT PLAN GEN</td>
<td>10,000</td>
<td>1,800</td>
</tr>
</tbody>
</table>

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 21st November 2013.
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 17th October 2013.

Signed: ________________________

Presiding Elected Member

Date: _________________________