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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 Tuesday 15<sup>th</sup> December 2015 commenced at 5.00 pm.

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Councillor J Cunningham was nominated as chairperson by Councillor J Hirsch.

**15121 PRELIMINARIES**

**15121.1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS**

Cr J Cunningham declared the meeting open at 5.32 pm.

**15121.2 DISCLAIMER READING**

**15121.3 RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE**

Cr J Cunningham  
Cr J Hirsch  
Ali Mills - CEO  
Debby Barndon – SFO

**Apologies;**

Cr L Butler  
Cr L Smith  
Cr R Desmond

**15121.4 NOTATIONS OF INTEREST**

**Financial Interest – Local Government Act S 5.60a  
Proximity Interest – Local Government Act S 5.60b  
Interest Affecting Impartiality – Local Government - Code of Conduct.**

**15121.5 APPLICATIONS FOR LEAVE OF ABSENCE**

**15121.6 CONFIRMATION OF MINUTES**

That the Minutes of Finance Committee Meeting of 18<sup>th</sup> August 2015 be confirmed as a true and correct record of the meeting.

<b>Committee Resolution – Item 15111.6</b>	
<b>Moved: Ali Mills</b>	<b>Seconded: Debby Barndon</b>
<b>That Council accepts the Minutes from Finance Committee meeting of the 18<sup>th</sup> August 2015 as a true and correct record of that Meeting.</b>	
<b>Carried: 4/0</b>	

**15122 FINANCE & ADMINISTRATION**

**15122.1 FINANCIAL STATEMENTS – NOVEMBER 2015**

<b>APPLICANT:</b>	<b>SHIRE OF PERENJORI</b>
<b>FILE:</b>	<b>ADM0081</b>
<b>DISCLOSURE OF INTEREST:</b>	<b>NIL</b>
<b>AUTHOR:</b>	<b>DEBBY BARNDON - SFO</b>
<b>RESPONSIBLE OFFICER:</b>	<b>PETER MONEY - MCDS</b>
<b>REPORT DATE:</b>	<b>15<sup>TH</sup> DECEMBER 2015</b>
<b>ATTACHMENTS</b>	<b>MONTHLY FINANCIAL REPORT –NOVEMBER 2015</b>

**Executive Summary**

This item recommends that the Council accepts the Financial Activity Statement for the period ending 30<sup>th</sup> November 2015.

**Background**

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

**Details**

Presented is the Financial Activity Statement Report for the period ending 30<sup>th</sup> November 2015.

The following statements are presented to Council:

- Monthly Summary Information - Charts
- Statement of Financial Activity (Program of Nature and Type) 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))
- Statement of Capital Acquisitions and Capital Funding
- 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. - Explanation of Material Variances
  - Note 3. – Net Current Funding Position
  - Note 4. – Cash & Investments
  - Note 5. – Budget Amendments
  - Note 6. – Receivables
  - Note 7. – Cash Back Reserves
  - Note 8. – Capital Disposals
  - Note 9. – Rating Information
  - Note 10. – Information on Borrowings

- Note 11. – Grant and Contributions
- Note 12.- Trust Fund
- Note 13.- Details of Capital Acquisition

**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 sub regulation (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 sub regulation 34 (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.

**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 MCDS, FO, & MIS.

**Comment**

There have been some difficulties with the July statements due to faults in the Synergy Soft programme. This was first observed in the June statements when a Councillor identified different rate incomes in parts of the statements. The owners of the software have made several attempts to correct the 'bugs' and this finally appears to have been successful.

**Voting Requirements – Simple Majority**

**Officers Recommendation – Item 15122.1**

That Council, in accordance with Regulation 34 of the Local Government (Financial Management) Regulations 1996, accepts the Financial Activity Statement Report for the period ending 30<sup>th</sup> November 2015.

**Committee Resolution – Item 15122.1**

**Moved: Cr J Hirsch**

**Seconded: Debby Barndon**

**That Council, in accordance with Regulation 34 of the Local Government (Financial Management) Regulations 1996, accepts the Financial Activity Statement Report for the period ending 30<sup>th</sup> November 2015.**

**Carried: 4/0**

**15122.2 ACCOUNTS FOR PAYMENT – NOVEMBER 2015**

**APPLICANT: SHIRE OF PERENJORI**  
**FILE: 1306P**  
**DISCLOSURE OF INTEREST: NIL**  
**AUTHOR: DEBBY BARNDON - SFO**  
**RESPONSIBLE OFFICER: PETER MONEY - MCDS**

**REPORT DATE: 15<sup>TH</sup> NOVEMBER 2015**

**ATTACHMENTS ACCOUNTS FOR PAYMENT**

**Executive Summary**

This item recommends that the Council confirms the payment of accounts for November 2015 as shown on the attached schedule.

**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 34 (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 Implications**

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**

FO

**Comment**

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

**Voting Requirements – Simple Majority**

<b>Officer Recommendation – Item 15122.2</b>	
That Council, pursuant to Regulation 13 of the Local Government (Financial Management) Regulations 1996 (as amended), confirms the accounts paid for the month ending 30 <sup>th</sup> November 2015 as attached to and forming part of this report.	
<b>Municipal Account</b>	
EFT	\$ 416,065.05
Direct Debits	\$ 90,006.66
Cheques	\$ 7,853.46
Corporate MasterCard	\$ 2,142.75
Bank Fees	\$ 314.59
<b>Total</b>	<b>\$ 516,382.51</b>
<b>Trust Account - Shire</b>	
EFT	\$ 13,228.93
Cheques	\$ 0.00
Bank Fees	\$ 0.00

<b>Total</b>	<b>\$ 13,228.93</b>
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<b>Trust Account – Mt Gibson Public Benefit Funds</b>	
EFT	\$ 12,669.00
Cheques	\$ 0.00
Bank Fees	\$ 0.00
<b>Total</b>	<b>\$ 12,669.00</b>

*Totalling \$542,280.44 from Municipal and Trust Accounts for the month ending 30<sup>th</sup> November 2015*

**Committee Resolution – Item 15122.2**

**Moved: Cr J Cunningham**

**Seconded: Debby Barndon**

**That Council, pursuant to Regulation 13 of the Local Government (Financial Management) Regulations 1996 (as amended), confirms the accounts paid for the month ending 30<sup>th</sup> November 2015 as attached to and forming part of this report.**

**Carried: 4/0**

<b>Municipal Account</b>	
EFT	\$ 416,065.05
Direct Debits	\$ 90,006.66
Cheques	\$ 7,853.46
Corporate MasterCard	\$ 2,142.75
Bank Fees	\$ 314.59
<b>Total</b>	<b>\$ 516,382.51</b>

<b>Trust Account - Shire</b>	
EFT	\$ 13,228.93
Cheques	\$ 0.00



Bank Fees	\$ 0.00
<b>Total</b>	<b>\$ 13,228.93</b>
<b>Trust Account – Mt Gibson Public Benefit Funds</b>	
EFT	\$ 12,669.00
Cheques	\$ 0.00
Bank Fees	\$ 0.00
<b>Total</b>	<b>\$ 12,669.00</b>
<i>Totalling \$542,280.44 from Municipal and Trust Accounts for the month ending 30<sup>th</sup> November 2015</i>	

**15122.3 MASTER LENDING AGREEMENT**

**APPLICANT:** SHIRE OF PERENJORI  
**FILE:** ADM 0360  
**DISCLOSURE OF INTEREST:** NIL  
**AUTHOR:** DEBBY BARNDON - SFO  
**RESPONSIBLE OFFICER:** PETER MONEY - MCDS  
**REPORT DATE:** 15<sup>TH</sup> NOVEMBER 2015  
**ATTACHMENTS** WATC LETTER

**Executive Summary**

This item recommends that Council approves the signing and sealing of a Master Lending Agreement with the Western Australian Treasury Corporation.

**Background**

The Western Australian Treasury Corporation (WATC) has changed the way they facilitate agreements with local governments with regards to borrowing facilities. Instead of providing individual agreement each time a new borrowing facility is required a Master Lending Agreements (LGMA) is provided that sweeps all existing loans under the Master Lending Agreement and facilitates future borrowings.

This removes the need for individual loan agreements that need to be executed under seal each time the Shire undertakes loan facilities with WATC.

For the Master Lending Agreement to be effective WATC requires the Shire of Perenjori to execute the LGMLA under its Common Seal as authorised by a resolution of the Shire of Perenjori.

A copy of the LGMLA is provided under separate cover.

**Statutory Environment**

Local Government Act 1995

**Policy Implications**

There are not direct policy implications in relation to this item.

**Financial Implications**

There are no financial implications.

**Strategic Implications**

Area 5: Investing in Councils Capacity – Our Leadership

*Goal: Fostering and maximising growth across the economy, embracing opportunities for diversifying and strengthening our economic base.*

**Risk Management**

There are no risks in endorsing this agreement. However it will improve processes when the Shire wishes to raise new loans as the process will be less complex.

**Consultation**

WATC

**Comment**

Any borrowing under the LGMA will still be subject to WATC's credit approval policy at the time of application, and the release of funds is subject to the issuance of a firm rate quote by WATC and its acceptance by an authorised signatory of the Shire of Perenjori.

The resolution below is that recommended by the WATC except that this resolution has removed references enabling senior officers authorised by the Chief Executive Officer to sign schedule documents in accordance with Council resolutions.

**Voting Requirements – Simple Majority**

**Officers Recommendation – Item 15122.3**

That Council:

1. Enters into a Master Lending Agreement with Western Australian Treasury Corporation in accordance with the document tabled at this meeting.
2. Approves the affixation of the Common Seal of the Shire of Perenjori to the Master Lending Agreement in the presence of the President and the Chief Executive Officer each of whom shall sign the document to attest the affixation of the Common Seal thereto; and
3. Authorises the Chief Executive Officer from time to time to sign schedule documents under the Master Lending Agreement and or to give instructions thereunder on behalf of the Shire of Perenjori in accordance with Council resolutions.

**Committee Resolution – Item 15122.3**

**Moved: Cr J Hirsch**

**Seconded: Cr J Cunningham**

**That Council:**

- 1. Enters into a Master Lending Agreement with Western Australian Treasury Corporation in accordance with the document tabled at this meeting.**
- 2. Approves the affixation of the Common Seal of the Shire of Perenjori to the Master Lending Agreement in the presence of the President and the Chief Executive Officer each of whom shall sign the document to attest the affixation of the Common Seal thereto; and**
- 3. Authorises the Chief Executive Officer from time to time to sign schedule documents under the Master Lending Agreement and or to give instructions thereunder on behalf of the Shire of Perenjori in accordance with Council resolutions.**

**Carried: 4/0**

WESTERN AUSTRALIAN  
**TREASURY CORPORATION**

FINANCIAL SOLUTIONS FOR THE BENEFIT OF ALL WESTERN AUSTRALIANS

Our Ref: 28097  
Enquires: Tamara Marsh  
Tel: (08) 9235 9153

Ms Ali Mills  
Chief Executive Officer  
Shire of Perenjori  
PO Box 22  
PERENJORI WA 6620

Dear Ali

**WATC – EXECUTION OF THE LOCAL GOVERNMENT MASTER LENDING AGREEMENT**

Western Australian Treasury Corporation (WATC) advises the previously requested information provided by the Shire of Perenjori has now been incorporated into the enclosed final Local Government Master Lending Agreement (LGMLA) for the Shire of Perenjori.

Enclosed are two final copies of the LGMLA for the Shire of Perenjori which sweeps all existing loans under the LGMLA and facilitates future borrowings under the one agreement thereby removing the need for individual loan agreements to be executed under seal each time the Shire of Perenjori borrows from WATC. Any borrowing under the LGMLA will be subject to WATC's credit approval policy at the time of the application, and the release of funds is subject to the issuance of a firm rate quote by WATC and its acceptance by an authorised signatory of the Shire of Perenjori.

For the LGMLA to be effective WATC requires that the Shire of Perenjori execute the LGMLA under its Common Seal as authorised by a resolution of the Shire of Perenjori. Please see the Attachment to this letter for the preferred wording of the resolution to be passed by the Shire of Perenjori.

The WATC is committed to providing its local government clients with a valued service and making the transition to the LGMLA as smooth as possible. Please do not hesitate to contact your client relationship manager Tamara Marsh if you have any queries in respect to the agreement.

Yours Sincerely



Richard McKenzie  
Manager, Client Services  
2 December 2015

**DRAFT RESOLUTION**

The Shire of Perenjori hereby **RESOLVES**:

- i) That the Shire of Perenjori enters into a Master Lending Agreement with Western Australian Treasury Corporation as per the document tabled at this meeting.
- ii) To approve the affixation of the Common Seal of the Shire of Perenjori to the said Master Lending Agreement in the presence of the Mayor or President and the Chief Executive Officer or an Agent or a Senior Employee of the Shire of Perenjori authorised by the Chief Executive Officer each of whom shall sign the document to attest the affixation of the Common Seal thereto; and
- iii) That the Chief Executive Officer, Agent or any one of the Senior Employees of the Shire of Perenjori authorised by the Chief Executive Officer from time to time is authorised to sign schedule documents under the Master Lending Agreement and or to give instructions thereunder on behalf of the Shire of Perenjori.

DATED [ ]

**15123 GENERAL BUSINESS**

**15123.1 MOTIONS OF WHICH DUE NOTICE HAVE BEEN GIVEN**

**15123.2 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

**15123.3 URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION**

**15123.4 MATTERS BEHIND CLOSED DOORS**

**15123.5 DATE OF NEXT MEETING / MEETINGS**

The next Finance Committee Meeting is to be held Tuesday 16<sup>th</sup> February 2015 at 5.00pm.

**15123.6 CLOSURE**

Cr J Cunningham declared the meeting closed at 6.20 pm.