Shire of Perenjori

MINUTES

Audit Committee Meeting

21st December 2017

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Held in the Shire of Perenjori Council Chambers, Fowler Street, Perenjori on the 21st December 2017, commenced at 11.00 am.

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17121   PRELIMINARIES
Cr L Butler declared the meeting open at 11.01 am.

17121.1   RECORD OF ATTENDANCE AND APOLOGIES
Cr L Butler
Cr L Smith
Cr J Hirsch
Cr K Pohl
Ali Mills – CEO
Rose Jones – SFO
Ron Back – Via Phone
Travis Bate – RSM Via Phone

17121.2   CONFIRMATION OF MINUTES
That the Minutes from the Audit Committee Meeting of the 16th March 2017 be confirmed as a true and correct record of that meeting.

<table>
<thead>
<tr>
<th>Officer Recommendation – Item 17121.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>That Council accepts the Minutes from the Audit Committee Meeting of the 16th March 2017 as a true and correct record of that Meeting.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Committee Resolution – Item 17121.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moved: Cr Hirsch</td>
</tr>
<tr>
<td>That Council accepts the Minutes from the Audit Committee Meeting of the 16th March 2017 as a true and correct record of that Meeting.</td>
</tr>
</tbody>
</table>

17122   ADOPTION OF ANNUAL REPORT 2016/17

| APPLICANT: | SHIRE OF PERENJORI |
| FILE:      | NIL |
| DISCLOSURE OF INTEREST: | NIL |
| AUTHOR:    | ALI MILLS - CEO |
| RESPONSIBLE OFFICER | ALI MILLS - CEO |
| REPORT DATE: | 21ST DECEMBER 2017 |
| ATTACHMENTS | ANNUAL REPORT |

| Executive Summary |
The Annual Report for the 2016/17 financial year is presented for Council’s endorsement, along with the proposed date for the annual electors meeting.

**Background**

An Annual Report is required to be produced every year after the audit has been completed and upon receipt of the Audit Report.

The 2016/2017 Annual Report has been prepared in accordance with Section 5.53 of the Local Government Act and includes the audited Annual Financial Report.


For statutory compliance a local government must:

- If the Auditors Report is not available in time for the annual report to be accepted by 31 December, the annual report is to be accepted no later than 2 months after the auditor’s report becomes available.

- Advertise the availability of the annual report.

- The date of the Annual Electors Meeting is also required to be set. This meeting must be held within 56 days of acceptance of the Annual Report, which is by 15th February 2018.

- It is proposed that the annual meeting of Electors be held at 5.00 pm on Tuesday 13th February 2017 at the Latham Community Centre.

- Fourteen days public notice of the meeting is also required.

The Shire is required to prepare annual financial statements by 30th September and the auditor is to prepare a report in respect of the Financial Statements by 31st December each year.

Eight matters have been raised by the auditors which need addressing (attached).

**Table 1: Matters identified by Auditors which need addressing:**

<table>
<thead>
<tr>
<th>MATTER</th>
<th>ACTION TO BE TAKEN</th>
<th>WHO TO ACTION</th>
<th>TIMEFRAME</th>
<th>CURRENT STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-compliance with Tender Regulations – Granny Flat Modular Accommodation</td>
<td>Tender Regulations adhered to.</td>
<td>CEO &amp; Managers</td>
<td>Immediate</td>
<td>In place</td>
</tr>
<tr>
<td>Non-compliance with Tender Regulations – Purchases foreseeably above tender limit</td>
<td>Purchasing policy and Tender Regulations to be adhered to.</td>
<td>CEO &amp; Managers</td>
<td>Immediate</td>
<td>Aggregate tender completed. CEO &amp; Managers aware</td>
</tr>
<tr>
<td>Non-compliance with internal purchasing policy</td>
<td>Purchasing policy to be adhered to. Training of all purchasing officer’s. Authority to Creditor clerk to return incorrect items to Officer’s.</td>
<td>Purchasing Officer’s</td>
<td>Immediate</td>
<td>Workshop to be conducted in New Year by 30th January 2018.</td>
</tr>
</tbody>
</table>
Shire of Perenjori

Audit Committee Meeting

21st December 2017

<table>
<thead>
<tr>
<th>Credit Card supporting documentation</th>
<th>Ensure all information provided before presenting to President for signing.</th>
<th>Creditor Clerk, CEO and Admin assist.</th>
<th>Immediate</th>
<th>In progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of journals</td>
<td>Policy developed to ensure regular reviews are conducted.</td>
<td>Senior Finance Officer &amp; CEO</td>
<td>5th February 2018</td>
<td>In progress</td>
</tr>
<tr>
<td>Ratio benchmarks</td>
<td>Budgeting process to consider own income levels and capital expenditure projects. Review ratios before adopting.</td>
<td>CEO &amp; Council</td>
<td>Budget process March – June 2018</td>
<td>CEO aware</td>
</tr>
<tr>
<td>Overhead allocation</td>
<td>Periodic review of allocations of overheads by an independent person. Policy and procedure to be developed.</td>
<td>CEO &amp; SFO</td>
<td>5th February 2018</td>
<td>In progress</td>
</tr>
</tbody>
</table>

**Statutory Environment**

Local Government Act 1995 – s 5.27 – Electors General Meetings

(1) A general meeting of the electors of a district is to be held once every financial year.

(2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.

(3) The matters to be discussed at general electors’ meetings are to be those prescribed.

**Policy Implications**

Nil

**Financial Implications**

Nil

**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

**Risk Management**

<table>
<thead>
<tr>
<th>Risk Statement</th>
<th>Level of Risk</th>
<th>Risk Mitigation Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk of non-compliance with legislation.</td>
<td>A moderate consequence which is possible resulting in medium level of risk.</td>
<td>The audit is conducted in time and the proposed Electors Committee is planned to be compliant also.</td>
</tr>
</tbody>
</table>
Comment
The annual report provides the opportunity for the Shire to summarise for the community the achievements of the Local Government and provide for the community the outcome of the annual audit.

Voting Requirements – Absolute Majority
Travis Bate left – 11.53 pm.

**Officer Recommendation – Item 17122**
That Council by absolute majority and by virtue of section 5.54 of the Local Government Act 1995 resolves to:

1. Adopt the 2016/2017 Annual Report for the financial period ending 30 June 2017 for the Shire of Perenjori as presented and attached; and
2. Confirm the date for the Annual Electors Meeting for Tuesday 13th February 2017 in Latham and authorise the statutory advertising
3. Charge the CEO to ensure outstanding matters raised by the auditor are addressed and progress reported on to the Audit Committee and/or Council

**Committee Resolution – Item 17122**
Moved: Ron Back
Seconded: Cr Hirsch
That Council by absolute majority and by virtue of section 5.54 of the Local Government Act 1995 resolves to:

1. Adopt the 2016/2017 Annual Report for the financial period ending 30 June 2017 for the Shire of Perenjori as presented and attached; and
2. Confirm the date for the Annual Electors Meeting for Tuesday 13th February 2017 in Latham and authorise the statutory advertising.
   
   Carried: 5/0

Moved: Cr L Smith
Seconded: Cr K Pohl
3. Charge the CEO to ensure outstanding matters raised by the auditor are addressed and progress reported on to the Audit Committee and/or Council
   
   Carried: 5/0

17122 OTHER BUSINESS
17122.1 DATE OF NEXT MEETING / MEETINGS

March 2018.

17122.2 CLOSURE

Cr L Butler declared the meeting closed at 12.10 pm.