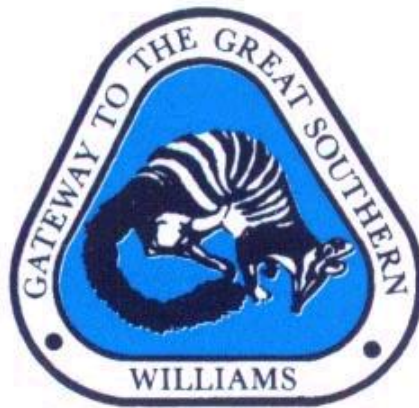


SHIRE OF WILLIAMS

***MINUTES AUDIT COMMITTEE MEETING
HELD ON WEDNESDAY 16TH MARCH 2016***



BUDGET REVIEW

***ANNUAL COMPLIANCE
RETURN***

RISK REPORT



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SEPARATE DOCUMENTS

1. Minutes
2. Budget Review Report
3. 2015 Annual Compliance Return
4. Risk Report – March 2016



SHIRE OF WILLIAMS

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All communications to be addressed to the Chief Executive Officer, P.O. Box 96, Williams, W.A. 6391.

Your Ref:

Our Ref:

NOTICE OF MEETING

You are respectfully advised that the next Audit Committee meeting will be held in the Council Chambers at 12.00 noon Wednesday 16th of March 2016.

Yours faithfully

Geoff McKeown
Chief Executive Officer



DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Williams for any act, omission or statement or intimation occurring during Council or Committee meetings. The Shire of Williams disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee meetings. Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee meeting does so at that person's or legal entity's own risk.

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AGENDA

1.0 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The President declared the meeting open at 12.08pm.

2.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

(PREVIOUSLY APPROVED)

Cr John Cowcher President

Cr Gilbert Medlen

Cr Peter Paterson

Geoff McKeown Chief Executive Officer

Cara Ryan Manager of Finance

3.0 PUBLIC QUESTION TIME

4.0 PETITIONS / DEPUTATIONS / PRESENTATIONS

5.0 DECLARATIONS OF INTEREST

DECLARATION OF INTEREST	
Name / Position	
Item No. / Subject	
Type of Interest	



6.0 AUDIT COMMITTEE MEETING HELD 18TH NOVEMBER 2015

6.1 CONFIRMATION OF AUDIT COMMITTEE MEETING HELD 18TH NOVEMBER 2015

Officer's Recommendation

That the Minutes of the Audit Committee Meeting held on 18th November 2015, as previously circulated, be confirmed as a true and accurate record.

Committee Decision

Paterson/Medlen

That the Minutes of the Audit Committee Meeting held on 18th November 2015, as previously circulated, be confirmed as a true and accurate record.

CARRIED

7.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

8.0 REPORTS



8.1 MANAGER OF FINANCE REPORT

8.1.1 2015/2016 BUDGET REVIEW

Purpose

To consider and review the Budget Review as presented in the Statement of Financial Activity for the period ended 29th February 2016.

Background

A Statement of Financial Activity incorporating year to date budget variations and forecasts to 30th June 2016 for the period ending 29th February 2016 is presented to the committee to consider and for recommendation to Council for adoption. The Local Government (Financial Management) Regulations 1996, regulation 33A as amended, requires that local governments conduct a budget review between 1 January and 31 March in each financial year. The results of the review and accompanying report from the review must be presented to Council within 30 days of the review. The review and determination is then to be provided to the Department of Local Government within 30 days of the adoption of the review.

The budget review has been prepared to include information required by the Local Government Act 1995, Local Government (Financial Management) Regulations 1996 and Australian Accounting Standards. Council adopted a 5% and \$5,000 minimum for reporting of material variances to be used in the statements of financial activity and the annual budget review.

Features of the review as summarised from the detailed financial reports attached are as follows:

REVENUE

Unexpected Bonus Payment from LGIS	\$3,907
Reimbursement for Risk Management from LGIS	\$2,802
Long Service Leave Reimbursement	\$14,957
Increase in CDO Outsourcing income	\$15,000
Increase rental income for the CEO House	\$5,000
Decrease of the Federal Equalisation Grant	(\$3,000)
Adjustment to ESL Maintenance Grant – 2014/2015	(\$5,839)
Refund from Telstra for incorrect phone charges from previous years	\$1,600
Increase in expected revenue for Childcare Centre Fees	\$15,000
Increase in the Federal Sustainability Grant for the Childcare Centre	\$2,972
Parental Leave Reimbursement	\$11,826
Decrease in expected revenue due for NRAS	(\$39,032)
No revenue expected for Sale of Scrap for the current year	(\$5,000)
TOTAL ADJUSTED REVENUE	\$20,193



EXPENDITURE

Decrease in members expenses	\$10,000
Payment Annual Leave and Long Service Leave on termination	(\$38,357)
Saving on Staff Training allocated to Administration Staff	\$5,000
Additional maintenance required on Staff Housing	(\$5,000)
Funds allocated to Valuers not required	\$5,000
Additional expenditure for Bank Fees – Treasury Guarantee Fee	(\$2,000)
Expenses incurred for development of a CCTV plan	(\$1,920)
Parental Leave Payments	(\$11,826)
NRAS 50% upfront payment for Administration Costs	(\$25,000)
Additional expense for maintenance Agricultural Hall	(\$4,180)
Savings on Pool Contractor Wages	\$6,800
Water usage expense over budget expectations	(\$7,000)
Major Plant Repairs on Multi Roller and Prime Mover	(\$48,345)
TOTAL ADJUSTED EXPENDITURE	(\$116,828)

CAPITAL ADJUSTMENTS

Additional revenue received from RDC Funding – Aged Housing Project	\$21,758
Additional revenue received from CLGFR 2012/2013 – Aged Housing Project	\$42,693
Transfer to Reserves reduced by \$40,000 due to NRAS revenue reduced	\$40,000
Additional expenditure on Jam Tree Lane public open space	(\$10,240)
Regional Refuse site postponed	\$85,000
CAPITAL ADJUSTMENT	\$179,211

OTHER ITEMS

Decrease in Opening Surplus	(\$18,176)
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Financial Implications

Due to the combined value of the above adjustments the balanced budget is now predicted to be a surplus of \$64,400. This predicted surplus includes a timing adjustment of \$85,000 for the proposed Regional Waste Site and may be required to be carried over to the 2016/2017 budget.

Voting Requirements

Simple Majority

Officers Recommendation

That the 2015/2016 Budget Review carried out by senior staff be recommended to Council for adoption.

Committee Decision

Medlen/Paterson

That the 2015/2016 Budget Review carried out by senior staff be recommended to Council for adoption.

CARRIED



8.2 CHIEF EXECUTIVE OFFICER REPORT

8.2.1 2015 ANNUAL COMPLIANCE AUDIT RETURN

Purpose

To review the Annual Compliance Audit return for the period 1 January 2015 to 31 December 2015, as presented, and report to council the results of the review.

Background

All Local Governments are required to carry out a Compliance Audit Return (CAR) under the Local Government Audit Regulations 1996 on an annual basis. The Compliance Audit Return contains a checklist of statutory requirements and covers the calendar year, 1 January 2015 to 31 December 2015.

The Statutory Compliance Audit Return is to be:

1. Presented to the Audit Committee for review at a meeting of the Audit Committee;
2. Recommended for Adoption by Council at an Audit Committee Meeting;
3. Presented to the Council at a meeting of Council;
4. Adopted by the Councils; and
5. The adoption recorded in the minutes of the meeting at which it is adopted.

Once the Compliance Audit Return has been presented to Council, a certified copy of the return, along with the relevant section of the minutes and any additional information explaining or qualifying the compliance audit is to be submitted to the Executive Director, Department of Local Government by 31st March 2016.

Comment

The audit was carried out internally, sourcing evidence of compliance through the Shires own records. The audit checklist, which is determined by the Minister of Local Government, focused on the following area of compliance:

1. Commercial Enterprises of Local Governments
2. Delegation of Power / Duty
3. Disclosure of Interest
4. Disposal of Property
5. Elections
6. Finance
7. Local Government Employees
8. Official Conduct
9. Tenders for Providing Goods and Services

There were no areas where non-compliance was noted. Comment has been made in relation to a number of areas where an absolute majority resolution is needed. Although an absolute majority of votes was identified in the agenda item and obtained by the number of votes cast, the resolution appearing in the Minutes stated “Carried” rather than “Carried by Absolute Majority”. Attention will be given to this matter to ensure the correct notation is recorded in future Minutes.



Financial Implications

Nil.

Voting Requirements

Simple Majority

Officers Recommendation

That the committee recommends that Council adopts the 2015 Compliance Audit Return for certification by the Shire President and the Chief Executive Officer.

Committee Decision

Medlen/Paterson

That the committee recommends that Council adopts the 2015 Compliance Audit Return for certification by the Shire President and the Chief Executive Officer.

CARRIED

8.2.2 REVIEW AND UPDATE OF RISK MANAGEMENT PROFILES

Purpose

To update and review the Risk Management Profiles that were reviewed by the Audit Committee and subsequently adopted by Council in December 2014.

Background

With the amendment to Local Government (Audit) Regulation 1996, a review on Risk, Control and Compliance was undertaken in November 2014 utilising the current Risk Management Governance Framework and profiling tools. This was reviewed by the Audit Committee at the December 2014 meeting and then adopted by Council. The full report consists of a dashboard and individual risk profiles and is to be reviewed by the Management Team at least twice a year.

Comments

As part of the risk management commitments of the Management Team, attached is an updated Dashboard Report on the Current Issues/Actions and Treatments of identified risk areas. A number of actions have been completed and they are as follows;

1. The Delegations Register was reviewed and adopted by Council in December 2015.
2. Independent Financial Management Audit commenced in May 2015, with the final report presented by the Auditors in August 2015.
3. Review of the current Workforce Plan was completed in August 2015.
4. The Purchasing Policy was reviewed and adopted by Council in February 2015.
5. The Customer Satisfaction Surveys are due to go out at the end of this month, (March 2016).
6. The Contractor and Employee OHS inductions are currently under review, with the assistance of LGIS Risk Management Consultant – Mark Southgate.



Financial Implications

Nil.

Voting Requirements

Simple Majority

Officers Recommendation

That the Audit Committee reviews, receives and endorses the attached Dashboard Risk Report – March 2016.

Committee Decision

Paterson/Medlen

That the committee recommends that Council adopts the 2015 Compliance Audit Return for certification by the Shire President and the Chief Executive Officer.

CARRIED

9.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING.

10.0 INFORMATION SESSION

11.0 CLOSURE OF MEETING

The President declared the meeting closed at 12.47pm.