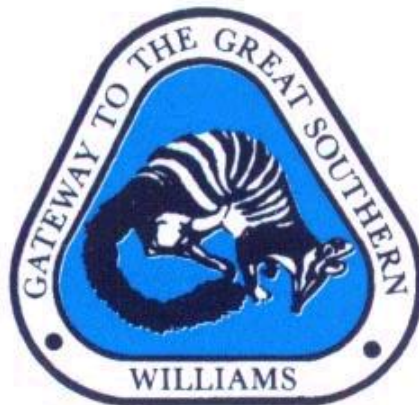


# ***SHIRE OF WILLIAMS***

***MINUTES AUDIT COMMITTEE MEETING  
HELD ON WEDNESDAY 21st MARCH 2018***



***BUDGET REVIEW***

***ANNUAL COMPLIANCE  
RETURN***



## MINUTES – AUDIT COMMITTEE MEETING HELD 21ST MARCH 2018

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### **SEPARATE DOCUMENTS**

1. Minutes
2. 2017-2018 Budget Review Report
3. 2017 Annual Compliance Return



## SHIRE OF WILLIAMS

BROOKING STREET, WILLIAMS, WESTERN AUSTRALIA.

OFFICE HOURS: MONDAY TO FRIDAY: 8.30 a.m. to 5.00 p.m.

TELEPHONE (08) 9885 1005 FACSIMILE (08) 9885 1020 EMAIL [shire@williams.wa.gov.au](mailto:shire@williams.wa.gov.au)

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 21<sup>st</sup> March 2018.

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.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by a member or officer of the Shire of Williams during the course of any meeting is not intended to be and is not to be taken as notice of approval from the Shire of Williams. The Shire of Williams warns that anyone who has any application lodged with the Shire of Williams must obtain and should only rely on written confirmation of the outcome of the application, and any conditions attaching to the decision made by the Shire of Williams in respect of the application.



# AGENDA

## 1.0 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The President declared the meeting open at 12.25pm

## 2.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

(PREVIOUSLY APPROVED)

Cr John Cowcher      President

Cr Gilbert Medlen

Cr Robert Baker

Cr Simon Harding

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	



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## 6.0 AUDIT COMMITTEE MEETING HELD 15<sup>TH</sup> MARCH 2017

### 6.1 CONFIRMATION OF AUDIT COMMITTEE MEETING HELD 15<sup>TH</sup> MARCH 2017

**Officer's Recommendation**

That the Minutes of the Audit Committee Meeting held on 15<sup>th</sup> March 2017, as previously circulated, be confirmed as a true and accurate record.

**Committee Decision**

***Medlen/Harding***

That the Minutes of the Audit Committee Meeting held on 15<sup>th</sup> March 2017, as previously circulated, be confirmed as a true and accurate record.

**Carried 4/0**

## 7.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

## 8.0 REPORTS



## 8.1 MANAGER OF FINANCE REPORT

### 8.1.1 2017-2018 BUDGET REVIEW

#### Purpose

To consider and review the Budget Review as presented in the Statement of Financial Activity for the period ended 28<sup>th</sup> February 2018.

#### Background

A Statement of Financial Activity incorporating year to date budget variations and forecasts to 30<sup>th</sup> June 2018 for the period ending 28<sup>th</sup> February 2018 is presented to the Audit 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

Unbudgeted revenue received from LGIS, which includes members' dividend payment and reimbursement of 40% of insurance valuation costs.	\$10,623
Additional revenue generated by outsourcing Manager of Finance.	\$30,000
Reduction in Local Road Grant component of Federal Assistance Grant.	(\$25,380)
Increase in interest generated from Municipal Funds held on Term Deposit.	\$5,000
Increase in fees generated by swimming pool admissions.	\$3,000
Insurance reimbursement for damaged Cricket Nets.	\$3,500
Reduction in MRD Direct Grant as per decision by State Government.	(\$30,280)
Decreased revenue for Storm Damage funding due to revised expenditure.	(\$84,525)
Reduction in standpipe water sales.	(\$5,000)
Increase in income generated by Private Works undertaken by the Shire.	\$12,000
<b>TOTAL ADJUSTED REVENUE</b>	<b>(\$81,062)</b>



### EXPENDITURE

Saving on shire administration staff wages.	\$15,000
Reduced expenditure on engagement of Health/Building Officer.	\$11,000
Savings on expenditure to control mosquitos.	\$2,000
Savings on wages costs to maintain sporting grounds and facilities.	\$24,000
Rural road maintenance costs more expensive than budget expectation.	(\$175,345)
Storm Damage expenditure reduced and to be undertaken next year.	\$131,070
Savings on maintenance costs for town streets.	\$5,000
Additional expenditure for installation of retaining wall, Lot 440 Marjidin Way.	(\$6,000)
Increased expenditure for Private Works undertaken by the Shire.	(\$7,000)
Reduction in water expenses for standpipes.	\$7,000
Additional training costs for road crew, due to traffic control requirements.	(\$2,000)
<b>TOTAL ADJUSTED EXPENDITURE</b>	<b>\$4,725</b>

### CAPITAL REVENUE

Western Power Grant for 2 x Quickfill Standpipes.	\$10,000
Stronger Community Grant received for solar power.	\$7,555
Additional income received from the SII Funding pool via 4WDL VROC.	\$6,119
Swimming pool revitalisation grant not continuing.	(\$32,000)
Funding application for Water Capture program did not proceed.	(\$25,000)
Roads to Recovery funding allocated for 2017/2018 reduced and postponed to 2018/2019.	(\$48,000)
Funding for Albany Hwy footpath postponed to 2018/2019.	(\$50,000)
Sale of 9 New Street exceeded budget expectations.	\$22,386
<b>CAPITAL GRANT FUNDING</b>	<b>(\$108,940)</b>

### CAPITAL EXPENDITURE

Unbudgeted expenditure for 2 x Quickfill standpipes.	(\$10,000)
Unbudgeted expenditure for providing and installing solar power.	(\$15,000)
Saving on Softfall installation at the Childcare Centre.	\$7,000
Remove expenditure of Radio Communications due to reduction in MRD Grant.	\$30,000
Over budget on Regional Road Project – Pingelly Road seal extension.	(\$33,000)
Under budget on Roads to Recovery – Clayton Road shoulder widening.	\$48,000
Postponing a portion of townsite drainage expenditure to 2018/2019.	\$15,000
Construction of Albany Hwy footpath postponed to 2018/2019.	\$100,322
Water capture solution did not proceed.	\$53,873
Savings on swimming pool blankets.	\$6,500
Replacement of Cricket Nets funded by insurance due to damage.	(\$4,453)
<b>CAPITAL GRANT FUNDING</b>	<b>\$198,242</b>





### **Financial Implications**

Due to the combined value of the above adjustments the balanced budget is now predicted to be a surplus of \$12,965. This predicted surplus includes a timing adjustment of \$115,322, of which may be required to be carried over to the 2018-2019 Budget. This comprises of the following;

- Storm Damage works of \$20,000 (\$80,000 expenses less \$60,000 funding)
- Footpath Albany Hwy of \$50,322 (\$100,322 expenses less \$50,000 funding)
- Townsite Drainage of \$15,000
- Radio Communications of \$30,000

### **Strategic Implications**

This item aligns with the community's vision and aspirations as contained in the Shire of Williams Strategic Community Plan 2017-2032. Specifically it relates to the following strategies:

CL 2.2 Maintain accountability, transparency and financial responsibility.

### **Voting Requirements**

Simple Majority

### **Officer's Recommendation**

That the 2017-2018 Budget Review completed by senior staff be recommended to Council for adoption.

### **Committee Decision**

#### ***Harding/Baker***

That the 2017-2018 Budget Review completed by senior staff be recommended to Council for adoption.

**Carried 4/0**



## 8.2 CHIEF EXECUTIVE OFFICER REPORT

### 8.2.1 2017 ANNUAL COMPLIANCE AUDIT RETURN

#### Purpose

To review the Annual Compliance Audit return for the period 1 January 2017 to 31 December 2018, as presented, and report to Council the results of the review.

#### Background

The Annual Compliance Audit Return for the period 1 January 2017 to 31 December 2017, is presented for review by Council.

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 CAR contains a checklist of statutory requirements and covers the calendar year.

The CAR 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 Council; and
5. The adoption recorded in the minutes of the meeting at which it is adopted.

Once the CAR 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 CAR is to be submitted to the Director General, Department of Local Government, Sport and Cultural Industries by 31st March 2018.

#### Comment

The audit was carried out internally, sourcing evidence of compliance through the Shire's own records. The audit checklist is determined by the Minister of Local Government.

There were no areas where non-compliance was noted. However, comment has been made in relation to one occasion where an absolute majority resolution was needed. Although an absolute majority of votes was identified, the resolution appearing in the Minutes states "Carried" rather than "Carried by Absolute Majority". Attention will be given to this matter to ensure the correct notation is recorded in future Minutes.

#### Strategic Implications

This item aligns with the community's vision and aspirations as contained in the Shire of Williams Strategic Community Plan 2017 to 2032. Specifically, it relates to the following strategy(s):

- CL 2.2 Maintain accountability, transparency and financial responsibility.
- CL 4.4 Monitor and ensure compliance with regulatory framework for local government business.



**Financial Implications**

Nil

**Voting Requirements**

Simple Majority

**Officer's Recommendation**

That the Audit Committee recommends that Council adopt the 2017 Compliance Audit Return for certification by the Shire President and the Chief Executive Officer.

**Committee Decision**

***Medlen/Baker***

That the Audit Committee recommends that Council adopt the 2017 Compliance Audit Return for certification by the Shire President and the Chief Executive Officer.

**Carried 4/0**

**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 12.59pm.