



UNCONFIRMED MINUTES
FOR THE
AUDIT COMMITTEE MEETING
TO BE HELD IN
THE COUNCIL CHAMBERS, YALGOO
ON THURSDAY, 25 MARCH 2021
COMMENCING 12.45 PM



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Minutes for the Audit Committee Meeting
held in the Council Chambers, 37 Gibbons Street, Yalgoo
on Thursday, 25 March 2021 commencing at 12.45pm.

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

Chairperson Cr Gregory Payne declared the Audit Committee Meeting open at 12.49pm

2. RECORD OF ATTENDANCE/APOLOGIES

MEMBERS	Cr Gregory Payne, Chairperson Cr Gail Trenfield, Deputy Chairperson Cr Raul Valenzuela Cr Tamisha Hodder Cr Gail Simpson
STAFF	Ian Holland, Chief Executive Officer Elisha Hodder, Executive Assistant
GUESTS	Nil
OBSERVERS	Nil
APOLOGIES	Cr Percy Lawson

3. DISCLOSURE OF INTERESTS

Disclosures of interest made before the Meeting

Nil

4. CONFIRMATION OF MINUTES

4.0 FINANCE AND AUDIT COMMITTEE MEETING HELD 27 MARCH 2020

Background

Minutes of the Finance and Audit Committee meeting held on 27 March 2020 were previously distributed to members.

Voting Requirements

Simple majority

COMMITTEE RECOMMENDATION / COMMITTEE DECISION

A2021-0301 MINUTES OF THE FINANCE & AUDIT COMMITTEE MEETING

That the minutes of the Finance and Audit Committee meeting held on 27 March 2020, as circulated, be confirmed as a true and correct record of proceedings.

Moved: Cr Raul Valenzuela Seconded: Cr Gail Trenfield Motion put and carried: 5/0

5. BUSINESS AS NOTIFIED

5.1 REPORT ON COMPLIANCE AUDIT RETURN 2020

AUTHOR:	IAN HOLLAND
INTEREST DECLARED:	NO INTEREST TO DISCLOSE
DATE:	18 MARCH 2021
ATTACHMENTS :	2020 COMPLIANCE AUDIT RETURN

MATTER FOR CONSIDERATION

That the Committee give consideration to the Compliance Audit Return 2020 and recommend to Council that the Compliance Audit Return be adopted and certified by the President and Chief Executive Officer and a copy to be forwarded to the Department of Local Government Sport and Culture Industries by 31st March 2021.

BACKGROUND

Regulation 14 and 15 of the Local Government (Audit) Regulations 1996 requires that the Council carry out a Compliance Audit for the period 1st January to the 31st December in each year and be submitted to the Executive Director by the 31st March of the following year.

STATUTORY ENVIRONMENT

Local Government Act 1995

7.13. Regulations as to audits

- (i) requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are —
 - (i) of a financial nature or not; or
 - (ii) under this Act or another written law.

Local Government (Audit) Regulations 1996

14. Compliance audits by local governments

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3)
 - (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.
 - (4) (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —
 - (5) (a) presented to the council at a meeting of the council; and
 - (6) (b) adopted by the council; and
 - (7) (c) recorded in the minutes of the meeting at which it is
 - (8) adopted.

15. Compliance audit return, certified copy of etc. to be given to Executive Director

(1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —

(a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c);
and

(b) any additional information explaining or qualifying the compliance audit, is to be submitted to the Executive Director by 31 March next following the period to which the return relates.

(2) In this regulation —

certified in relation to a compliance audit return means signed by —

(a) the mayor or president; and

(b) the CEO.

BUSINESS IMPLICATIONS

Nil

CONSULTATION

Nil

COMMENT

The Shire of Yalgoo is required to carry out an Annual Compliance Audit for the period 1st January 2020 to 31st of December 2020. The Compliance Return for 2020 has been completed online on the Department of Local Government Sport and Culture Industries website and is attached for consideration.

The Compliance Return is to be adopted by Council and certified by the President and the Chief Executive Officer along with a copy of the relevant section of the Minutes be forwarded to the Director General by the 31st March 2021.

VOTING REQUIREMENTS

Simple Majority

COMMITTEE RECOMMENDATION / COMMITTEE DECISION

A2021-0302 Report on Compliance Audit Return 2020

That the Audit Committee recommends to Council

The 2020 Compliance Audit Return be adopted and certified by the President and Chief Executive Officer and forwarded to the Department of Local Government along with the relevant section of the Minutes.

Moved: Cr Raul Valenzuela

Seconded: Cr Gail Trenfield

Motion put and carried: 5/0

5.2 REPORT ON 2020-21 ANNUAL BUDGET REVIEW

Author:	Dominic Carbone
Interest Declared:	No interest to disclose
Date:	14 March 2021
Attachments :	Statement of Financial Activities , Statement of Surplus/ Deficit, Statement of Closing Funds, Budget Analysis Worksheets

Matter for Consideration

That council review the 2020-21 Annual Budget Review

Background

Regulation 33A of the Local Government Act (Financial Management) Regulations 1996 requires that a Local Government between 1st February and 31st March in each year carry out a review of its Annual Budget for that year. A copy of the review and the determination is to be provided to the Department of Local Government within 30 days of the adoption of the review.

Council adopted a 10% or \$10,000.00 variance or whatever is the greater for the reporting of material variances identified in the annual budget review

Statutory Environment

33A. Review of budget

- (1) Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.
- (2A) The review of an annual budget for a financial year must —
 - (a) consider the local government’s financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and
 - (b) consider the local government’s financial position as at the date of the review; and
 - (c) review the outcomes for the end of that financial year that are forecast in the budget.
- (2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.
- (3) A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.

*Absolute majority required.

- (4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.

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.

- (1a) In subsection (1) —
 - additional purpose means a purpose for which no expenditure

estimate is included in the local government’s annual budget.

(2) Where expenditure has been incurred by a local government —

(a) pursuant to subsection (1)(a), it is to be included in the annual budget for that financial year; and

(b) pursuant to subsection (1)(c), it is to be reported to the next ordinary meeting of the council.

Business Implications

Nil

Consultation

Dominic Carbone

Comment

A review of the Shire’s 2020-21 Annual Budget has been undertaken in accordance with the Financial Management Regulations and the following worksheets have been prepared;

Statement of Financial Activities	(refer attachments)
Statement of Surplus/ Defecate	(refer attachments)
Statement of Closing Funds	(refer attachments)
Budget analysis Worksheets	(refer attachments)

The review of the 2020-21 Annual Budget revealed:

1) An increase in operating revenue amounting to \$346,809 comprising of:

REVENUE

Increase in LRCI grants received	\$285,431
Decrease in intermin rating	(\$16,150)
Increase in financial assistance grants	\$16,975
Increase in FESA grant received	\$4,505
Decrease in staff housing rental	(\$3,000)
Increase in town planning fees	\$2,064
Increase in sponsorship -carols on the grass	\$3,000
Decrease in roads to recovery grant	(\$2,707)
Increase in DFES flood damage grant	\$32,501
Decrease in Emu cup funding	(\$25,000)
Increase in caravan park fees and charges	\$40,000
Increase in private works charges	\$3,305
Increase in commission vehicle licencing	\$1,500
Decrease other minor variances	\$4,385
	<u>\$346,809</u>

2) An decrease in operating expenditure amounting to \$301,586 comprising of:

EXPENDITURE

Increase in valuation expenses	(\$7,000)
Decrease in Members conference expenses	\$7,000
Decrease in consultancy CEO recruitment	\$6,250
Decrease in additional nurse expenses	\$50,000
Decrease in staff housing insurance expenses	\$2,502
Decrease in staff housing utilities	\$5,000
Increase in staff housing repairs and maintenance	(\$54,364)
Decrease in household refuse collection costs	\$5,000
Decrease in Yalgoo refuse site maintenance	\$20,778
Decrease in public conveniences maintenance	\$11,198
Increase in community bus expenses	(\$7,831)
Decrease in Yalgoo hall expenses	\$4,000
Increase in railway station ground maintenance	(\$42,000)
Decrease in Payne's Find complex maintenance	\$30,025
Increase in community oval pavilion maintenance	(\$47,101)
Decrease in celebration expenditure	\$6,000
Decrease in art centre operations and maintenance	\$24,559
Increase in roads inspection after rain	(\$7,673)
Increase in flood damage costs refer grant above	(\$32,501)
Decrease in rural road maintenance	\$163,077
Increase in Yalgoo airstrip maintenance	(\$6,000)
Decrease in Payne's Find airstrip maintenance	\$4,000
Decrease in contributions to MRVC vermin cell fence construction	\$218,000
Increase in caravan park operations	(\$68,044)
Decrease in emu cup event	\$39,000
Decrease in banners in the terrace	\$3,500
Increase in HCP project	(\$34,585)
Increase in private works expenses	(\$3,305)
Decrease other minor variances	\$12,101
	<u>\$301,586</u>

3)	Gain or loss on sale of assets:	
	Increase in proceeds from sale of assets	<u>\$11,364</u>
	Increase in net loss on sale of assets	<u>\$11,364</u>
4)	Furniture and Equipment	
	Minor saving - upgrade cabling admin. centre	<u>\$889</u>
		<u>\$889</u>
5)	Land and Buildings	
	Additional expend.on Yalgoo hall renovation due to additional LRCI grant received	(\$285,431)
	Savings -machinery shed concrete floor	\$1,819
		<u>(\$283,612)</u>
6)	Plant and Equipment	
	Over expenditure - CEO vehicle	
	Savings - grader	\$870
	Over expenditure - works foreman vehicle	
		<u>\$870</u>
7)	Roads Infrastructure	
	Less expenditure on roads to recovery -Yalgoo/Morawa rd. less grant received	<u>\$2,707</u>
8)	Infrastructure Recreation Facilities	
	Additional expend. Sports complex carpark and footpath to school	<u>(\$2,281)</u>
9)	Infrastructure Other	
	Additional expend. Yalgoo rubbish tip	<u>(\$18,062)</u>
10)	Reserve Funds	
	Additional transfer of funds - interest	<u>(\$650)</u>
10)	Book Value Of Assets Sold Written Back	
		<u>\$0</u>
11)	Surplus Brought Forward	
	Variance to 2019-20 end of year accruals	<u>(\$78,257)</u>
	Net Estimated Variance (Surplus)	<u>\$281,363</u>

Council is requested to authorise the following budget amendment.

(1)	Surplus Carried Forward increase by.	\$200,000
(2)	Yalgoo Hall Renovation increase by	\$200,000

In order to allocate additional funds to the project Council is requested to give consideration to and adopt the Annual Budget Review.

Voting Requirements

Absolute Majority.

COMMITTEE RECOMMENDATION / COMMITTEE DECISION

A2021-0303 Report on 2020-21 Annual Budget Review

That the Audit Committee recommends to Council

- 1.) Adopts the 2020-21 Annual Budget Review together with the variations detailed in the Budget Analysis Worksheet attached to this Report.**

- 2.) A copy of the 2020-21 Annual Budget Review and the determination be provided to the Department of Local Government and Communities.**

- 3.) That the 2020-21 Annual Budget be amended as follows:**
 - Surplus Carried Forward increase by \$200,000.**
 - Yalgoo Hall Renovations increase by \$200,000.**

Moved: Cr Gail Trenfield

Seconded: Cr Gail Simpson

Motion put and carried: 5/0

6. URGENT BUSINESS

Nil

7. MEETING CLOSED

There being no Further Business, the Audit Committee Chairperson, declared the Audit Committee meeting closed at 12.56pm.

DECLARATION

These minutes were confirmed at the Audit Committee Meeting held on the _____.

Signed: _____
Person presiding at the meeting at which these minutes were confirmed.