



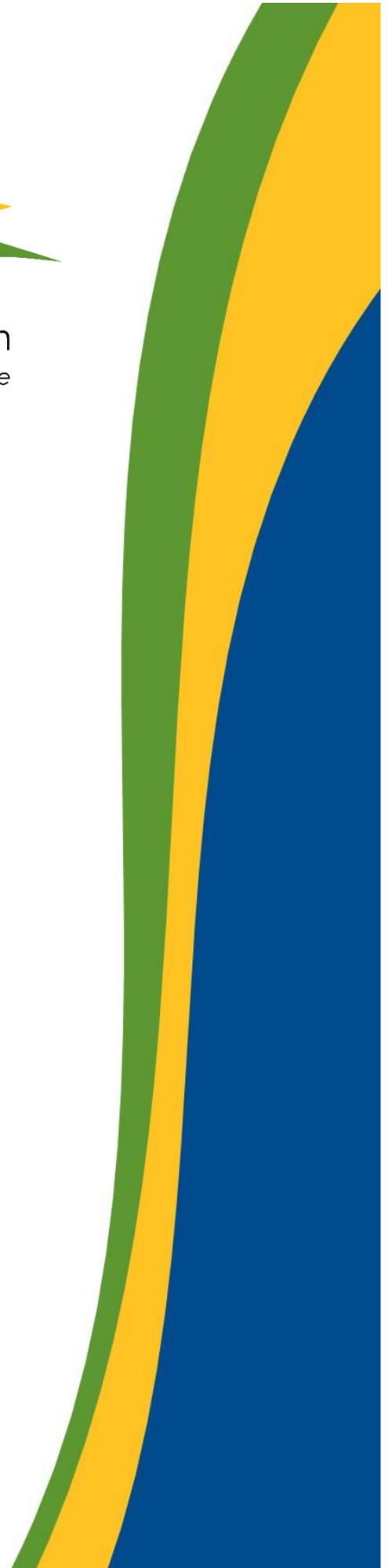
Shire of Northam
Heritage, Commerce and Lifestyle

Shire of Northam

Minutes

Audit Committee Meeting

13 November 2017



DISCLAIMER

This agenda has yet to be dealt with by the Council. The Recommendations shown at the foot of each item have yet to be considered by the Council and are not to be interpreted as being the position of the Council. The minutes of the meeting held to discuss this agenda should be read to ascertain the decision of the Council.

In certain circumstances members of the public are not entitled to inspect material, which in the opinion of the Chief Executive Officer is confidential, and relates to a meeting or a part of a meeting that is likely to be closed to members of the public.

No responsibility whatsoever is implied or accepted by the Shire of Northam for any act, omission, statement or intimation occurring during Council or Committee meetings.

The Shire of Northam 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 of 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 any member or Officer of the Shire of Northam during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Northam.

The Shire of Northam advises that anyone who has any application lodged with the Shire of Northam 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 Northam in respect of the application.

The Shire of Northam advises that any plans or documents contained within this agenda may be subject to copyright law provisions (*Copyright Act 1968*, as amended) and that the express permission of the copyright owner(s) should be sought prior to their reproduction. It should be noted that copyright owners are entitled to take legal action against any persons who infringe their copyright. A reproduction of material that is protected by copyright may represent a copyright infringement.

Contents

1.	DECLARATION OF OPENING	4
4.	ELECTION OF PRESIDING MEMBER	4
2.	ATTENDANCE.....	4
2.1	APOLOGIES.....	5
2.2	APPROVED LEAVE OF ABSENCE	5
3.	DISCLOSURE OF INTERESTS.....	5
5.	CONFIRMATION OF MINUTES	5
5.1	COMMITTEE MEETING HELD 23 RD AUGUST 2017.....	5
6.	COMMITTEE REPORTS	6
6.1	MEETING WITH THE SHIRE AUDITORS	6
6.2	SHIRE OF NORTHAM 2016/17 ANNUAL REPORT	10
6.3	2016/17 ANNUAL ELECTORS GENERAL MEETING	14
7.	URGENT BUSINESS APPROVED BY PERSON PRESIDING OR BY DECISION .	17
8.	DATE OF NEXT MEETING	17
9.	DECLARATION OF CLOSURE	17

1. DECLARATION OF OPENING

The Chief Executive Officer, Mr Jason Whiteaker declared the meeting open at 2:56pm.

Mr Whiteaker advised that the first item of business would be to elect the Chairperson for the ensuing two year period and item 4 – Election of Presiding Member would be brought forward.

4. ELECTION OF PRESIDING MEMBER

In accordance with section 5.12 of the Local Government Act 1995. The members of a committee are to elect a presiding member from amongst themselves in accordance with Schedule 2.3, Division 1.

The members of a committee may elect a deputy presiding member from amongst themselves but any such election is to be in accordance with Schedule 2.3, Division 2.

Should the presiding member not be available or is unable or unwilling to perform the functions of presiding member, then the deputy presiding member, if any, may perform the functions of presiding member.

The Chief Executive Officer called for nominations. One nomination was received in writing from Cr Chris Antonio. The Chief Executive Officer called for further nominations. As there were no further nominations, the Chief Executive Officer declared Cr Chris Antonio the Chairperson of the Audit Committee for the ensuing two year period. Cr Antonio took the Chair and thanked all for attending.

2. ATTENDANCE

Committee:

Shire President
Councillors

Cr C R Antonio
Cr A J Mencshelyi
Cr C L Davidson
Cr J Proud

Staff:

Chief Executive Officer
Executive Manager Corporate Services
Executive Assistant – CEO

J B Whiteaker
C Young
A C Maxwell

Auditor:

Moore Stephens

Greg Godwin

2.1 APOLOGIES

Nil.

2.2 APPROVED LEAVE OF ABSENCE

Nil.

3. DISCLOSURE OF INTERESTS

Nil.

5. CONFIRMATION OF MINUTES

5.1 COMMITTEE MEETING HELD 23RD AUGUST 2017

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.088

Moved: Cr Proud

Seconded: Cr Davidson

That the minutes of the Audit Committee meeting held Wednesday, 23rd August 2017 be confirmed as a true and correct record of that meeting.

CARRIED 4/0

6. COMMITTEE REPORTS

6.1 MEETING WITH THE SHIRE AUDITORS

Address:	
Owner:	Internal report Shire of Northam
File Reference:	8.2.7.1
Reporting Officer:	Colin Young Executive Manager Corporate Services
Responsible Officer:	Colin Young Executive Manager Corporate Services
Voting Requirement	Simple Majority

BRIEF

For Council to meet and discuss with Council's Auditor Mr Greg Godwin from Moore Stephens the 2016/17 annual audit outcomes.

ATTACHMENTS

Nil.

BACKGROUND / DETAILS

On appointment of the audit committee, it was given delegated authority to meet with the Auditor of the local government at least once in every year, pursuant to Section 7.12A(2) the Local Government Act 1995.

The Local Government Act does not require the Audit Committee to meet with the Auditor rather the local Government is to meet with the Auditor at least once each year.

Council's Auditor Mr Greg Godwin from Moore Stephens will be in attendance of this Audit Committee Meeting. It should be noted that there will be a fee involved for the auditor to visit the Shire of Northam in person due to travelling and time.

CONSIDERATIONS

Strategic Community / Corporate Business Plan

Theme Area 6: Governance & Leadership

Outcome 6.3: The Shire of Northam Council is a sustainable, responsive, innovative and transparent organisation.

- Ensure robust financial management;
- Maintain a high standard of corporate governance; and

- Undertake our regulatory roles in a safe, open, accountable and respectful manner.

Financial / Resource Implications

A fee will be involved for the auditor to visit the Shire of Northam in person due to travelling and time.

Legislative Compliance

Local Government Act 1995 Section 7.12A. Duties of local government with respect to audits

- (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out his or her other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.

Policy Implications

Nil.

Stake Holder Engagement / Consultation

Nil.

Risk Implications

Nil.

OFFICER'S COMMENT

Topics to be discussed with the auditor include;

- Review of Shire of Northam Auditors Report
- Review of Shire of Northam Management Report
- General Business

DISCUSSION

- Mr Godwin thanked the Audit Committee for inviting him to attend the meeting in person.
- Mr Godwin ran through the Shire of Northam's Audit Report in the order presented, key items discussed include:
 - The method and standards that the audit was undertaken in accordance with, and the authority and requirements for the Auditor.
 - The only matter of non-compliance was the Financial Report not being provided to the Department of Local Government within 30 days of this being signed off. It was outlined that this is a common

- issue across local governments as they often believe it needs to be endorsed by Council prior to this occurring, however this is not the case.
- It was outlined that the Report has been presented in a timely manner with minimal adjustments required which demonstrates sound financial management.
 - The Annual Report (excluding the Financial Report) has not been audited as it is the view of Moore Stephens that this is the responsibility of Management.
 - Mr Godwin ran through the Shire of Northam's Management Report in the order presented, key items discussed include:
 - Issues or areas requiring addressing are generally raised through this report from the interim and year-end audit.
 - The ratio table was discussed and it was raised that there are few Councils which do not have at least one ratio that falls into the red category. Most of Council's ratios are green and trending upward.
 - Cr Mencshelyi queried the cost for the expanded report. Mr Godwin advised that this is approximately \$900.00 for Moore Stephens clients, however the cost will vary depending on the scope requested. Mr Whiteaker advised that the information provided through this report is available through the Department of Local Governments, MyCouncil website however this is only the raw data (i.e. has no professional commentary).
 - Cr Antonio queried whether there are any areas that Council should be focussing on based on issues that other Council's may have faced. Mr Godwin advised that as an audit committee you should always be sceptical, hold people accountable, apply common sense and have a risk approach.
 - Mr Whiteaker discussed the internal audit being undertaken which is based around risk and is an outcome from the Regulation 17 assessment. The other audit being undertaken this financial year is around customer service. Both of these reports will be presented to the Audit Committee once concluded and the committee can then decide on two focus areas for the following year.
 - It was advised that the Auditor General will be taking over local government audits and Moore Stephens have been liaising with them in relation to their expectations.
 - Cr Antonio raised the 'Own source revenue' for discussion and queried whether there are many local governments at 100%. Mr Godwin advised that this is not common for regional local governments however does occur in metropolitan Councils. The Chief Executive Officer advised that in order for Council to achieve this it would need to increase its rates or reduce its expenditure. Mr Godwin advised that there is no real concerns in relation to this being 100% unless the funding making up the difference (i.e. grants) was believed to be discontinued.

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.089

Moved: Cr Mencshelyi

Seconded: Cr Davidson

That Council:

- 1. Endorse that the meeting between the Audit Committee and the Auditor at the Audit Committee Meeting held on 13th November 2017 satisfy the requirements of Section 7.12A(2) the Local Government (Audit) Regulations 1996 and that the minutes of the meeting show the auditor was involved and the matters discussed; and**
- 2. Accept the report provided by the Shire Auditor Mr Greg Godwin from Moore Stephens.**

CARRIED 4/0

6.2 SHIRE OF NORTHAM 2016/17 ANNUAL REPORT

Address:	N/A
Owner:	N/A
File Reference:	8.2.7.5
Reporting Officer:	Chief Executive Officer Jason Whiteaker
Responsible Officer:	Chief Executive Officer Jason Whiteaker
Voting Requirement	Simple Majority

BRIEF

For Council to consider and if acceptable receive the Annual Report for the year ended 30 June 2017 for the Shire of Northam.

ATTACHMENTS

The below attachment has been provided to Elected Members as a separate attachment to this agenda and minutes.

Attachment 1: Annual Report 2016/17.

BACKGROUND / DETAILS

The Annual Financial Report for the year ended 30 June 2017 was completed and presented to the Shire of Northam's auditor for audit. The Audit was completed and signed off on 14th September 2017.

Section 5.54 'Acceptance of Annual Reports' of the Local Government Act 1995 requires an Annual Report to be accepted by Council by 31 December in each year unless the Auditors Report is not available in time. The Local Government Act 1995 Section 5.54(2) requires that if the Annual Report is not accepted by the Local Government by 31 December then it must be presented within two (2) months of the Auditors Report becoming available.

It is proposed that a late item will be presented to the Ordinary Council meeting on Wednesday, 15th November 2017. Should the 2016/17 Annual Report be endorsed, it is intended that local public notice be published advising of the Annual Electors Meeting and 2016/17 Annual Report availability. The notice shall be placed into the following;

- West Australian - Wednesday, 22nd November 2017;
- Avon Valley Hills Gazette - Friday, 24th November 2017; and
- Avon Valley Advocate - Wednesday, 22nd November 2017.

Notices will also be placed on our Notice Boards, Facebook and the Shire of Northam website.

CONSIDERATIONS

Strategic Community / Corporate Business Plan

Theme Area 6: Governance & Leadership

Outcome 6.2: Residents and other stakeholders are actively listened to and their input into decision- making processes is valued.

- Decisions made by the Shire of Northam are communicated and the reasoning clearly articulated to residents and stakeholders; and
- Effective and efficient two-way communication between the Shire of Northam and stakeholders.

Outcome 6.3: The Shire of Northam council is a sustainable, responsive, innovative and transparent organisation.

- Improve community access to information to ensure they are able to be informed of our activities;
- Encourage active community participation in our local government;
- Maintain a high standard of corporate governance; and
- Undertake our regulatory roles in a safe, open, accountable and respectful manner.

Outcome 6.4: The Elected Members of the Shire of Northam provide accountable, strong and effective community leadership.

- Open, accountable and effective decision making.

Financial / Resource Implications

It is estimated that advertising costs for the availability of the Annual Report and Annual Electors General meeting will be approximately \$1,500.00 including GST which will be charged to account 040521920 (Advertising).

Legislative Compliance

Local Government Act 1995 Section 5.53 Annual Reports;

- (1) *The local government is to prepare an annual report for each financial year.*
- (2) *The annual report is to contain -*
 - (a) *a report from the mayor or president; and*
 - (b) *a report from the CEO; and*
 - [(c), (d) deleted]
 - (e) *an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and*

- (f) the financial report for the financial year; and
- (g) such information as may be prescribed in relation to the payments made to employees; and
- (h) the auditor's report for the financial year; and
- (ha) a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and
- (hb) details of entries made under section 5.121 during the financial year in the register of complaints, including —
 - (i) the number of complaints recorded in the register of complaints;
 - (ii) how the recorded complaints were dealt with; and
 - (iii) any other details that the regulations may require; and
 - (i) such other information as may be prescribed.

Local Government Act 1995 Section 5.54 Acceptance of Annual Reports:

(1) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.

* Absolute majority required.

(2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

Local Government Act 1995 Section 5.55 Notice of Annual Reports:

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

Policy Implications

Nil.

Stakeholder Engagement / Consultation

Should the 2016/17 Annual Report be endorsed at the Ordinary Council meeting held on 15th November 2017, it is intended that local public notice be published advising of the Annual Electors Meeting and 2016/17 Annual Report availability. The notice shall be placed into the following;

- West Australian - Wednesday, 22nd November 2017;
- Avon Valley Hills Gazette - Friday, 24th November 2017; and
- Avon Valley Advocate - Wednesday, 22nd November 2017.

Risk Implications

Should the Annual Report not be adopted within the timeframes outlined, Council may be in breach of the *Local Government Act 1995* and relevant subsidiary legislation.

OFFICER'S COMMENT

Council is requested to accept the Annual Report for the year ended 30 June 2017 for the Shire of Northam.

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.090

Moved: Cr Proud

Seconded: Cr Mencshelyi

That Council endorse by Absolute Majority;

- 1. In accordance with Sections 5.53 and 5.54 of the *Local Government Act 1995*, accepts the Annual Report for the 2016/17 financial year; and**
- 2. In accordance with Section 5.55 of the *Local Government Act 1995*, authorise the Chief Executive Officer to give public notice of the availability of the Annual Report from Tuesday, 22 November 2017.**

CARRIED 4/0

6.3 2016/17 ANNUAL ELECTORS GENERAL MEETING

Address:	N/A
Owner:	N/A
File Reference:	8.2.7.1
Reporting Officer:	Jason Whiteaker Chief Executive Officer
Responsible Officer:	Jason Whiteaker Chief Executive Officer
Voting Requirement	Simple Majority

BRIEF

For Council to consider and endorse the date for the Annual Electors General Meeting set by the Chief Executive Officer.

ATTACHMENTS

Attachment 1: Nil.

BACKGROUND / DETAILS

The Annual Electors General Meeting is to be held within 56 days of the local government accepting the Annual Report.

A requirement of setting the date is that 14 days local public notice is required for advertising the meeting. Providing the Annual Report is endorsed at the Ordinary Council meeting held on 15th November 2017, it is recommended that this be held prior to the December Council Forum which is scheduled on 13th December 2017.

CONSIDERATIONS

Strategic Community / Corporate Business Plan

Theme Area 6: Governance & Leadership

OUTCOME 6.2: Residents and other stakeholders are actively listened to and their input into decision- making processes is valued.

- Decisions made by the Shire of Northam are communicated and the reasoning clearly articulated to residents and stakeholders; and
- Effective and efficient two-way communication between the Shire of Northam and stakeholders.

Outcome 6.3: The Shire of Northam council is a sustainable, responsive, innovative and transparent organisation.

- Improve community access to information to ensure they are able to be informed of our activities;
- Encourage active community participation in our local government;
- Maintain a high standard of corporate governance; and
- Undertake our regulatory roles in a safe, open, accountable and respectful manner.

Outcome 6.4: The Elected Members of the Shire of Northam provide accountable, strong and effective community leadership.

- Open, accountable and effective decision making.

Financial / Resource Implications

It is estimated that advertising costs for the availability of the Annual Report and Annual Electors General meeting will be approximately \$1,500.00 including GST which will be charged to account 040521920 (Advertising).

Legislative Compliance

Local Government Act 1995 Section 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.

Local Government (Administration) Regulation No 15 Matters for discussion at general electors' meetings - s. 5.27(3)

For the purposes of section 5.27(3), the matters to be discussed at a general electors' meeting are, firstly, the contents of the annual report for the previous financial year and then any other general business.

Local Government Act 1995 Section 5.29 Convening Electors' Meetings:

- (1) The CEO is to convene an electors' meeting by giving –
 - (a) at least 14 days' local public notice; and
 - (b) each council member at least 14 days' notice, of the date, time, place and purpose of the meeting.
- (2) The local public notice referred to in subsection (1)(a) is to be treated as having commenced at the time of publication of the notice under section 1.7(1)(a) and is to continue by way of exhibition under section 1.7(1)(b) and (c) until the meeting has been held.

Policy Implications

Nil.

Stakeholder Engagement / Consultation

Providing the 2016/17 Annual Report is endorsed at the Ordinary Council Meeting held on 15th November 2017. It is intended that public notice shall be placed into the following;

- West Australian - Wednesday, 22nd November 2017;
- Avon Valley Hills Gazette - Friday, 24th November 2017; and
- Avon Valley Advocate - Wednesday, 22nd November 2017.

Notices will also be placed on our Notice Boards, Facebook and the Shire of Northam website.

Risk Implications

Should the Annual Electors meeting not be held within the timeframes outlined, Council may be in breach of the *Local Government Act 1995* and relevant subsidiary legislation.

OFFICER'S COMMENT

Council is requested to endorse the date proposed, in accordance with the Local Government Act, for the Annual Electors Meeting.

RECOMMENDATION / COMMITTEE DECISION

Minute No: AU.091

Moved: Cr Davidson

Seconded: Cr Proud

That Council holds the Annual Electors General Meeting on Wednesday, 13th December 2017 at 5.00pm in the Shire of Northam Council Chambers and authorise the Chief Executive Officer to give public notice of the meeting from Wednesday, 22nd November 2017.

CARRIED 4/0

7. URGENT BUSINESS APPROVED BY PERSON PRESIDING OR BY DECISION

Nil.

8. DATE OF NEXT MEETING

To be held in February 2018, date to be confirmed.

9. DECLARATION OF CLOSURE

There being no further business the Shire President, Cr C R Antonio declared the meeting closed at 3:28pm.

"I certify that the Minutes of the Audit Committee meeting held on Monday, 13th November 2017 have been confirmed as a true and correct record."

_____ Chairperson

_____ Date

