



## **SHIRE OF NORTHAM**

**MINUTES OF THE  
AUDIT COMMITTEE MEETING  
HELD  
WEDNESDAY  
18 DECEMBER 2013**

# SHIRE OF NORTHAM

## MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 18 DECEMBER 2013 AT 5.04 PM

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# SHIRE OF NORTHAM

## Minutes of the Audit Committee Meeting of Council held in the Council Chambers on WEDNESDAY, 18 December 2013 at 5:04 pm

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#### 1. **DECLARATION OF OPENING AND WELCOME**

The Chief Executive Officer declared the meeting open at 5:04 pm

#### 2. **DECLARATION OF INTEREST**

*Parts of Division 6 Subdivision 1 of the Local Government Act 1995 requires Council members and employees to disclose any direct or indirect financial interest or general interest in any matter listed in this agenda.*

*The Act also requires the nature of the interest to be disclosed in writing before the meeting or immediately before the matter being discussed.*

*NB A Council member who makes a disclosure must not preside or participate in, or be present during, any discussion or decision making procedure relating to the disclosed matter unless the procedures set out in Sections 5.68 or 5.69 of the Act have been complied with.*

**3. ATTENDANCE**

**COUNCIL**

President  
Councillors

Cr S B Pollard  
T M Little  
K D Saunders  
U Rumjantsev  
D A Hughes  
D G Beresford  
J E Williams  
R M Head  
A W Llewellyn  
R W Tinetti at 5.27pm

Chief Executive Officer  
Executive Manager Corporate Services  
PA Executive Manager Corporate Services

J B Whiteaker  
D R Gobbart  
A C Maxwell

**4. APOLOGIES**

Nil

**5. LEAVE OF ABSENCE**

**6. ELECTION OF PRESIDING MEMBER**

Following the ordinary local government elections held 19 October 2013 an election for the office of Presiding Member of the Audit Committee will be conducted by the Chief Executive Officer prior to the formal commencement of the meeting, in accordance with the provisions of Section 5.12 (1), Schedule 2.3 Division 1 of the Local Government Act 1995.

The Chief Executive Officer asked the committee members if there were any nominations for the position of Presiding Member to the Shire of Northam Audit Committee. One nomination was received with Cr R M Head nominating Cr S B Pollard to the position of Presiding Member, Cr T M Little seconded. Cr S B Pollard accepted the nomination.

As there were no further nominations, the Chief Executive Officer declared Cr S B Pollard as the Presiding Member to the Shire of Northam Audit Committee. Cr S B Pollard then took the chair.

**7. CONFIRMATION OF MINUTES**

**Minute: AU.038**

**Moved: Cr D A Hughes**

**Seconded: Cr A W Llewellyn**

**That the Minutes of the Audit Committee Meeting held on Wednesday, 14 August 2013 be confirmed as a true and correct record of that meeting.**

**CARRIED 9/0**

**8. AGENDA ITEMS**

Telephone conversation link up commenced with Shire of Northam Auditor, Mr Greg Godwin from UHY Haines Norton at 5.07pm

**8.1 MEETING WITH THE SHIRE OF NORTHAM AUDITORS**

Name of Applicant:	Internal Report
File Ref:	8.2.7.1
Officer:	Denise Gobbart
Officer Interest:	N/A
Policy:	Local Government Act 1995, Local Government (Audit) Regulations 1996, DLGRD Operational Guidelines-Audit Committees in Local Government No 9
Voting:	Simple Majority
Date:	18 December 2013

**PURPOSE**

Council to accept telephone conversation link up with Council’s Auditor Mr Greg Godwin from UHY Haines Norton.

**BACKGROUND**

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.

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.

A telephone link up has been arranged with Council’s Auditor Mr Greg Godwin from UHY Haines Norton at 5.00pm. NB: Mr Godwin will be available for approximately 45 minutes.

**STATUTORY REQUIREMENTS**

***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.

## **CONFORMITY WITH THE COMMUNITY STRATEGIC PLAN**

Key Result Area: Improve organisational capability and capacity

Outcome: Operate in a financially sustainable manner

## **BUDGET 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

## **DETAILS**

Mr Greg Godwin from UHY Haines Norton stated that the audit this financial year was hard due to the change in regulations. Extra work was required due to the implementation of fair value accounting standards, recognition of crown land and calculation of new ratios.

There were no issues found in relation to statutory non-compliance or weaknesses with the audit. There were no non-compliance matters which needed to be raised or addressed in relation to the Management Report. Mr Goodwin advised that Council has systems and processes in place which are working and Council complies with required regulations and standards.

Moving to Fair Value accounting, is a stepped approach over 3 years. Changes in legislation included identifying the Crown Land vested in the Shire of Northam, this includes Race Courses, Golf Courses and easements.

There are a number of new ratios implemented with three of these relating to assets, which provides a picture of the assets condition. There was discussion which related to the new "Debt Service Cover Ratio", this is the local government's ability to service debt and is calculated by this ratio. This ratio is the measurement of a local government's ability to produce enough cash to cover its debt payments. Mr Godwin stated that Council is currently below level operating surplus.

The discussion concluded with Greg thanking Denise and her team and wished everyone a happy and Merry Christmas.

## **RECOMMENDATION**

**Minute: AU.039**

**Moved: Cr R M Head**

**Seconded: Cr A W Llewellyn**

**That Council;**

- 1. Endorse that a meeting between the Audit Committee and the Auditor by telephone would 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.**
- 2. Endorse that the verbal report by the Shire Auditor Mr Greg Godwin from UHY Haines Norton be noted in the minutes and received.**

**Carried 9/0**

Telephone conversation link up concluded with Shire of Northam Auditor, Mr Greg Godwin from UHY Haines Norton at 5.25pm.

Cr R W Tinetti entered the Council Chambers at 5.27pm.



**8.2 SHIRE OF NORTHAM 2012/2013 ANNUAL REPORT**

Name of Applicant:	Internal Report
File Ref:	8.2.7.1
Officer:	Denise Gobbart
Officer Interest:	N/A
Policy/Legislation:	Local Government Act 1995 & LG (FM) Regs 1996
Voting:	Simple Majority
Date:	18 December 2013

**PURPOSE**

For Council to consider and if acceptable receive the Annual Report for the year ended 30 June 2013 for the Shire of Northam.

**BACKGROUND**

The Annual Financial Report for the year ended 30 June 2013 was completed and presented to the Shire of Northam’s auditor on Monday, 30 September 2013, for audit. The Audit was completed and signed off on Friday, 13 December 2013.

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. Due to the Auditors report being signed off until 13 December 2013 the next available Council Meeting for this to be endorsed is 18 December 2013 and presented as a late item. 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 intended that the advert advising of the Annual Electors Meeting and 2012/2013 Annual Report availability will be placed in the West Australian, Avon Valley Gazette on Saturday 11 January 2014 and in the Avon Valley Advocate, Wednesday 8 January 2014. Notices will be placed on our Notice Boards and the website.

**STATUTORY REQUIREMENTS**

***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.*

**CONFORMITY WITH THE COMMUNITY STRATEGIC PLAN**

N/A

**BUDGET IMPLICATIONS**

N/A

**OFFICER'S COMMENT**

Council is requested to accept the Annual Report for the year ended 30 June 2013 for the Shire of Northam.

## **RECOMMENDATION**

**Minute: AU.040**

**Moved: Cr D A Hughes**

**Seconded: Cr U Rumjantsev**

**That the Audit Committee in accordance with;**

- 1. Sections 5.53 and 5.54 of the Local Government Act 1995, accepts the Annual Report for the 2012/2013 financial year;**
- 2. 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 Friday, 20 December 2013.**

**Carried 10/0**

### 8.3 2012/2013 ANNUAL ELECTORS GENERAL MEETING

Name of Applicant:	Internal Report
File Ref:	8.2.7.1
Officer:	Denise Gobbart
Officer Interest:	N/A
Policy/Legislation:	Local Government Act 1995 & LG (FM) Regs 1996
Voting:	Simple Majority
Date:	13 December 2013

#### PURPOSE

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

#### BACKGROUND

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 Council meeting held on 18 December 2013 the last eligible day for holding the meeting would be 12 February 2014.

The closing period for adverts to be placed in the Avon Valley Gazette and Avon Valley Advocate is Thursday morning however over the Christmas period these deadlines have been changed and the notice would not make this. This would mean the earliest edition for an advert to be placed in the Hills Gazette would be the 11 January 2014 and the 8 January 2014 for the Avon Valley Advocate. This would allow the meeting to be held no earlier than Wednesday, 22 January 2013.

#### STATUTORY REQUIREMENTS

##### ***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.*

**CONFORMITY WITH THE COMMUNITY STRATEGIC PLAN**

N/A

**BUDGET IMPLICATIONS**

N/A

**OFFICER'S COMMENT**

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

To meet the statutory requirements for advertising, it is intended to place a public notice in The West Australian by Tuesday, 24 December 2013. In addition to this, notice will be given on the website, notice boards. In addition we can advertise using the radio.

## RECOMMENDATION

**Minute: AU.041**

**Moved: Cr R M Head**

**Seconded: Cr Ulo Rumjantsev**

**That Council;**

**Holds the Annual Electors General Meeting on Wednesday, 15 January 2014 at 4.30pm in the Shire of Northam Council Chambers.**

**Carried 10/0**

## 9. ELECTED MEMBERS MOTION

**Minute: AU.042**

**Moved: Cr K D Saunders**

**Seconded: Cr R M Head**

**That Council acknowledges the efforts of the Executive Manager Corporate Services and Finance Department in developing the 2012/13 Annual (Financial) Report.**

**Carried: 10/0**

## 10. CLOSURE OF MEETING

There being no further business the Presiding Officer declared the meeting closed at 5.29pm.

“I certify that the Minutes of the Audit Committee Meeting held on 18 December 2013 have been confirmed as a true and correct record.”

\_\_\_\_\_ President

\_\_\_\_\_ Date