



SHIRE OF NORTHAM

**MINUTES
OF THE
AUDIT COMMITTEE MEETING
HELD ON
WEDNESDAY
11 NOVEMBER 2009**

SHIRE OF NORTHAM

MINUTES OF THE AUDIT COMMITTEE MEETING BE HELD ON 11 NOVEMBER 2009 AT 4:00 PM

	Page
1. DECLARATION OF OPENING AND WELCOME.....	1
2. DECLARATION OF INTEREST	1
3. ATTENDANCE.....	2
4. APOLOGIES	2
5. ELECTION OF PRESIDING MEMBER.....	2
6. CONFIRMATION OF MINUTES.....	3
7. AGENDA ITEMS.....	4
7.1 MEETING WITH THE SHIRE OF NORTHAM AUDITORS.....	4
7.2 SHIRE OF NORTHAM 2008/09 ANNUAL REPORT	8
7.3 2008/09 ANNUAL ELECTORS GENERAL MEETING	11
8. DECLARATION OF CLOSURE.....	14

SHIRE OF NORTHAM

Minutes of the Audit Committee Meeting held in the Council Chambers on WEDNESDAY, 11 November 2009 at 4:00 pm

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1. **DECLARATION OF OPENING AND WELCOME**

Chief Executive Officer, Mr Neville Hale declared the meeting open at 4:00pm and welcomed all in attendance.

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
K D Saunders
U Rumjantsev
R W Tinetti
T M Little
D A Hughes
C M D'Ascenzo
R M Head
A W Llewellyn

Chief Executive Officer
Manager Finance & Administration

N A Hale (Left at 4:02pm)
D R Gobbart

4. APOLOGIES

Nil

5. ELECTION OF PRESIDING MEMBER

The Local Government Act 1995 states, nomination for Chairperson is to be made in writing before the meeting or at the meeting before close of nominations. The Chief Executive Officer received one nomination for the position of Chairperson from Cr S B Pollard.

The Chief Executive Officer then called for any further nominations from Councillors for the position of Chairperson.

As no further nominations were forthcoming, the Chief Executive Officer declared Cr S B Pollard duly elected unopposed as the Chairperson of the Shire of Northam Audit Committee.

Cr Pollard then took the Chair.

Mr Hale left the meeting at 4:02pm.

6. CONFIRMATION OF MINUTES

Minute No AU.012

Moved: Cr A Llewellyn

Seconded: Cr R Head

That the Minutes of the Audit Committee Meeting held on Wednesday, 11 March 2009 be confirmed as a true and correct record of that meeting.

CARRIED 9/0

7. AGENDA ITEMS

7.1 MEETING WITH THE SHIRE OF NORTHAM AUDITORS

Submission To:	Internal Report
Name of Applicant:	N/A
Location / Address:	N/A
File Ref:	8.2.7.1
Officer:	Denise Gobbart
Officer Interest::	Nil
Policy/Legislation:	Local Government Act 1995, Local Government (Audit) Regulations 1996, DLGRD Operational Guidelines-Audit Committees in Local Government No 9
Voting:	Simple Majority
Date:	5/11/2009

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 4.00pm. NB: Mr Godwin will be available for approx 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 PLAN FOR THE FUTURE

Nil

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

RECOMMENDATION / COUNCIL DECISION

Minute No AU.013

Moved: Cr T M Little

Seconded: Cr U Rumjantsev

1. 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. 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

COUNCIL DECISION

Minute No AU.014

Moved: Cr R M Head

Seconded: Cr C M D'Ascenzo

- 1. That the Accounting Staff be congratulated on the good work undertaken as advised by the Auditor.**
- 2. That Council receive the advice of Denise Gobbart, Manager Finance & Administration that the matters raised are being addressed.**

CARRIED 9/0

A teleconference was conducted with Mr Greg Godwin and the Audit Committee commencing at 4.10pm.

Mr Godwin gave a brief overview of Council responsibilities and the Independent Auditors responsibilities in relation to the audit process.

The Audit Report and Statutory Compliance issues were discussed with Mr Godwin;

- Monthly Statement of Financial Activity – Material Variances were not reported for months July 2008 to January 2009. This matter has been addressed in monthly reports from February 2009 on.
- Annual Financial Report – the report for the year ended 30 June 2008 was not submitted to the Department of Local Government within the required 30 days. Denise Gobbart, Manager Finance & Administration advised that the current years Annual Financial Report had already been submitted to the Department of Local Government, so the matter will not be raised in the next Audit Report.

If these questions were to be asked in the Annual Compliance Return the relevant responses would be given.

The items listed in the Management Report were discussed with Mr Godwin:

- Outstanding Rates Ratio – Although this has had a slight decrease from 8% to 7% on the previous year, generally anything over 5% should flag a problem. A continued focus needs to be maintained to ensure the balances outstanding are reduced. Denise Gobbart, Manager Finance & Administration advised that Final Notices had been sent to anyone with an outstanding balance and not on instalment, if these notices are not responded to within the time allocated; they will be referred to our Debt Collectors. There are currently 5 properties, with a

collective outstanding balance of \$101,876 that had previously been endorsed by Council for the sale of the property to recover the rates, unfortunately the processes were not correctly commenced and the process is currently being recommenced. Mr Godwin suggested recalculating the Outstanding Rates Ratio excluding this balance.

- Trust Account – This matter was raised in the prior year with 5 matters to be addressed, this has been reduced to two matters outstanding. The Process currently in place to track these amounts needs to be continued until all balances have supporting documentation on file.

Corrected Misstatements – This matter has been addressed.

The teleconference was conducted with Mr Greg Godwin and the Audit Committee finished at 4.25pm

7.2 SHIRE OF NORTHAM 2008/09 ANNUAL REPORT

Submission To:	Internal Report
Name of Applicant:	N/A
Location / Address:	N/A
File Ref:	8.2.7.1
Officer:	Denise Gobbart
Officer Interest:	Nil
Policy/Legislation:	Local Government Act 1995 & LG (FM) Regs 1996
Voting:	Simple Majority
Date:	5/11/2009

PURPOSE

For Council to consider and if acceptable receive the Annual Report for the year ended 30 June 2009 for the Shire of Northam.

BACKGROUND

The Annual Financial Report for the year ended 30 June 2009 was completed and presented to the Shire of Northam’s auditor on Tuesday 22 September 2009, for audit. The Audit was completed and signed off on 14 October 2009.

Section 5.54 ‘Acceptance of Annual Reports’ of the Local Government Act 1995 requires a 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.

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;*
 - (b) *a report from the CEO;*
 - [(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;
- (f) the financial report for the financial year;
- (g) such information as may be prescribed in relation to the payments made to employees;
- (h) the auditor's report for the financial year;
- (ha) a matter on which a report must be made under section 29(2) of the Disability Services Act 1993;
- (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 PLAN FOR THE FUTURE

Nil

BUDGET IMPLICATIONS

Nil

OFFICER'S COMMENT

Council is requested to accept the Annual Report for the year ended 30 June 2009 for the Shire of Northam.

A copy of the management letter is also attached for council perusal for comment.

RECOMMENDATION / COUNCIL DECISION

Minute No AU.015

Moved: Cr R M Head

Seconded: Cr U Rumjantsev

- 1. Sections 5.53 and 5.54 of the Local Government Act 1995, accepts the Annual Report for the 2008/2009 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 13 November 2009.**

CARRIED 9/0

7.3 2008/09 ANNUAL ELECTORS GENERAL MEETING

Submission To:	Internal Report
Name of Applicant:	N/A
Location / Address:	N/A
File Ref:	8.2.7.1
Officer:	Denise Gobbart
Officer Interest:	Nil
Policy/Legislation:	Local Government Act 1995 & LG (FM) Regs 1996
Voting:	Simple Majority
Date:	5/11/2009

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.

The closing period for adverts to be placed in the "Advocate" is Midday Friday's. As the earliest edition for an advert to be displayed is Wednesday 18 November 2009, this would allow the meeting to be held no earlier than Wednesday 2 December 2009. The last eligible day for holding the meeting would be Wednesday 6 January 2010.

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 PLAN FOR THE FUTURE

Nil

BUDGET IMPLICATIONS

Nil

OFFICER'S COMMENT

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

Cr R W Tinetti departed the Chambers at 4:37pm.

RECOMMENDATION / COUNCIL DECISION

Minute No AU.016

Moved: Cr R M Head

Seconded: Cr D A Hughes

That Council holds the Annual Electors General Meeting on Wednesday 16 December 2009 at 7.00pm in the Shire of Northam Council Chambers.

CARRIED 8/0

Cr R W Tinetti returned to the Chambers at 4:38pm.

8. DECLARATION OF CLOSURE

There being no further business the presiding officer declared the meeting closed at 4:38pm.

"I certify that the Minutes of the Audit Committee Meeting held on Wednesday 11 November 2009 have been confirmed as a true and correct record."

_____ President

_____ Date