



MINUTES
AUDIT COMMITTEE MEETING
12 MARCH 2019

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TABLE OF CONTENTS

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS.....	1
2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE	1
3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING	1
4. REPORTS	1
4.1 Local Government 2018 Compliance Audit Return	1
4.2 Report on 2018-19 Annual Budget Review	5
5. LATE AGENDA ITEMS	7
6. CLOSURE OF MEETING	7

Murchison Regional Vermin Council
Minutes of the Audit Committee Meeting – 13 March 2018 at 10.00am
In Council Chambers, 90 Hepburn Street, Mount Magnet

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chairperson opened the meeting at 10.00 am and welcomed all.

2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

Present: Chairperson Cr Les Price, Cr Jason Homewood, Cr Carol Hodshon, Cr Eliz Morris, Cr Robert Grinham (arrived at 10.17 am).

Apologies: Cr David Lefroy, Cr Fred Spindler, Cr Gregory Payne

Leave of Absence:

Also in Attendance: Mr Dominic Carbone MRVC CEO

Member of Public: Ashley Dowden, Debbie Dowden

3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1 Minutes of Audit Committee Meeting held on 13 March 2018

AUDIT COMMITTEE RECOMMENDATION

Moved: Cr Jason Homewood

Seconded: Cr Carol Hodshon

That the minutes of the Ordinary Meeting held on 12 March 2018 as circulated be confirmed as a true and correct record of proceedings.

CARRIED 4/0

4. REPORTS

4.1 Local Government 2018 Compliance Audit Return

File:

Author: Dominic Carbone, CEO

Interest Declared: No interest to disclose

Date: 7 March 2019

Attachment: Draft 2018 Audit Compliance Return

Matter for Consideration

Consideration of the Compliance Audit Return for the 2018 financial year and recommendation to Council.

Background

A local government inclusive of a Regional Council is to carry out a compliance audit for the period 1 January to 31 December in each year in a form approved by the Minister. The Compliance Return is to be submitted to the Executive Director by the 31 March the following year.

Statutory Environment

Local Government Act 1995

Section 7.13 Regulations as to audits sub-clause (1)(i) states:

“requiring local governments to carry out; in the prescribed manner and in a form approved by the Minister, an audit 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.

13. Prescribed statutory requirements for which compliance audit needed (Act s. 7.13(1)(i))

For the purposes of section 7.13(1)(i) the statutory requirements set forth in the Table to this regulation are prescribed.

Table

<i>Local Government Act 1995</i>		
s. 3.57	s. 3.58(3) and (4)	s. 3.59(2), (4) and (5)
s. 5.16	s. 5.17	s. 5.18
s. 5.36(4)	s. 5.37(2) and (3)	s. 5.42
s. 5.43	s. 5.44(2)	s. 5.45(1)(b)
s. 5.46	s. 5.67	s. 5.68(2)
s. 5.70	s. 5.73	s. 5.75
s. 5.76	s. 5.77	s. 5.88
s. 5.103	s. 5.120	s. 5.121
s. 7.1A	s. 7.1B	s. 7.3
s. 7.6(3)	s. 7.9(1)	s. 7.12A

<i>Local Government (Administration) Regulations 1996</i>		
r. 18A	r. 18C	r. 18E
r. 18.F	r. 18G	r. 19
r. 22	r. 23	r. 28
r. 34B	r. 34C	
<i>Local Government (Audit) Regulations 1996</i>		
r. 7	r.10	
<i>Local Government (Elections) Regulations 1997</i>		
r. 30G		
<i>Local Government (Functions and General) Regulations 1996</i>		
r. 7	r. 9	r. 10
r. 11A	r. 11	r. 12
r. 14(1), (3) and (5)	r. 15	r. 16
r. 17	r. 18(1) and (4)	r. 19
r. 21	r. 22	r. 23
r. 24	r. 24AD(2), (4) and (6)	r. 24AE
r. 24AF	r. 24AG	r. 24AH(1) and (3)
r. 24AI	r. 24E	r. 24F
<i>Local Government (Rules of Conduct) Regulations 2007</i>		
r. 11		

Regulation 14 States as follows:

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.
- (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.

- (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be -
 - (a) presented to the council at a meeting of the council; and
 - (b) adopted by the council; and
 - (c) recorded in the minutes of the meeting at which it is adopted.

Regulation 15 states as follows:

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.

Financial Implications

Nil

Consultation

Nil

Comment

The 2018 Audit Compliance Return as determined by the Minister has been duly completed and the Audit Committee is requested to review the return and report to Council the results of the review. A copy of the 2018 Audit Compliance Return is attached to this report.

Voting Requirement

Simple Majority

COMMITTEE RECOMMENDATION:

Moved: Cr Carol Hodshon **Seconded:** Cr Eliz Morris

That the Audit Committee recommend to Council that the 2018 Compliance Audit Return be adopted and certified by the Chairperson and Chief Executive Officer and forwarded to the Department of Local Government along with the relevant section of the Minutes in accordance with Regulation 14(3) and Regulation 15 of the Local Government (Audit) Regulations 1996.

CARRIED 5/0

4.2 Report on 2018-19 Annual Budget Review

File:
Author: Dominic Carbone, CEO
Interest Declared: No interest to disclose
Date: 7 March 2019
Attachments: Statement of Financial Activities
Statement of Rate Setting
Statement of Current Assets and Liabilities
Budget analysis Worksheets

Matter for Consideration

That Council adopts the 2018-19 Annual Budget Review

Background

Regulation 33A of the Local Government Act (Financial Management) Regulations 1996 requires that a Regional 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 \$2,000.00 variance or whatever is the greater for the reporting of material variances identified in the annual budget review.

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.

Business Implications

Nil

Consultation

Nil

Comment

A review of the Regional Local Government 2018-19 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 Rate Setting	(refer attachments)
Statement of Current Assets and Liabilities	(refer attachments)
Budget Analysis Worksheets	(refer attachments)

The review of the 2018-19 Annual Budget revealed:

- (1) An increase in operating revenue amounting to \$8,905, comprising
 - Interest on Investments \$8,000
 - Other \$ 905

- (2) An increase in operating expenditure amounting to \$8,768 comprising
 - Reduction in insurance premiums \$(3,232)
 - Additional travel expenses CEO \$3,000
 - Additional legal fees \$10,000
 - Reduction in Other Administration Expenses \$(1,000)

(3) Contributions and Grants

- Reduction in member Shire contributions to construct cell fence \$(498,000)
- Additional Grant from BBRF to construct cell fence \$2,250,000

(4) Capital Expenditure

- Additional Capital Expenditure to construct cell fence \$1,755,103

In summary the Net Surplus is estimated to decrease by \$2,765 to \$174,529

Voting Requirements

Absolute Majority

COMMITTEE RECOMMENDATION:

Moved: Cr Robert Grinham

Seconded: Cr Jason Homewood

That the Audit Committee recommends to Council that:

1. *Adopts the 2018-19 Annual Budget Review together with the variations detailed in the Budget Analysis Worksheet attached to this Report. A copy of the 2018-19 Annual Budget Review and the determination be provided to the Department of Local Government Sport and Cultural Industries.*

CARRIED 5/0

5. LATE BUSINESS

6. CLOSURE OF MEETING

There being no further business, the chairperson closed the meeting at 10.41 am.