



**SPECIAL COUNCIL MEETING
THURSDAY 27 APRIL 2012
MINUTES**

SHIRE OF WONGAN-BALLIDU



SHIRE OF WONGAN-BALLIDU SPECIAL COUNCIL MEETING

Held in the Council Chambers,
Cnr Elphin Crescent & Quinlan Street, Wongan Hills,
On Thursday 26, 2012, commencing at 5.00 pm

1. OFFICIAL OPENING

The Shire President Councillor Michael Brennan declared the meeting opened at 5.01pm

2. PUBLIC QUESTION TIME

Nil

3. ATTENDANCE, APOLOGIES, LEAVE OF ABSENCE PREVIOUSLY GRANTED

Cr Michael Brennan
Cr Hugh Barrett-Lennard
Cr Tracey deGrussa
Cr David Brown
Cr David Armstrong
Cr Bradley West
Cr Alfreda Lyon
Cr Michael Godfrey

STAFF:

Mr Stuart Taylor Chief Executive Officer

APOLOGIES:

Cr Norma Walton

4. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Nil

5. STAFF REPORTS

5.1 AUDITOR MANAGEMENT REPORT – LETTER OF RESPONSE

FILE REFERENCE:	F1.7.1
REPORT DATE:	12 April 2012
APPLICANT/PROPONENT:	N/A
OFFICER DISCLOSURE OF INTEREST:	Nil
PREVIOUS MEETING REFERENCES:	Nil
AUTHOR:	Grace French, Deputy Chief Executive Officer
ATTACHMENTS:	Response from Shire of Wongan-Ballidu

PURPOSE OF REPORT:

Section 7 of the Local Government Act 1995 requires the Audit Committee to consider results of the Audit and the Audit report, including the management report.

To consider and receive the auditor's comments and response as provided by the Deputy Chief Executive Officer. This response is provided as a separate attachment.

BACKGROUND:

At the completion of the annual audit a management report is issued, addressed to the Shire President.

This letter represents the results of the audit not included in the Independent Audit report. The Management Report may include comments relating to processes and procedures, council's financial position or suggestions for improvement in areas of non-compliance found during the audit process.

POLICY REQUIREMENTS:

There are no known legislative requirements related to this item.

LEGISLATIVE REQUIREMENTS:

Local Government Guidelines in relation Part 7 of the Local Government (Audit) Regulations 1996.

STRATEGIC IMPLICATIONS:

Presentation of the audit and management reports to the Audit Committee assists to improve the Governance role of Council.

STATUTORY ENVIRONMENT

Local Government Act 1995 and Local Government (Financial Management) Regulations 1996

FINANCIAL IMPLICATIONS:

There are no financial implications in relation to this item, other than advising the Finance, Audit & Review Committee of any issues and subsequent actions that have been or are to be taken.

VOTING REQUIREMENTS:

ABSOLUTE MAJORITY REQUIRED: YES

STAFF RECOMMENDATION:

That Council receive the letter of response as prepared by the Deputy Chief Executive Officer.

Ms Grace French

F1.1

Your Ref: WB3-4#03 (E1205916)

27 April 2012

Ms Jenni Law
Manager Advice and Support
Department of Local Government
GPO Box R1250
Perth WA 6844

Dear Jenni,

AUDIT MANAGEMENT REPORT FOR THE YEAR ENDED 30th JUNE 2011.

In response to your letter dated 27 February 2012, the following matters were raised within the Audit Management Report. The author's comments are provided below each heading:

Allocations:

Auditors noted that Plant Operating and Works overheads through schedule 14 had not been fully reallocated.

It was noted that whilst this has no effect on the Net Operating result, it may distort the true cost of individual jobs.

Auditors recommendations are taken into consideration and a review will be performed on a regular basis for the coming periods. This will ensure that all jobs are accurately reflected giving the limited resources.

Trust Account

Auditors noted that the trust account for CMVROC has been incorrectly titled. The current account holds a "Business Classic Statement" as supposed to "Statutory Trust Account Statement".

The current issue is that this titled account holds a monthly fee and as such Trust accounts do not carry those monthly fees.

Investigations were sort on how the account has been structured.

The ANZ manager agrees that this account should not carry any monthly fees.

Account Servicing fees that have been previously charged, totally \$228.00 have been reimbursed into the account as at 03/04/2012.

In addition, the Business Class Statement title for this account is not incorrect as per ANZ new implemented titles accounts policies. New accounts, Trust accounts, are titled as per our current statement.

The ANZ manager is happy to formally address clarifications for the next Financial Year.

Current and Untied Cash to Trade Creditors Ratios

It was noted that there was a timing issue regarding the funds for 2010/2011 in that funding for road works and other projects had yet to be received. Invoices had been raised and the funds were received in the following financial year Debtors at 30/06/2011 were in excess of \$700,000

Processes have been reviewed to ensure that funding for Roadworks and Projects are claimed earlier to ensure adequate funds in the bank account at the year's end.

Carried Forward Budget Position 30 June 2011

The surplus for the budget was calculated on the following basis:

Current Assets	Balance Sheet	Auditor	Shire of Wongan Ballidu
Cash	\$1,775,095	\$1,775,095	\$1,775,095
Rate Debtors	\$49,498	\$49,498	\$49,498
Sundry Debtors	\$702,586	\$702,586	\$702,586
GST Recievable			
Others	\$26,023	\$26,023	\$26,023
Loans Self Supporting - Principle	\$40,113		\$40,113
Loans Self Supporting - Interest			
Inventories			
Stock	\$33,478	\$33,478	\$33,478
Land Held for Resale	\$469,364		\$469,364
Current assets	\$3,096,157	\$2,586,680	\$3,096,157
Less Reserves Cash Backed	-\$1,756,720	-\$1,756,720	-\$1,756,720
Total Current assets	\$1,339,437	\$829,960	\$1,339,437
Current liabilities			
Creditors	-\$289,938	-\$289,937	-\$289,938
Accrued Interest on Debentures	-\$35,292		-\$35,292
Accrued Salaries and Wages	-\$6,969		-\$6,969
PAYG Withheld	-\$33,452	-\$33,452	-\$33,452
GST Payable	-\$4,720	-\$4,720	-\$4,720
Others	-\$27,078	-\$27,078	-\$27,078
FBT Payable	-\$7,060	-\$7,060	-\$7,060
Long Term Borrowings	-\$69,800		-\$69,800
Provisions	-\$310,967		
Total Current Liabilities	-\$785,276	-\$362,247	-\$474,309
Non Current Assets			
Rates Outstanding Pensioners		\$533	

Surplus / Deficit

\$554,161

\$467,713

\$865,128

Differences in how calculated

The surplus calculation included the inventory Land Held for Resale this is the single biggest difference between the Auditors calculation and that of the Shire of Wongan Ballidu, no provision was made in the budget for the transfer of funds from the sale of the inventory and therefore should not have not have been included in the surplus calculation.

The Budget review for the year ending 30th June 2012 recognises the difference in surplus calculation and amendments have been made to address the difference in the calculation.

Procedures are in place to ensure that future calculations do not include Land Held for Resale unless the receipts are to be used for a recognised function within the Budget. (example would be receipt of funds and transfer to Reserve)

Audit Efficiency

There was an issue relating to resources that contributed to timeframes and compliance issues in relation to preparing accounts for Audit. These have been reviewed and measures taken to address the resource issue.

The Shire will take the auditors recommendations seriously, that sufficient accounting resources are in place, so that the organisations goals are met effectively and efficiently.

Should you have any queries regarding this document, please do not hesitate to contact Grace French on (08) 9671 1011 or email dceo@wongan.wa.gov.au

Yours sincerely,

Stuart Taylor
Chief Executive Officer

5.2 CHIEF EXECUTIVE OFFICERS PERFORMANCE REVIEW

FILE REFERENCE:	ST3.5
REPORT DATE:	17 April 2012
APPLICANT/PROPONENT:	Performance Review Committee
OFFICER DISCLOSURE OF INTEREST	Financial Interest
PREVIOUS MEETING REFERENCES:	
AUTHOR:	Cr Michael Brennan Shire President
ATTACHMENTS:	

PURPOSE OF REPORT:

To review the performance of the Chief Executive Officer

BACKGROUND:

The council resolved to hold the Chief Executive Officers performance review in February 2012.

Councillor's Brennan, Lyon and West were appointed to undertake the review on behalf of Council

The review was conducted on Wednesday 21st March 2012.

COMMENT:

Council undertook a review of the CEO's Key Performance Indicators in and prepared a confidential report that has been circulated to Councillors together with draft KPI's for the forthcoming review period.

POLICY REQUIREMENTS:

There are no known policy requirements in relation to this item.

LEGISLATIVE REQUIREMENTS:

Local Government Act 1995

5.38. *Annual review of certain employees' performances*

The performance of each employee who is employed for a term of more than one year, including the CEO and each senior employee, is to be reviewed at least once in relation to every year of the employment.

STRATEGIC IMPLICATIONS:

There are no known strategic requirements in relation to this item.

SUSTAINABILITY IMPLICATIONS:

➤ *Environment*

There are no known environmental implications associated with this item.

➤ *Economic*

There are no known economic implications associated with this proposal.

➤ *Social*

There are no known social implications associated with this item.

FINANCIAL IMPLICATIONS:

There are no financial implications in relation to this item.

