



Special Council Meeting Minutes

Date: 1 December 2010

Please Note: These minutes and the decisions recorded therein have not as yet been confirmed by Council as a true and accurate record of the meeting.

The Shire of Moora Vision and Mission Statement

Vision

Our vision is that:

The Moora region will be a place of brilliant opportunity over the next twenty years. Sustainable growth will result in a vibrant, healthy, wealthy and diverse community.

Mission

Our mission is:

To identify and stimulate growth through creative leadership and a willingness to get things done.

SHIRE OF MOORA

MINUTES OF THE SPECIAL MEETING OF COUNCIL

HELD IN THE COUNCIL CHAMBERS, MOORA

1 DECEMBER 2010

Purpose of Meeting

To consider:

1. **Financial Report and Independent Audit Report for the Year Ended 30 June 2010**
2. **Management Report for the Year Ended 30 June 2010**
3. **Receipt and Acceptance of 2009/10 Annual Report**

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* Separate Attachments
Item 6.1 Independent Audit Report for the year ended 30 June 2010
Item 6.2 Management Report for the year ended 30 June 2010
Item 6.3 Draft 2009/2010 Annual Report

1. DECLARATION OF OPENING & WELCOME OF VISITORS

The Presiding Member declared the meeting open at 6.30pm, welcomed visitors and announced:

“Acknowledging of Country”

I would like to show my respect and acknowledge the traditional owners of this land and acknowledge their contribution to the Shire of Moora as I do for all its people.

2. DISCLAIMER READING

To be read by the Shire President should members of the public be present at the meeting.

No responsibility whatsoever is implied or accepted by the Shire of Moora for any act, omission or statement or intimation occurring during this meeting.

It is strongly advised that persons do not act on what is heard at this meeting and should only rely on written confirmation of Council’s decision, which will be provided within fourteen (14) days of this meeting.

3. ATTENDANCE

S A Bryan	-	Presiding Member
C E Gardiner	-	Councillor
D V Clydesdale-Gebert	-	Councillor
O C Cocking	-	Councillor
C D Hawkins	-	Councillor
R Keamy	-	Councillor
S J Pond	-	Councillor
A R Tonkin	-	Councillor
J W McLagan	-	Councillor
L M O’Reilly	-	Chief Executive Officer
L J Parola	-	Manager Finance & Corporate Services
J L Greay	-	Manager Engineering Services
E N Ross	-	Manager Health, Building & Planning Services
R L McCall	-	Manager Economic & Community Development

APOLOGIES

Nil

PUBLIC

Nil

4. DECLARATIONS OF INTEREST

Nil

5. QUESTIONS BY THE PUBLIC IN ACCORDANCE WITH SECTION 5.24 OF THE ACT

Nil

6. REPORTS OF OFFICERS**6.1 FINANCIAL REPORT AND INDEPENDENT AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2010**

FILE: F/AUDI
REPORT DATE: 25 November 2010
DECLARATION: Nil
AUTHOR: Leanne Parola, Manager Finance & Corporate Services
ATTACHMENTS: Independent Audit Report for the Year Ended 30 June 2010

BACKGROUND

At the completion of the annual audit, an audit report detailing the scope, audit opinion and statutory compliance is issued and forms part of the audited financial statements of the Shire. In accordance with the requirements of Section 7 of the Local Government Act 1995 requires the Audit Committee to consider results of the Audit and the audit report.

COMMENT

The Financial Report for the Year Ended 30 June 2010 forms part of the 2009/2010 Annual Report and Annual Financial Report.

The Independent Audit Report to the Electors of the Shire of Moora is provided as a separate attachment to this agenda and is included in the 2009/2010 Annual Report and Annual Financial Statements/Report as required under the Act.

The Audit Opinion is unqualified in terms of the financial report. There are two matters mentioned under Statutory Compliance, which are:

- Budget Deficiency
Ministerial approval was not obtained for the amount estimated to be yielded from general rates to be lower than 90% of the amount of the budget as required by Section 6.34(b) of the Local Government Act 1995.

Comment

At the time of adopting the Budget, the amount estimated to be yielded from general rates was expected to be higher than 90% of the amount of the budget. The deficiency was only realised when the financial statements were being prepared after this time.

It is proposed to address the budget deficiency during the 2010/11 Budget Review in February, by reducing the budget deficiency to be less than 90% of the amount of the budget.

- **Annual Budget**

The annual budget for the year ended 30 June 2010 was not submitted to the Executive Director of the Department of Local Government within 30 days of adoption.

Comment

The annual budget has now been provided to the Executive Director of the Department of Local Government. The annual budget for the year ended 30 June 2011 was forwarded to the Department within the statutory timeframe and the Budget Checklist has been amended to include this requirement for future years.

STATUTORY ENVIRONMENT

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

POLICY IMPLICATIONS

Nil

BUDGET IMPLICATIONS

The 2010/2011 Budget Review will need to address the issues surrounding the budget deficiency and the need to conduct a financial management system review.

STRATEGIC IMPLICATIONS

Presentation of the audit report to the Audit Committee assists to improve the governance role of Council.

VOTING REQUIREMENTS

Simple Majority

COUNCIL RESOLUTION (COMMITTEE RECOMMENDATION)
--

128/10 Moved Cr Hawkins, seconded Cr Bryan that Council

- 1. note and receive the Independent Audit Report for the year ended 30 June 2010; and***
- 2. conduct a Shire operational systems review including a financial management systems review.***

CARRIED 8/1

6.2 **AUDIT MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2010**

FILE: F/AUDI
AUTHOR: Leanne Parola, Manager Finance & Corporate Services
REPORT DATE: 25 November 2010
DECLARATION: Nil
ATTACHMENTS: Management Report for the Year Ended 30 June 2010

BACKGROUND

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

COMMENT

In accordance with the requirements of 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. The management report for the year ended 30 June 2010 is provided as a separate attachment.

The following matters were raised within the Audit Management Report. The author's comments are provided below each heading:

Financial Position

- b) Actual Carried Forward Deficit Compared to 2010/2011 Budgeted Bought Forward Surplus

The budget was adopted before the 2009/2010 financial statements were finalised. As a result, the shire has \$642,014 less than expected available during the 2010/2011 financial year.

- c) Budgeted Overdraft Position as at 30 June 2011

The forecast overdraft position on the municipal bank account is \$1,091,535 which is in excess of the agreed overdraft limit.

The Auditor recommends that the 2010/2011 budget be carefully reviewed and expenditure modified in line with available resources. The Auditor will continue to monitor the situation in future years and suggests it is prudent for Council to do so also.

Comment

Staff will recommend a number of projects to be deferred or areas of savings identified in the 2010/2011 Budget Review to address these issues. To date Managers have identified the possibility of deferring half of the Sewerage Scheme Upgrade (\$150,000) and the possibility of deferring part of the Industrial Subdivision. A number of income areas in excess of budget have also been identified.

Fixed Assets Register

The category totals appearing in the fixed asset register do not correspond to the equivalent category totals in the general ledger or the financial report. They do however agree in total. This had no effect on the depreciation calculations for the year.

Comment

The general ledger has now been amended to agree to the fixed assets register.

Depreciation of Infrastructure

The calculation of depreciation on roads was again performed using a weighted average methodology (as in previous years). The auditors recommend implementing a system that will allow each road to be dissected into its component parts for depreciation.

Comment

This has been an item raised in previous Management Reports and should be addressed when the WAAMI program is implemented which will allow further work to be completed within the Asset Register to ensure that the description of the road “component” reflects accurately what it is.

Rate Debtors

Council's outstanding rates ratio of 7.6% is above the recommended 5%. The Auditors recommend Council continue to ensure procedures are followed to enable prompt and regular follow up of balances with a view to reducing the rates debtors below 5%.

Comment

In the past staff have referred outstanding rates debtors to a collection agency, Austral Mercantile. Another collection agency has been engaged for any new ratepayers who do not pay their rates on time. The rates outstanding at 30 June 2010 were \$241,126, this has been reduced to \$152,619 as at the time of writing this report.

STATUTORY ENVIRONMENT

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

POLICY IMPLICATIONS

Nil

BUDGET IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

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

VOTING REQUIREMENTS

Simple Majority

COUNCIL RESOLUTION (COMMITTEE AND MANEX RECOMMENDATION)
--

129/10 Moved Cr Hawkins, seconded Cr Pond that Council note and receive the Management Report for the year ended 30 June 2010 and for Council to respond to its Auditors UHY Haines Norton using the Officer's comments provided.

CARRIED 7/2

6.3 RECEIPT AND ACCEPTANCE OF 2009/2010 ANNUAL REPORT

FILE REFERENCE: F/AUD1
REPORT DATE: 26 November 2010
APPLICANT/PROPONENT: Nil
OFFICER DISCLOSURE OF INTEREST: Nil
PREVIOUS MEETING REFERENCES: Nil
AUTHOR: Leanne Parola, Manager Finance & Corporate Services
ATTACHMENTS: Draft 2009/2010 Annual Report

PURPOSE OF REPORT:

To receive and consider the 2009/2010 draft Annual Report and to adopt the report, with or without amendment.

Once the Annual Report has been adopted, Council is to confirm the date for the Annual Electors Meeting.

BACKGROUND:

Council is required by the Local Government Act 1995 to accept the annual report for the financial year no later than 31 December each year [Section 5.54 (1)] unless the audit report is not received prior to 31 December.

Section 5.55 of the Act requires the CEO to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by Council.

Section 5.27(2) requires a general electors meeting to be held not more than 56 days after the local government has accepted the annual report.

A copy of the draft Annual Report for 2009/2010 is circulated with the agenda.

COMMENT:

The Audit Report and audited financial statements relating to the year ended 30 June 2010 were received via e-mail on 22 November 2010 and are being presented to Council as a separate agenda item to this Special Council Meeting. The Audit Report and audited financial statements form part of the Annual Report.

The acceptance of the Annual Report, either in its current form or as amended by Council at this meeting, requires Council to set a date for the Annual Electors Meeting. This must be held within 56 days of acceptance of the Annual Report.

As Council has previously indicated its desire to hold the Electors' meeting as early as practicable Council is to confirm the Annual Electors Meeting to be held on Wednesday 8 December 2010 at 7.00pm in the Moora Performing Arts Centre. Notice has been given to comply with the statutory advertising period giving local public notice of 14 days minimum.

POLICY REQUIREMENTS:

Nil

LEGISLATIVE REQUIREMENTS:

Local Government Act 1995, Sections 5.27, 5.54, & 5.55

STRATEGIC IMPLICATIONS:

The Annual Report is a public document that can be used to promote the Shire of Moora and the principal activities being undertaken by the Shire.

SUSTAINABILITY IMPLICATIONS:**➤ Environment**

There are no known significant environmental implications associated with this proposal.

➤ Economic

There are no known significant economic implications associated with this proposal.

➤ Social

There are no known significant social implications associated with this proposal.

FINANCIAL IMPLICATIONS:

There are no financial implications to Council in relation to this item as costs associated with the printing of the Annual Report and holding of the Annual Electors Meeting are provided for in the Adopted Budget each year.

VOTING REQUIREMENTS

Simple Majority Required

MANEX RECOMMENDATIONS

That Council:

- 1. accepts the 2009/2010 Annual Report as presented.*
- 2. confirms the date of the Annual Electors Meeting, as previously advertised to comply with the statutory 14 days notice, to be held on Wednesday, 8 December 2010, commencing at 7.00 pm at the Moora Performing Arts Centre.*

COUNCIL RESOLUTION

130/10 Moved Cr Bryan, seconded Cr Pond that Council:

- 1. accepts the 2009/2010 Annual Report as presented with amendments provided by Cr Hawkins.**

2. *confirms the date of the Annual Electors Meeting, as previously advertised to comply with the statutory 14 days notice, to be held on Wednesday, 8 December 2010, commencing at 7.00 pm at the Moora Performing Arts Centre.*

CARRIED **9/0**

Note: Amendments provided by Cr Hawkins were to formatting & providing further details on progress of projects detailed in the Plan for the Future.

7. **CLOSURE OF MEETING**

There being no further business, the Presiding Member declared the meeting closed at 6.43pm.

CONFIRMED

PRESIDING MEMBER