

minutes



Please be advised that a **Finance and Audit Committee** Meeting was held at 5.00pm on 12 December 2016 in Meeting Room 1 at the Administration Building, 99 Shepperton Road, Victoria Park.

A handwritten signature in black ink, appearing to read "A Vuleta".

ANTHONY VULETA
CHIEF EXECUTIVE OFFICER

19 December 2016

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1 OPENING

Cr Windram opened the meeting at 5.02pm.

2 ATTENDANCE

Members:

Banksia Ward: Cr K (Keith) Hayes
Cr M (Mark) Windram (Presiding Member)

Jarraah Ward: Cr V (Vince) Maxwell
Cr J (Jennifer) Ammons Noble

Deputy Member: Cr B (Brian) Oliver

Director Business Life Mr N (Nathan) Cain
Director Future Life/Built Life Mr W (Warren) Bow

Secretary:

Guests:

Executive Manager Street Life John Wong
A/Manager Parks Dion Johnson
A/Manager Assets Gregor Wilson
Strategic Project Manager Jon Morellini
Technical Officer Engineering Patrick Bingham

2.1 Apologies

Nil

2.2 Approved Leave of Absence

Nil

3 DECLARATIONS OF INTEREST

Declarations of interest are to be made in writing prior to the commencement of the Meeting, (a form to assist Elected Members and Staff is attached at the end of this Agenda).

Declaration of Financial Interests

Nil

Declaration of Proximity Interest

Nil

Declaration of Interest affecting impartiality

Nil

4 TERMS OF REFERENCE

1. NAME

The name of the Committee shall be the Finance and Audit Committee (the Committee).

2. AIMS AND OBJECTIVES

The strategic focus for the Committee is aligned to the Community Strategic Plan. The purpose of the Committee is to contribute to the vibrant lifestyle of the Town.

2.1 Goals

To provide sound financial management and good governance by:

- Providing guidance and assistance to Council as to the carrying out of its functions in relation to audits in compliance with the Local Government Act 1995;
- Developing and reviewing Council policies as per the Committee's Key Focus Areas;
- Developing appropriate strategies that will deliver the most favourable long term outcomes for the Council in the Committee's Key Focus Areas;
- Ensuring Council maintains its financial capacity to deliver programs and services; and
- Providing advice to Council in relation to matters that are within the Committee's area of responsibility.

2.2 Deliverables

The key deliverables of the Committee will include:

- Annual compliance audit;
- Annual risk management audit; and
- Annual review / update of policies, strategies and plans related to the Key Focus Areas.

2.3 Scope and Jurisdiction

The Key Focus Areas of the Committee include:

- Audit;
- Financial planning;
- Revenue diversification;
- Investments;
- Rates;
- Grants;
- Asset management;
- Land asset optimisation;
- Risk Management; and
- Governance.

2.4 Engagement

The Committee may invite individuals and subject matter experts to attend a meeting of the Committee to provide expert advice where required.

3. MEMBERSHIP

The Committee will comprise a maximum of four (4) Elected Members being two (2) Elected Member representatives from each of the Town's two (2) wards with five (5) Elected Members being appointed in a hierarchical order as alternate deputy members except for the Chief Executive Officer Recruitment and Performance Review Committee whereby five (5) Elected Members are appointed being the Mayor and two (2) Elected members from each of the Town's two (2) Wards with four (4) Elected Members being appointed in a hierarchical order as alternate deputy members.

4. MEETINGS

The Committee shall convene in accordance with its annual adopted meeting schedule.

5. QUORUM

In accordance with section 5.19 of *the Local Government Act 1995* the quorum for a meeting of the Committee is at least 50% of the number of offices (whether vacant or not) of members of the Committee.

6. DELEGATED POWER

The Committee has no delegated power and all recommendations made are to be referred to Council for a decision.

7. GOVERNANCE

The Committee is governed by the provisions of the *Town of Victoria Park Standing Orders Local Law 2011* and the *Local Government Act 1995* and its Regulations.

5 CONFIRMATION OF MINUTES

Moved: Cr Hayes

Seconded: Cr Ammons Noble

That the Minutes of the Finance and Audit Committee Meeting held on 14 November 2016 be confirmed.

The Motion was Put and

(Carried) 4:0

In favour of the Motion: Cr Maxwell; Cr Hayes; Cr Ammons Noble; Cr Windram

6 METHOD OF DEALING WITH AGENDA BUSINESS

Moved: Cr Hayes

Seconded: Cr Ammons Noble

RECOMMENDATION:

That clause *6.10 Speaking Twice* of the *Town of Victoria Park Standing Orders Local Law 2011* be suspended for the duration of this meeting.

The Motion was Put and

(Carried) 4:0

In favour of the Motion: Cr Maxwell; Cr Hayes; Cr Ammons Noble; Cr Windram

7 PRESENTATIONS

7.1 Deputations

Nil

8 REPORTS

8.1 Town of Victoria Park Compliance Audit Return for the Period 1 January to 30 September 2016

File Reference:	GOR/15/0003
Appendices:	Yes

Date:	23 November 2016
Reporting Officer:	R. Fishwick
Responsible Officer:	A. Vuleta
Voting Requirement:	Simple Majority

Executive Summary:

Recommendation – That the Finance and Audit Committee receives the report on the Town of Victoria Park Third Quarter Compliance Audit Return for the period 1 January 2016 – 30 September 2016.

- The Town of Victoria Park Third Quarter Compliance Audit Return for the period 1 January to 30 September 2016 reveals that the Town is compliant in all areas reviewed except the lodgement of Annual Returns. This is due to a staff member being on extended leave. A Return was lodged by that staff member on resumption of duties in October.
- The audit is based on the Annual Compliance Audit Return issued by the Department of Local Government and Communities.

TABLED ITEMS:

Nil

BACKGROUND:

The Third Quarter Audit covers the period 1 January 2016 to 30 September 2016.

It should be noted that this Third Quarter Audit is not a mandatory requirement of the *Local Government (Audit) Regulations 1996*; however, in order to provide good governance and implement best practice, the Town conducts its own Compliance Audit System based on the areas prescribed pursuant to regulation 13 of the *Local Government (Audit) Regulations 1996*.

As is the case with the Annual Compliance Audit Return, The Town will not only have to explain or qualify cases of non-compliance, but also provide details of any remedial action taken or proposed to be taken in regard to instances of non-compliance.

DETAILS:

The Third Quarter Audit Return covers a range of matters that require specific actions to be completed by Local Government Authorities in performing their functions.

It requires the responsible officer to indicate against each item whether the required action is relevant to the Town and if it has been completed by either answering;

- (a) Yes; or
- (b) No; or
- (c) N/A – Not Applicable.

Program Areas are required to provide feedback or comments on areas of non-compliance. This assists the CEO to have a better understanding of any problems or issues relating to the Town’s inability to achieve full compliance in a particular area.

The following table summarises the Town’s performance in each of the relevant categories. A comparison between the 1 January – 30 September 2015 and 1 January – 30 September 2016 is also provided below.

In all areas audited except for ‘Disclosure of Interest’ the Town is 100% compliant for the Third Quarter Audit. The non-compliance relates to a staff member who was on extended leave at the time the Annual Return was due being the 31 August 2016. Upon returning to work in October the staff member lodged an Annual Return. This situation is not uncommon, particularly in medium to large local governments due to staff taking annual, parental, or long service leave. The Department of Local Government and Communities accepts that this will occur from time to time with staff on leave.

Table of CAR Comparison & Compliance

Category	2015 Audit Questions	Compliant	2016 Audit Questions	Compliant
Commercial Enterprises by Local Governments	5	100%	5	100%
Delegation of Power / Duty	13	100%	13	100%
Disclosure of Interest	16	100%	16	94%
Disposal of Property	2	100%	2	100%
Elections	1	100%	1	100%
Finance	15	100%	14	100%
Local Government Employees	5	100%	5	100%
Official Conduct	6	100%	6	100%
Tenders for Providing Goods and Services	15	100%	25	100%
TOTAL	78	100%	87	99%

Legal Compliance:

Section 7.13(1)(i) of the *Local Government Act 1995* states that;

“7.13(1). *Regulations may make provision –*

(i) *requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of 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.”*

Regulations 14 and 15 of the *Local Government (Audit) Amendment Regulations 1999* state inter alia that;

Policy Implications:

Nil

Risk Management Considerations:

The risk to the Council in the Finance and Audit Committee not accepting the Third Quarter Compliance Audit Report is low.

Strategic Plan Implications:

The Business Life Program is focussed on improving the business performance of Council’s Administration. The annual audit and the Compliance Audit Report processes are ways to improve and monitor performance.

Financial Implications:Internal Budget:

Nil

Total Asset Management:

Nil

Sustainability Assessment:External Economic Implications:

Nil

Social Issues:

Nil

Cultural Issues:

Nil

Environmental Issues:

Nil

COMMENT:

The compliance programs of a local government are a strong indication of attitude towards meeting legislative requirements. Audit committee practices in regard to monitoring compliance programs typically include monitoring compliance with legislation and regulations and reviewing the annual Compliance Audit Return and reporting to Council the results of that review. Hence, this report seeks to keep the Finance and Audit Committee up to date with the internal monitoring programs the Town has in place.

CONCLUSION:

In all areas audited for the period 1 January – 30 September 2016 except for the lodgement of one staff members Annual Return 2016, the Town was found to be compliant with the relevant legislation.

RECOMMENDATION/S:

That the Finance and Audit Committee receives the report on the Third Quarter Compliance Audit Return for the period 1 January 2016 to 30 September 2016.

RESOLVED:

Moved: Cr Maxwell

Seconded: Cr Ammons Noble

The Motion was Put and

CARRIED (4-0)

In favour of the Motion: Cr Maxwell; Cr Hayes; Cr Windram; Cr Ammons Noble

9 WORKSHOP TOPICS AND PRESENTATIONS

9.1 Capital Works Progress

Two year Priority Capital Works list review and Review of Two Year Priority Works Program.

Executive Manager Street Life; A/Manager Parks; A/Manager Assets and Technical Officer Engineering left the meeting at 6.10pm.

9.2 874 Albany Highway, East Victoria Park WA 6101

The subject site at Lot 442 (No. 874) Albany Highway, East Victoria Park is a 526m² lot zoned 'District Centre' and owned by the Town of Victoria Park. An old single level brick building currently exists on the site and is being leased at a 'peppercorn' rental rate. The Town has identified the subject lot as having potential to assist in the objectives of the Land Asset Optimisation Strategy. This presentation explores options for the future of this land parcel. General discussion will occur to assist in the preparation of a final Committee / Council report, scheduled for early 2017.

RESOLVED:

Moved: Cr Ammons Noble

Seconded: Cr Maxwell

That pursuant to clause 9.1(h) of the *Town of Victoria Park Standing Orders Local Law 2011* and in accordance with Section 5.23 of the *Local Government Act 1995* the meeting of the Finance and Audit Committee meet behind closed doors as Item 9.2 is a confidential matter.

The Motion was Put and

CARRIED (4-0)

In favour of the Motion: Cr Maxwell; Cr Hayes; Cr Windram; Cr Ammons Noble

RESOLVED:

Moved: Cr Windram

Seconded: Cr Maxwell

That the meeting be reopened at 6.40pm to members of the public.

The Motion was Put and

CARRIED (4-0)

In favour of the Motion: Cr Maxwell; Cr Hayes; Cr Windram; Cr Ammons Noble

10 MOTION FOR WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

11 NEW BUSINESS OF AN URGENT NATURE

Nil

12 REQUEST FOR REPORTS FOR FUTURE CONSIDERATION

Forthcoming Agenda Items	
Reports	
Land Asset Optimisation Strategy – Action Plan / finalised document	
Investment Strategy – development	
Revenue Diversification Policy - development	
874 Albany Highway – Update/process	
Workshop Topics/Presentation	
Fees and Charges – determination and analysis of the level of application	
Investment Strategy – development	
Revenue Diversification Policy - development	
Carbon Offset Program – expenses/income of Carbon Offset Program	
Delegations Register regarding Grant Acceptance	
Governance Report Agenda and Minutes Software	

13 CLOSURE

The meeting was closed at 6.44pm.