



AUDIT COMMITTEE MEETING

AGENDA

14 December 2017

**14 White Street
Brookton, WA 6306**

4.00	pm	COMMENCEMENT OF MEETING
4.30	pm	CLOSURE OF MEETING



NOTICE OF MEETING

AUDIT COMMITTEE MEETING

14 December 2017

**14 White Street
Brookton, WA 6306**

Dear Councillor, Resident or Ratepayer,

Notice is hereby given that the Audit Committee Meeting of the Brookton Shire Council will be held on 14 December 2017 in the Council Chambers at the Shire Administration Centre commencing at 4.00 pm.

The business to be transacted is shown in the Agenda.

Ian D'Arcy
CHIEF EXECUTIVE OFFICER
8/12/2017

TABLE OF CONTENTENCE

1.12.17	DECLARATION OF OPENING / ATTENDANCE	5
2.12.17	ELECTION OF THE PRESIDING MEMBER.....	5
3.12.17	CONFIRMATION OF PREVIOUS MINUTES.....	5
4.12.17	DECLARATIONS BY MEMBERS AND OFFICERS	5
5.12.17	ANNUAL REPORT 2017/2017	6
6.12.17	NEXT MEETING & CLOSURE	8

1.12.17	DECLARATION OF OPENING / ATTENDANCE
----------------	--

2.12.17	ELECTION OF THE PRESIDING MEMBER
----------------	---

3.12.17	CONFIRMATION OF PREVIOUS MINUTES
----------------	---

That the minutes of the Audit Committee meeting held in the Shire of Brookton Council Chambers, on 16 March 2017 be confirmed as a true and correct record of the proceedings.

4.12.17	DECLARATIONS BY MEMBERS AND OFFICERS
----------------	---

Members and Officers to declare Financial, Proximity or Impartiality Interests & submit forms to the Chief Executive Officer at the commencement of the meeting and also prior to the item.

Disclosure of Financial & Proximity Interests

- a. Members must disclose the nature of their interest in matters to be considered at the meeting. (Sections 5.60B and 5.65 of the *Local Government Act 1995*).
- b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the *Local Government Act 1995*).

Disclosure of Interest Affecting Impartiality

- a. Members and staff must disclose their interest in matters to be considered at the meeting in respect of which the member or employee has given or will give advice.

Financial, Proximity and Impartiality Interests

Item no.	Members/Officers	Type of Interest	Nature of Interest

5.12.17 ANNUAL REPORT 2017/2017

File No:	ADM 0117
Date of Meeting:	14/12/2017
Location/Address:	Not Applicable
Name of Applicant:	Shire of Brookton
Name of Owner:	Shire of Brookton
Author/s:	Kelly D’Arcy – Governance Officer
Authorising Officer:	Vicki Morris – Deputy Chief Executive Office
Declaration of Interest:	Nil
Voting Requirements:	Absolute Majority
Previous Report:	Nil

Summary of Item:

The 2016/17 Annual Report outlines the Shire’s achievements against its Strategic Community Plan, financial performance and notes key activities contained within the Corporate Business Plan. This item seeks Council’s adoption of the 2016/17 Annual Report and set a date for the annual general meeting of electors. As presented in **Attachment 5.12.17**

Description of Proposal:

Description or N/A

Background:

The Annual Report contains information as required under section 5.53 of the Local Government Act 1995 including (but not limited to) the following:

- A report from the President
- A report from the Chief Executive Officer
- An overview of the plan for the future of the Shire (in accordance with Section 5.56 of the *Local Government Act 1995*)
- The financial report for the financial year
- A report made under section 29 (2) of the *Disability Services Act 1993*
- Details of entries made under section 5.121, in the register of complaints
- The auditor’s report for the financial year

The on-site audit was conducted by Moore Stephens on the 17 and 18 October 2017 with the Annual Financial Report finalised and submitted to the Auditors on Friday 6 November 2017. Following post audit adjustments, the Auditor’s Report and Management Report was received on 7 December 2017.

Should the 2016/17 Annual Report be endorsed, it is intended that local public notice be published advising the availability of the 2016/17 Annual Report and of the Annual Electors Meeting.

The Finance Department reviewed the Significant Account Policy as part of the preparation of the Annual Report.

Consultation:

Consultation was undertaken with the Shire’s Auditor’s – Moore Stephens, the Chief Executive Officer, the Deputy Chief Executive Officer and the Finance Department.

Statutory Environment:

Section 5.53 of the *Local Government Act 1995* (the Act) outlines the minimum requirements of an Annual Report. Section 5.54 states that a local government must accept an annual report by 31 December of each year by absolute majority.

The annual financial report is prepared in accordance with Australian Accounting Standards, the Local Government Act 1995, and the Local Government (Financial Management) Regulations 1996.

Sections 5.27 and 5.29 of the Act outline the procedure for convening an electors meeting, including holding the meeting no more than 56 days from when the Annual Report was adopted.

Relevant Plans and Policy:

There are no Council Policy implications that are relevant to this item

Financial Implications:

The availability of the Annual Report and the date for the annual general meeting of electors will be advertised in the Brookton Telegraph Notes. There will be no cost associated with this.

A limited number of hard copy annual reports will be printed and funded under the existing stationery budget.

Risk Assessment:

There is a risk should the Annual Report not be adopted within the timeframes outlined, Council may be in breach of the *Local Government Act 1995* and relevant subsidiary legislation.

Community & Strategic Objectives:

Pursuant to the Strategic Community Plan, the Shire is to provide high quality corporate governance, accountability and compliance.

Comment

The independent audit report issued by Moore Stephens is an unqualified report. The implication of this is that in the auditor's opinion the Shire's financial report is in accordance with the *Local Government Act 1995* and the Local Government (Financial Management) Regulations 1996, and:

- a) gives a true and fair view of the Shire's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended on that date; and
- b) complies with the Australian Accounting Standards.

In the Management Report, Moore Stephens have provided commentary on the Shire's Financial Ratios. The Summary of the Management Report is provided below:

Summary

The Shire's ratio position appears reasonably consistent with prior years.

Notwithstanding this, as all the ratios except the current ratio are below the advanced industry benchmark and a number of the ratios are trending downwards over the longer term, moving forward, measures/strategies to reverse the downward trends and improve the overall level of the ratios should be considered.

We would also like to take this opportunity to stress one-off assessments of ratios at a particular point in time can only provide a snapshot of the financial position and operating situation of the Shire. As is the case with all ratios and indicators, their interpretation is much improved if they are calculated as an average over time with the relevant trends being considered.

We will continue to monitor the financial position and ratios in future financial years and suggest it is prudent for Council and management to do so also as they strive to manage the scarce resources of the Shire.

OFFICER RECOMMENDATION

That The Audit Committee Recommend to Council that the Council:

- 1. In accordance with Sections 5.53 and 5.54 of the Local Government Act 1995, accepts the Shire of Brookton Annual Report 2016/2017 for the 2016/17 financial year;***
- 2. Authorise the Chief Executive Officer to give public notice of the availability of the Annual Report in accordance with Section 5.55 of the Local Government Act 1995,***
- 3. Receive the Management Report from Moore Stephens for the Year Ended 30 June 2017 and***
- 4. Advertise the Annual General Meeting of Electors to be held on Wednesday 17 January 2017 commencing at 6.00pm, at the Shire Administration Office, 14 White Street Brookton in Council Chambers.***

(Absolute Majority Vote Required)

Attachments Presented Under Separate Cover

Attachment 5.12.17(a) – 2016/2017 Annual Report

Attachment 5.12.17(b) – 2016/2017 Management Report

6.12.17	NEXT MEETING & CLOSURE
----------------	-----------------------------------