



Shire of
Wongan-Ballidu

Minutes

Special Meeting of Council
Monday, 07 February 2022
(Confirmed)



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Item 1. ACKNOWLEDGEMENT OF COUNTRY / DECLARATION OF OPENING/ ANNOUNCEMENT OF VISITORS

Acknowledgement of Country: -

"I'd like to begin by acknowledging the Traditional Owners of the land on which we meet today. I would also like to pay my respects to Elders past and present."

The Shire President declared the meeting open at 3.05pm

ITEM 2. ATTENDANCE AND APOLOGIES

Attendance

Councillors

Cr M Stephenson	Shire President
Cr B West	Deputy Shire President
Cr K Anspach	Member
Cr S Falconer	Member
Cr A Tunstill	Member

Council Officers

Mr S Taylor	Chief Executive Officer
Mr A Hart	Deputy Chief Executive Officer
Mrs E Pudwell	Minutes

Apologies

Cr S Boekeman	Member
Cr D Coad	Member

Item 3. OFFICER REPORTS

3.1 2020/2021 ANNUAL FINANCIAL REPORT, AUDITORS REPORT AND MANAGEMENT REPORT

FILE REFERENCE:	F1.5
REPORT DATE:	27 January 2022
APPLICANT/PROPOSER:	Nil
OFFICER DISCLOSURE OF INTEREST:	Nil
PREVIOUS MEETING REFERENCES:	Nil
AUTHOR:	Alan Hart, Deputy Chief Executive Officer
ATTACHMENTS:	2020/2021 Annual Financial Report, Auditors Report for Year Ending 30 June 2021 and Management Report.

PURPOSE OF REPORT:

To present to Council the 2020/2021 Annual Financial Report, Auditors Report for the year-ended 30 June 2021, and the Management Report for the Year Ended 30 June 2021.

BACKGROUND:

Pursuant to Sections 7.2, 7.3 and 7.9 of the *Local Government Act 1995*, local governments are required each year to have the accounts and annual financial report of the Council audited by an auditor appointed by the local government. In addition, Section 5.54 of the *Local Government Act 1995*, Council is to consider and accept the Annual Report within two months of the Audited Financial Statements being available.

COMMENT:

The audit for the 2020/2021 financial year has been completed and provides an overview of the financial activities of the Shire for the 2020/2021 year.

Presented as attachments to this report are the following documents;

- Annual Financial Report;
- Auditors Report; and
- Management Report.

Section 5.55 of the Act states that the CEO is to publish the annual report and make copies available to the public, and give Local Public Notice (as defined by the Act) of such, within 14 days after the report has been accepted by the local government.

It is proposed that the 2020/2021 Annual Report and Financials will be made available to the public on Wednesday, 23 February 2022.

Section 5.27 of the Act states that the Annual Meeting of Electors is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report

for the previous financial year. Local Public Notice (as defined by the Act) of at least 14 days is to be given of this meeting.

It is proposed that the Shire hold the Annual Meeting of Electors at the Community Resource Centre at 7pm on Wednesday, 23 February 2022.

POLICY REQUIREMENTS:

There are no policy requirements in relation to this item.

LEGISLATIVE REQUIREMENTS:

Sections 5.27, 5.53 – 5.55 of the *Local Government Act 1995*.

Section 1.7 of the *Local Government Act 1995*: Definition of 'Local Public Notice':

- (1) Where under this Act local public notice of a matter is required to be given, a notice of the matter is to be —
 - (a) published in a newspaper circulating generally throughout the district; and
 - (b) exhibited to the public on a notice board at the local government's offices; and
 - (c) exhibited to the public on a notice board at every local government library in the district.

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.

VOTING REQUIREMENTS:

ABSOLUTE MAJORITY REQUIRED: YES

MOVED: Cr B West

SECONDED: Cr K Anspach

COMMITTEE RECOMMENDATION

That Council –

1. ACCEPT the Financials for the financial year ended 30 June 2021 in accordance with section 5.55 of the *Local Government Act 1995*.
2. That the Management Report for the year ended 30 June 2021 be accepted.

CARRIED: 5/0

RESOLUTION:010222

3.2 2020/2021 ANNUAL REPORT AND ELECTORS MEETING

FILE REFERENCE:	F1.5
REPORT DATE:	04 February 2022
APPLICANT/PROPOSER:	Nil
OFFICER DISCLOSURE OF INTEREST	Nil
PREVIOUS MEETING REFERENCES:	Nil
AUTHOR:	Stuart Taylor – Chief Executive Officer
ATTACHMENTS:	2020/ 2021 Annual Report for Year Ended 30 June 2021

PURPOSE OF REPORT:

For Council to adopt the 2020/2021 Annual Report for the year-ended 30th June 2021.

BACKGROUND:

Council is required to accept the Annual Report 2020-2021 to enable it to be available for the Annual Electors' Meeting scheduled to be held on Wednesday, 23 February 2022.

The Local Government Act 1995 (the Act) requires Council to accept the report no later than 31 December each year or no later than 2 months after the auditor's report becomes available.

COMMENT:

In accordance with s5.53(2) of the Local Government Act 1995, it is proposed that the Annual Report 2020/21 be adopted by Council.

The Annual Report includes all of the statutory information required under the Local Government Act and Regulations including but not limited to;

- Report from the Shire President
- Report from the CEO
- Annual Financial Report
- Auditors Report

Section 5.27 of the Local Government Act 1995 requires that the Annual General Electors' Meeting be held on a day and at a time selected by the local government, but not more than 56 days after the annual report is accepted

In order to comply with its statutory obligations following the adoption of the Annual Report 2020/21, it is recommended that the Annual General Electors' Meeting be held on Wednesday, 23 February 2022, commencing at 7.00pm in the Function Room at the Wongan Hills Community Resource Centre for the purpose of discussing the annual report and any other general business.

POLICY REQUIREMENTS:

There are no policy requirements in relation to this item.

LEGISLATIVE REQUIREMENTS:

Section 1.7 of the Local Government Act 1995: Definition of 'Local Public Notice':

- (1) Where under this Act local public notice of a matter is required to be given, a notice of the matter is to be —
 - (a) published in a newspaper circulating generally throughout the district; and
 - (b) exhibited to the public on a notice board at the local government's offices; and
 - (c) exhibited to the public on a notice board at every local government library in the district.

Sections 5.53 - 5.55A of the Local Government Act 1995.

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.

VOTING REQUIREMENTS:

ABSOLUTE MAJORITY REQUIRED: YES

MOVED: Cr A Tunstill

SECONDED: Cr B West

OFFICER RECOMMENDATION:

That Council:

1. That Council ACCEPTS the Annual Report 2020-2021, in accordance with Section 5.53 and 5.54(1) of the Local Government Act 1995, as shown in the attachment to the Agenda, subject to any minor information, typographical and legislative corrections

being included in the final document.

2. That the Annual Electors meeting be held at 7.00pm on 23 February 2022 at the Wongan Hills Community Resource Centre and be advertised in accordance with Section 5.27 of the Local Government Act 1995.

**CARRIED:5/0
RESOLUTION:020222**

Item 11. QUESTIONS FROM MEMBERS WITHOUT NOTICE

Nil

Item 12. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

Nil

Item 13. MATTERS FOR WHICH THE MEETING MAY BE CLOSED

Nil

Item 14. CLOSURE

There being no further business, the Shire President, Cr M Stephenson, declared the meeting closed at 3.49pm.



Signed by:
Cr M Stephenson
Shire President

07-02-22

SHIRE OF WONGAN-BALIDU

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING FINAL AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Review of Systems and Procedures	✓		
2. Approval Above Delegated Authority Limit	✓		
3. Verbal and Witten Quotes for Purchase Orders	✓		
4. Self-supporting Loan Agreements		✓	
5. Disposal of Fixed Assets		✓	
6. Trust Account		✓	

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating may be reported as a matter of non-compliance in the audit report in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit report, it should be addressed promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF WONGAN-BALIDU

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING FINAL AUDIT

1. Review of Systems and Procedures

Finding

We noted that the last review was carried out in 2017. The Local Government (Audit) Regulations 1996 paragraph 17 requires the Chief Executive Officer to undertake a review of the appropriateness and effectiveness of a local government's system and procedures in relation to risk management, internal control and legislative compliance, no less than every three financial years.

Rating: Significant

Implication

The Shire has not complied with regulation 17(2) of the Local Government (Audit) Regulations 1996.

Recommendation

The Shire reviews its systems and procedures as soon as possible.

Management Comment

Agreed. The Review will be completed and presented to the Audit Committee in February 2022.

Responsible Person: Chief Executive Officer

Completion Date: 28 February 2022

SHIRE OF WONGAN-BALIDU

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING FINAL AUDIT

2. Approval Above Delegated Authority Limit

Finding

We noted a manager has approved payment of an invoice with value of \$256,957 that was three times above the delegated authority limit.

We also note another approval by the Shire's executive team member for a purchase order with value of \$100,000 that was two times above the delegated authority limit.

Rating: Significant

Implication

Approvals inconsistent with the Shire's delegated authority limit increase the risk of inappropriate and unauthorised payments and purchase orders being made.

Recommendation

The Shire's approval of payments and purchase orders should be within the approved delegated authority limit.

Management Comment

Agreed. Processes have been reviewed and staff educated about purchasing limits as per the delegated authority.

Processes have been changed to ensure that the officer that authorised the purchase, signs off on the invoice as authorisation for payment

Responsible Person: Deputy CEO

Completion Date: 1 December 2021

SHIRE OF WONGAN-BALIDU

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING FINAL AUDIT

3. Verbal and Written Quotes for Purchase Orders

Finding

We noted 14 instances of 18 sampled purchase orders below \$10,000 without any recorded verbal or written quotations.

The Shire's procurement policy has the following requirements for purchases up to \$10,000:

- Direct purchase from suppliers, requires at least one oral or written quotation from a suitable supplier.
- Where the value of procurement of goods or services does not exceed \$10,000, one oral or written quotation is permitted from the open market.
- It is recommended to use professional discretion and occasionally undertake market testing with a greater number or more formal forms of quotation to ensure best value is maintained.
- Record keeping requirements must be maintained in accordance with record keeping policies.

The Shire's purchasing system does not make provision for the verbal quotation to be documented on the purchase order.

Rating: Significant

Implication

The Shire is not in compliance with its procurement policy. Consequently, the Shire has increased favouritism risk in selecting suppliers and not obtaining value for money.

Recommendation

The Shire should ensure appropriate quotes are obtained and recorded as required by its procurement policy.

Management Comment

Agreed. Templates have been developed to document verbal quotes and these will be attached to purchase orders as evidence of a verbal quote.

Responsible Person: Deputy CEO

Completion Date: 7 December 2021

SHIRE OF WONGAN-BALIDU

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING FINAL AUDIT

4. Self-Supporting Loan Agreements

Finding

We noted that the Shire has borrowed funds to three entities without establishing loan agreements. The loan amount on 30 June 2021 was \$295,017 and the repayment terms are based on the Shire's repayment terms of funds borrowed from WA Treasury.

Rating: Moderate

Implication

The terms of the loans have not been agreed with the borrowers and communicated formally in writing. The Shire may suffer financial loss when disputes of repayment arise.

Recommendation

The Shire should have loan agreements in place with the borrowers.

Management Comment

Agreed. Self-supporting loan agreements will be put in place for future self-supporting loans. The Shire will investigate options for the current loans that are in-place, including putting in place retrospective loan agreements for existing self-supporting loans.

Responsible Person: Deputy CEO

Completion Date: 31 March 2022

SHIRE OF WONGAN-BALIDU

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING FINAL AUDIT

5. Disposal of Fixed Assets

Finding

We noted one vehicle that was disposed of during the financial year has not complied with the *Local Government Act 1995* Section 3.58 which requires public notice to be given before disposing an asset.

Rating: Moderate

Implication

The Shire has not complied with Section 3.58 of the *Local Government Act 1995*.

Recommendation

The Shire ensures compliance with the legislation for disposal of assets going forward.

Management Comment

Agreed. Processes have now changed to ensure that compliance with section 3.58 of the act occurs when disposing of assets.

Responsible Person: Chief Executive Officer

Completion Date 30 November 2021

SHIRE OF WONGAN-BALIDU

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING FINAL AUDIT

6. Trust Bank Account

Finding

We noted that the Shire is using trust bank account for transacting receipts and payments on behalf of the Department of Transport's motor vehicle licencing renewals. The funds collector function does not fall within the definition of trust fund as defined by Section 6.9.(1) of the *Local Government Act 1995*.

Rating: Moderate

Implication

The Shire has not complied with Section 6.9.(1) of the *Local Government Act 1995*.

Recommendation

The Shire should record the transactions in the municipal bank account.

Management Comment

Agreed. Department of Transport transactions now are being processed through the municipal account.

Responsible Person: Deputy CEO
Completion Date 1 September 2021