



# Minutes of the Audit Committee

## Audit Committee Meeting

To be held in Council Chambers, Wolfram Street Westonia  
Thursday 21<sup>st</sup> March 2024

### CONFIRMATION OF MINUTES

These minutes were confirmed by the Council on 18<sup>th</sup> July 2024 as a true and accurate record of the Audit Committee Meeting held 21<sup>st</sup> March 2024

.....  
Cr Mark Crees  
Shire President

*All attachment items referred to in these minutes are available for public perusal at the Shire Office*

TABLE OF CONTENTS

<b>1. DECLARATION OF OPENING</b>	<b>3</b>
<b>2. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE</b>	<b>3</b>
<b>3. PUBLIC QUESTION TIME (2.25PM – 2.48PM)</b>	<b>3</b>
<b>4. CONFIRMATION OF PREVIOUS MINUTES</b>	<b>3</b>
<b>5. PRESIDENT/COUNCILLORS ANNOUNCEMENTS</b>	<b>3</b>
<b>6. MATTERS REQUIRING A COUNCIL DECISION</b>	<b>3</b>
6.1.1 COMPLIANCE AUDIT RETURN 2023	4
6.1.2 BUDGET REVIEW 2023/2024	6
<b>7. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN</b>	<b>9</b>
<b>8. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY A DECISION OF THE MEETING</b>	<b>9</b>
<b>9. DATE AND TIME OF NEXT MEETING</b>	<b>9</b>
<b>10. MEETING CLOSURE</b>	<b>9</b>

## 1. DECLARATION OF OPENING

The President, Cr Crees welcomed Councillors and staff and declared the meeting open at 1.43pm.

## 2. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

### Councillors:

Cr RM Crees	President
Cr RA Della Bosca	Deputy President
Cr DL Geier	
Cr WJ Huxtable	
Cr DL Simmonds	

### Staff:

Mr. AW Price	Chief Executive Officer
Mrs. JL Geier	Manager of Corporate Services

Members of the Public: Nil

Apologies: Cr A Faithfull

Approved Leave of Absence: Nil

## 3. PUBLIC QUESTION TIME (1.43PM – 2.23PM)

Nil

## 4. CONFIRMATION OF PREVIOUS MINUTES

---

### OFFICER RECOMMENDATIONS

---

That the Minutes of the Audit Committee Meeting held on Thursday 21<sup>st</sup> December 2023 be confirmed as a true and correct record.

---

### RESOLUTION

---

Moved: Cr Geier

Seconded: Cr Simmonds

AC01/03-24 That the Minutes of the Audit Committee Meeting held on Thursday 21<sup>st</sup> December 2023 be confirmed as a true and correct record.

CARRIED 5/0

## 5. PRESIDENT/COUNCILLORS ANNOUNCEMENTS

Nil


## 6. MATTERS REQUIRING A COUNCIL DECISION

### 6.1.1 COMPLIANCE AUDIT RETURN 2023

---

<b>Responsible Officer:</b>	Bill Price, CEO
<b>Author:</b>	Bill Price, CEO
<b>File Reference:</b>	ES1.6.1
<b>Disclosure of Interest:</b>	Nil
<b>Attachments:</b>	<b>Attachment 6.1.1</b> Compliance Audit Return 2021
<b>Signature:</b>	<b>Officer</b> <span style="float: right;"><b>CEO</b></span>

---



#### Purpose of the Report

Executive Decision

Legislative Requirement

The purpose of this report is for Council to adopt the 2023 Annual Compliance Audit Return as presented.

#### Background

In accordance with the Local Government (Audit) Regulations 1996, a local government is required to carry out a compliance audit for the period 1st January to 31st December each year against the requirements included in the Compliance Audit Return (CAR).

The completed CAR is required to be presented to Council for consideration and adoption, signed by the Shire President and CEO and subsequently submitted to the Director General of the Department of Local Government before 31st March

#### Comment

The Compliance Audit Return has been a mandatory requirement since the Local Government (Audit) Regulations 1999, were amended and made applicable from 1 January 2000.

Senior staff have been involved in the completion of the Compliance Audit Return, certifying their actions and that of the Council, relating to the return covering the 2023 calendar year.

Staff involved in the process included.

- Chief Executive Officer
- Deputy CEO

The Return is to be jointly certified by the Shire President and the Chief Executive and subsequently submitted to the Director General of the Department of Local Government before 31st March.

#### Statutory Environment

Local Government (Audit) Regulations 1996 – Regulations 13, 14 & 15 – Compliance Audit Returns.

#### Policy Implications

Council does not have a policy in relation to this matter.

#### Strategic Implications

The Local Government Act 1995 and Local Government (Audit) Regulations 1996 apply.

#### Financial Implications

Nil.



### Voting Requirements

Simple Majority

Absolute Majority

---

### OFFICER RECOMMENDATIONS

---

That Council as per the Audit Committee:

1. receives the Compliance Audit Return 2023; and
2. recommends to Council that the Compliance Audit Return 2023 be endorsed and authorise the Shire President and CEO to sign the CAR for dispatch to the Department of Local Government as per the requirements of the Local Government Act 1995.

---

### RESOLUTION

---

Moved: Cr Geier







Seconded: Cr DellaBosca

AC02/03-24 That Council as per the Audit Committee:

1. receives the Compliance Audit Return 2023; and
2. recommends to Council that the Compliance Audit Return 2023 be endorsed and authorise the Shire President and CEO to sign the CAR for dispatch to the Department of Local Government as per the requirements of the Local Government Act 1995

CARRIED BY ABSOLUTE MAJORITY 5/0

**6.1.2 BUDGET REVIEW 2023/2024**

<b>Responsible Officer:</b>	Bill Price, CEO						
<b>Author:</b>	Jasmine Geier, DCEO						
<b>File Reference:</b>							
<b>Disclosure of Interest:</b>	Nil						
<b>Attachments:</b>	2023/2024 Budget Review Statement of Financial Activity, notes on Closing Funds, and Budget Amendments						
<b>Signature:</b>	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%;"><b>Officer</b></td> <td style="width: 33%; text-align: center;"></td> <td style="width: 33%; text-align: right;"><b>CEO</b></td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;"></td> </tr> </table>	<b>Officer</b>		<b>CEO</b>			
<b>Officer</b>		<b>CEO</b>					
							

**Purpose of the Report**

- Executive Decision                       Legislative Requirement

To consider the Shire's financial position as at 29 February 2024 and performance for the period 1 July 2023 to 29 February 2024 in relation to the adopted annual budget and projections estimated for the remainder of the financial year.

**Background**

The budget review has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards. The report for the period 1 July 2023 to 29 February 2024 shown in the attachment has been prepared incorporating year to date budget variations and forecasts to 30 June 2024 and is presented for council's consideration.

Consideration of the status of various projects and programs was undertaken to ensure any anticipated variances were captured within the review document where possible.

The material variance levels which have been reported for the budget review, have utilised the same materiality levels as monthly reporting to determine the extent of explanation / are based on a materiality level of \$10,000 and 15%. implemented for the purpose of the budget review) / are based upon management judgement where explanations are considered appropriate.

**Comment**

The budget review report includes at Note 4 a summary of predicted variances contained within the Statement of Financial Activity, including whether variances are considered to be permanent (where a difference is likely between the current budget and the expected outcome to 30 June) or due to timing (e.g. where a project is likely to be delayed).

Features of the budget review include:

Increase in interim rates due to 2x GRV Residential Assessments, Granted (x7 UV) Mining Assessments - interim rates raised on the new Assessments were not accounted for in the adopted budget.	<b>\$4,135.00</b>
Due to adjustments made to Grants Commission Grants	<b>(\$319,500.00)</b>
Due to Decrease in Standpipe water Usage, Haulage Operation Agreement	<b>(\$213,000.00)</b>
Due to the Bank change new interest bearing operational Municipal Account, Plus Penalty Interest on Rates increase to the budget forecast	<b>\$96,100.00</b>
Due to Income received Via Medicare Benefits, Rural Health West Reimbursements and Receival of Synergy Extended Power Outage Payments	<b>\$10,000.00</b>

Due to Profit on Sale of Asset LC300 Toyota Landcruiser F33A0014951 & includes Budget for Sale of Fibro Dwelling (Old Pool House ) (No 37) Diorite St, Westonia	<b>\$23,000.00</b>
Due to Payout to Shire of Chapman Valley total Long service owed to J. Criddle, also Extended Annual Leave J.Geier January 2024, Extending Sick Leave used by Outside Employees, Increase in Allocation for Cleaning Kerry Lyne French, and lastly Labor Overheads Allocated.	<b>(\$94,800.00)</b>
State NRM Program- recoup of unspent funds , New Bed purchase Of Unit Accommodation, Supply & install new 50lt Rheem to ablution block & Progress MOU Q2 21/22 Missed Payment & Westonia Caravan Park Replace Bio Seal & repair underground leak to water service Building Maintenance	<b>(\$164,350.00)</b>
Due Decrease estimate on Standpipe Water usages Charges	<b>\$195,500.00</b>
Due in increase of Insurance Costs	<b>(\$2,400.00)</b>
Decrease in net current assets brought forward Due to Change in Depreciation, and Receival of the profit on Asset Disposal	<b>(\$23,000.00)</b>
Proceeds from disposal of asset Trade Value of LC300 Toyota Landcruiser F33A0014951 & Sale of Fibro Dwelling (Old Pool House) (No 37) Diorite St, Westonia	<b>\$183,000.00</b>
Due Increase in Cost to Purchase New LC300 Toyota Landcruiser, Increase In Museum Project & decrease in New Staff Housing	<b>\$60,000.00</b>
This Variation to DellaBosca Road Full Completion of seal via LRCIP Phase 4 Funding - Part B.	<b>(\$208,000.00)</b>
Transfers from reserve accounts	<b>\$200,000.00</b>
Overall Change (surplus/deficit)	<b>(\$237,615.00)</b>

In considering the above variances and projections within the attached budget review, the closing position has Decreased from \$95,601.00 to (\$237,615.00) reflected in the Statement of Budget Review.

Following completion of the budget review and to properly consider the impact of estimated projections at 30 June 2024, some items have been identified as requiring a budget amendment to properly account for these variances where appropriate. Required budget amendments have been included in Note 5 of the attached budget review document for information, and also presented as a separate recommendation to the budget review for council consideration.



### **Statutory Environment**

Regulation 33A of the *Local Government (Financial Management) Regulations, 1996* requires:

- (1) Between 1 January and the last day of February in each financial year a local government is to carry out a review of its annual budget for that year.
- (2A) The review of an annual budget for a financial year must -
  - (a) consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and
  - (b) consider the local government's financial position as at the date of the review; and
  - (c) review the outcomes for the end of that financial year that are forecast in the budget; and
  - (d) include the following -
    - (i) the annual budget adopted by the local government;
    - (ii) an update of each of the estimates included in the annual budget;
    - (iii) the actual amounts of expenditure, revenue and income as at the date of the review;
    - (iv) adjacent to each item in the annual budget adopted by the local government that states an amount, the estimated end of year amount for the item.

- (2) The review of an annual budget for a financial year must be submitted to the council on or before 31 March in that financial year.
- (3) A council is to consider a review submitted to it and is to determine\* whether or not to adopt the review, any parts of the review or any recommendations made in the review.  
*\*Absolute majority required.*
- (4) Within 14 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.

Section 6.8(1) (b) of the *Local Government Act 1995* provides that expenditure can be incurred when not included in the annual budget provided it is authorised in advance by resolution (absolute majority required).

### **Policy Implications**

There are no known policy implications arising from this report.

### **Strategic Implications**

The budget review has been developed having regard for the Shire's integrated planning and reporting documents adopted by council.

### **Financial Implications**

Authorisation of expenditure through budget amendments recommended. Other specific financial implications are as outlined in the body of this report.

### **Voting Requirements**

- Simple Majority                       Absolute Majority

---

## **OFFICER RECOMMENDATIONS**

That the Council as per Audit committee recommendation by absolute majority the following budget amendments to the 2023/2024 adopted annual budget:

1. Receive the 2023/2024 Budget Review for the period ending 28<sup>th</sup> February 2024 and adopt the recommended Budget figures as presented.
2. Forward the review to the Department of Local Government as per the requirements of the act.

---

## **RESOLUTION**

Moved:

Cr Huxtable

Seconded:

Cr Simmonds

AC03/03-24

**That the Council as per Audit committee recommendation by absolute majority the following budget amendments to the 2023/2024 adopted annual budget:**

- 1. Receive the 2023/2024 Budget Review for the period ending 28<sup>th</sup> February 2024 and adopt the recommended Budget figures as presented.**
- 2. Forward the review to the Department of Local Government as per the requirements of the act.**

**CARRIED BY ABSOLUTE MAJORITY 5/0**



**7. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**8. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY A DECISION OF THE MEETING**

Nil

**9. DATE AND TIME OF NEXT MEETING**

The next Audit meeting of Council will be held on Thursday schedule 18<sup>th</sup> July 2024 commencing at 2.20pm

**10. MEETING CLOSURE**

There being no further business the President, Cr Crees declared the meeting closed at 2.01pm