



SHIRE OF WAGIN

SPECIAL MEETING OF COUNCIL

Minutes

17th December 2013

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In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by a member or officer of the Shire of Wagin during the course of any meeting is not intended to be and is not to be taken as notice of approval from the Shire of Wagin. The Shire of Wagin warns that anyone who has any application lodged with the Shire of Wagin must obtain and should only rely on written confirmation of the outcome of the application, and any conditions attaching to the decision made by the Shire of Wagin in respect of the application.

1. DECLARATION OF OPENING

The Shire President Cr Blight declared the meeting open at 7.00pm.

2. ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Present:	Cr P J Blight	Shire President
	Cr G R Ball	Member
	Cr I C Cumming	Member
	Cr A J Howell	Member
	Cr J P Reed	Member
	Cr R C Walker	Member
	Cr J L C Ballantyne	Member
	Cr C J Brockwell	Member
	Cr D C Lloyd	Member
Staff:	Mr P R Webster	Chief Executive Officer
	Mrs K A Caley	Manager Finance and Corporate Services
	Mr A D Hicks	Manager of Works
	Mr B A Roderick	Strategic Planning Project Officer
	Mrs D J Thompson	Executive Assistant
Visitors:	Nil	
Apologies:	Cr G K B West (Leave of Absence)	

3. DISCLOSURE OF FINANCIAL AND OTHER INTERESTS

Nil

4. AGENDA ITEMS

4.1 2012/2013 ANNUAL FINANCIAL REPORT AND AUDIT / MANAGEMENT REPORTS

PROPONENT:	Strategic Planning Project Officer
OWNER:	Shire of Wagin
LOCATION/ADDRESS:	Shire of Wagin
AUTHOR OF REPORT:	Strategic Planning Project Officer
SENIOR OFFICER:	Chief Executive Officer
DATE OF REPORT:	17 th December 2012
PREVIOUS REPORT(S):	6 th December 2012
DISCLOSURE OF INTEREST:	N/A
FILE REFERENCE:	FNC 1
ATTACHMENTS:	1) 2012/2013 Annual Financial Report (Under Separate Cover) 2) Audit Report 3) Management Report

BRIEF SUMMARY:

Council's Annual Financial Report for 2012/2013 has been audited and now requires to be adopted by Council before they are sent off to the Department of Local Government. The Audit report also requires adoption and the items in the Management report noted.

BACKGROUND:

In accordance with the Local Government Act 1995, the author has prepared Council's Annual Financial Report for 2012/2013 and Council's external auditors, Byfields have conducted an audit of the report and Shire of Wagin's finances for this same period.

COMMENT:

A copy of the 2012/2013 Annual Financial Report and Audit and Management Report is attached for Council to receive and adopt.

The auditor found the Annual Report to be in accordance with the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996 including:

- 1) Giving a true and fair view of the Shire's financial position as at 30th June 2013 and of their performance for the year ended on that date; and
- 2) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996 (as amended).

The auditor found one matter of non statutory compliance with the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996 as highlighted below.

Financial Management Review

As at the date of the audit, a financial management review has not been undertaken within the last 4 financial years.

Management has budgeted to have the financial management review carried out in 2013/2014 and this will take place in the first half 2014.

The auditor has also prepared a Management Report for year ended 30th June 2013. This report highlights perceived weaknesses in Council's systems and procedures. The report highlighted the following issue for consideration:

Doubtful Rate Debtors

Doubtful rate debtors have increased to \$76,930 as at June 2013, an increase of \$9,542 from last year.

	FY2013	FY2012	FY2011	FY2010
Provision for Doubtful Rates	\$76,930	\$67,388	\$58,789	\$51,151

We note that management have assess the collectability of these rates and are monitoring the situation closely. We recommend that this process be ongoing.

The doubtful debts relate to 4 long outstanding rate debtors, these properties are currently in the process of being sold or reverted back to Council.

Infrastructure Asset Register

The infrastructure asset register was not updated for capital expenditure made during the year. We recommend the asset register be kept up to date to ensure appropriate recording of infrastructure capital and the depreciation charges.

Whilst the total capital infrastructure expenditure in 2012/2013 has been accounted for calculating depreciation, the individual road jobs have not been updated in Asset register due to being unable to transfer revalued road balances into old asset register system. This will be rectified this financial year as all up to date road balances will be set up in new Synergy Soft asset register.

The Audit and Management reports will also be presented to the Audit committee in early 2014, this will enable the committee to discuss the reports in detail with management and our external auditor.

CONSULTATION/COMMUNICATION:

Nil

STATUTORY/LEGAL IMPLICATIONS:

Local Government Act 1995

Local Government (Financial Management) Regulations 1996.

POLICY IMPLICATIONS:

Nil

FINANCIAL IMPLICATIONS:

Nil

STRATEGIC IMPLICATIONS:

Nil

VOTING REQUIREMENTS:

Simple Majority

2332 OFFICERS RECOMMENDATION & COUNCIL DECISION

Moved: Cr. G R Ball

Seconded: Cr. J L C Ballantyne

That Council;

- receives and adopts the 2012/2013 Shire of Wagin Annual Financial Report.
- receives and adopts the 2012/2013 Audit Report and note the items listed in the Management Report.

Carried 9/0

Unconfirmed

2. AUDIT REPORT



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INDEPENDENT AUDIT REPORT TO THE SHIRE OF WAGIN

Report on the Financial Report

We have audited the accompanying financial report of the Shire of Wagin which comprises the statement of financial position as at 30 June 2013 and the statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and rate setting statement for the year ended on that date, and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Statutory Compliance

During the course of our audit we become aware of the following matter which did not comply with the Local Government (Financial Management) Regulations 1996 (as amended) or the Local Government Act 1995.

Financial Management Review

As required under Part 2, Section 5 (2) (c) of the Local Government (Financial Management Regulations) 1996, the CEO must undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 4 financial years) and report to the local government the results of those reviews. As of the date of the audit, a financial management review has not been undertaken within the last 4 financial years.

Auditor's Opinion

In our opinion, other than the matter noted above;

The financial report of the Shire of Wagin is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) including:

- i) giving a true and fair view of the Shire's financial position as at 30 June 2013 and of their performance for the year ended on that date; and
- ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).



BYFIELDS
NARROGIN WA

Date: 12th December 2013



D J WOODRUFF CPA
Director

3. MANAGEMENT REPORT

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PO Box 1202, Cloverdale WA 6985
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12 December 2013

The President
Shire of Wagin
PO Box 200
WAGIN WA 6315

Dear Sir

Management Report for the Year Ended 30 June 2013

We have completed the audit of your Shire's financial report for the year ended 30 June 2013. We enclose two copies of the audited financial report for your attention. Once accepted by the Council, please return a signed copy for our records.

We direct your attention to the fact that the responsibility for the preparation of the financial statements and adequate disclosure is that of the Council. This includes the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies and the safeguarding of monies of the Shire.

The purpose of our audit of the financial report is to express an opinion on that report and this report on management issues includes only matters that come to our attention during the conduct of our work and therefore should not be regarded as a comprehensive statement of management issues that may exist.

Our audit procedures highlighted the following issue for your consideration.

Financial Management Review

As required under Part 2, Section 5 (2) (c) of the Local Government (Financial Management Regulations) 1996, the CEO must undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 4 financial years) and report to the local government the results of those reviews. As of the date of the audit, a financial management review has not been undertaken within the last 4 financial years.

Doubtful Rate Debtors

Doubtful rate debtors have increased to \$76,930 as at 30 June 2013, an increase of \$9,542 from last year.

The following analysis shows an increasing trend in doubtful rate debtors since 2010.

	FY2013	FY2012	FY2011	FY2010
Provision for Doubtful Rates	\$76,930	\$67,388	\$58,789	\$51,151

We note that management have assessed the collectability of these rates and are monitoring the situation closely. We recommend that this process be ongoing.

Byfields Accountants & Financial Advisers Pty Ltd ACN 150 608 398

DIRECTORS Andrew Northcott B Com CPA • Craig Lane B Com CPA • Dale Woodsuff B Bus CPA • Jon Bush B Com CPA
Leanne Oliver B Com CPA • Neil Hooper B Com CPA • Simon Northey B Bus CPA • Glenn Wallock B Bus CPA • Roger Thomson B Bus CA
ASSOCIATES Ian Jones B Com CPA • Lea Williams B Com CA

Infrastructure Asset Register

The infrastructure asset register was not updated for capital expenditures made during the year. We recommend that the asset register be kept up to date to ensure appropriate recording of infrastructure capital and the depreciation charges.

Other than the above, we noted no other matters that should be raised or brought to the attention of Council.

We enclose our account in relation to the preparation of these documents. It would be appreciated if payment of this account is returned with the documents as attached.

We thank you for the kind assistance provided during the audit. If you wish to discuss any of the above items or require any further information, please contact us immediately.

Yours sincerely



DJ WOODRUFF
Director

(Please detach this page, sign and return to our office. The Management Letter above is for you to retain for your reference.)

We certify that the management letter was tabled at the meeting of Shire of Wagin held on and was considered by all Council members.

Signature:
Phillip Blight
(President)

Name:
___ / ___ / 2013

Signature:
Peter Webster
(CEO)

Name:
___ / ___ / 2013

4.2 SHIRE OF WAGIN 2012/2013 ANNUAL REPORT

PROPONENT:	
OWNER:	Shire of Wagin
LOCATION/ADDRESS:	Shire of Wagin
AUTHOR OF REPORT:	Strategic Planning Project Officer
SENIOR OFFICER:	Chief Executive Officer
DATE OF REPORT:	17 December 2013
PREVIOUS REPORT(S):	27 November 2012
DISCLOSURE OF INTEREST:	N/A
FILE REFERENCE:	N/A
ATTACHMENTS:	Annual Report Under Separate Cover

BRIEF SUMMARY:

Council's Annual Report for 2012/2013 has been prepared and is enclosed for formal adoption.

BACKGROUND:

Section 5.53 of the Local Government Act 1995 requires Council to prepare an Annual Report each financial year. The Annual Report is to contain:

- (a) A report from the Mayor or President
- (b) A report from the Chief Executive Officer
- (c) The financial report for the financial year
- (d) Such information that may be prescribed in relation to the payments made to employees
- (e) The Auditors Report for the financial year
- (f) A matter on which a report must be made under section 29(2) of the Disability Services Act 1993 and
- (g) Such other information as may be prescribed.

Council is required to accept the Annual Report no later than 31 December after the end of the financial year (Section 5.54 LGA).

The Electors' General Meeting 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. The CEO must give at least 14 days local public notice of the Electors Meeting. (Section 5.29 LGA)

COMMENT:

The 2012/2013 Annual Report has been completed and is enclosed for your perusal and formal adoption. The document contains all the above information as prescribed in the Local

Government Act. This year as per last years there are reports and relevant information from each division within Council.

CONSULTATION/COMMUNICATION:

Nil

STATUTORY/Legal IMPLICATIONS:

Sections 5.29, 5.53, 5.54 and 5.55 Local Government Act 1995

POLICY IMPLICATIONS:

Nil

FINANCIAL IMPLICATIONS:

Nil

STRATEGIC IMPLICATIONS:

Nil

VOTING REQUIREMENTS:

Absolute Majority

2333 OFFICERS RECOMMENDATION & COUNCIL DECISION

Moved: Cr. I Cumming

Seconded: Cr. C J Brockwell

That Council adopt the Annual Report for the period 1 July 2012 to 30 June 2013.

Carried by an
Absolute Majority 9/0

5. CLOSURE

The meeting closed at 6.15pm.

I certify that this copy of the Minutes is a true and correct record of the meeting held on
17 December 2013.

Signed:
Presiding Elected Member

Date: