



Shire of Pingelly

Minutes

Special Council Meeting
27 November 2019

SHIRE OF PINGELLY

Minutes from the Special Meeting of Council to be held in the Council Chambers, 17 Queen Street, Pingelly on Wednesday 27 November 2019 – commencing at 9am.

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1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chairman declared the meeting open at 9am.

2. ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Noongar people of this area and recognise their continuing connection to land, waters and community. We pay respect to both the Aboriginal and non-Aboriginal people past and present.

3. ANNOUNCEMENTS BY THE PRESIDING MEMBER

3.1 Council Agenda Reports

Please note that all elected members have been provided with the relevant information pertaining to each Officers reports within today's Agenda and the Officer Recommendations are based on Council Policy and or State Acts and Legislation.

4. RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

MEMBERS PRESENT

Cr WV Mulrone
Cr BW Hotham
Cr K Hastings
Cr PJ Wood
Cr A Oliveri

STAFF IN ATTENDANCE

Julie Burton	Chief Executive Officer
S Billingham	Director Corporate and Community Services
D Watkins	Director Technical Services
L Boddy	Executive Assistant

APOLOGIES

Cr J McBurney
Cr DI Freebairn

5. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil.

6. PUBLIC QUESTION TIME

No members of the public present.

7. APPLICATIONS FOR LEAVE OF ABSENCE

Nil.

8. DISCLOSURES OF INTEREST

Nil.

9. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

N/A

10. OFFICE OF THE CHIEF EXECUTIVE OFFICER

10.1 Adoption of 2018/19 Annual Report

File Reference:	ADM0074
Location:	Not Applicable
Applicant:	Not Applicable
Author:	Chief Executive Officer
Disclosure of Interest:	Nil
Attachments:	Attachment 1 Annual Report 2018/19
Previous Reference:	Nil

Summary

Council to receive the accept the Annual Report 2018, inclusive of the Annual Financial Report and the Audit Report for the 2018/19 financial year.

Background

Section 6.4 of the Local Government Act 1995 requires a Local Government to prepare an Annual Report in the manner and form prescribed, and by 30 September submit to its Auditor the accounts balanced up to the last day of the preceding year and the annual financial report for each financial year.

Section 5.53 of the Local Government Act 1995 requires a Local Government to prepare an Annual Report for each financial year. The Annual Report is to contain a report from the President, a report from the Chief Executive Officer, the Financial Report for the Financial Year, the Auditor's Report for the Financial Year, a number of other matters in relation to principal activities and such other information as may be prescribed. Once received, Council is then required by Section 5.27 of the Local Government Act 1995 to hold a General Meeting of Electors once every financial year to discuss the contents of the Annual Report for the previous financial year and any other general business.

Comment

The Annual Report for the year ended 30 June 2019 is presented to Council for acceptance. The Annual Report is presented in two parts, being the Annual Report, and the Financial Report. Also included is a full set of audited annual financial statements and the Independent Auditor's report. Once formally received and accepted by Council, the Annual Report can be referred for discussion at the Annual Electors' Meeting.

This Report will be available to the Public and Electors prior to the Annual Electors Meeting, subject to its acceptance by Council.

The Shire auditors indicated that procedures and controls in respect to the Shire of Pingelly internal processes, procedures and financial reporting framework are adequately designed and have been maintained to adequate standards throughout the audit period subject to the comments and recommendations within the Management Review Report.

The Auditor General has made the following comments in their Report on Other Legal and Regulatory Requirements:

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a. The Current Ratio as reported in Note 34 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the last two financial years.

- b. The Operating Surplus Ratio as reported in Note 34 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
- (ii) The following material matter indicating non-compliance with Part 6 of the Local Government Act 1995, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law was identified during the course of my audit:
 - a. The Shire has not reported the Asset Renewal Funding Ratio for 2019, 2018 and 2017 in the annual financial report as required by section 50(1) of the Local Government (Financial Management) Regulations 1996, as planned capital renewals and required capital expenditure were not estimated in a long-term financial plan and asset management plan respectively.

The Current Ratio adverse trend reported, is due to the extent of short term borrowings, which are due to be transferred to a long term debenture in the 2019/20 year. This will significantly impact the ratio in future years and return it to within benchmark levels.

The Operating Surplus Ratio reflects the reliability of local governments on grant funds. Small regional local governments are limited in their ability to increase own source revenue and are more reliant on grant funding for both operating activities and renewal of assets. Depreciation expense is a significant factor in this ratio as it is included in operating expenses.

Overall, the Audit Report reflects that high standards of financial controls and accurate reporting is in place.

Consultation

AMD Chartered Accountants
Office of the Auditor General

Statutory Environment

Section 7.9(1) of the *Local Government Act* provides that an auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —

- (a) the mayor or president;
- (b) the Chief Executive Officer of the local government; and
- (c) the Minister.

Section 5.27 of the *Local Government Act* provides that:

- (1) a general meeting of the electors of a district is to be held once every financial year.
- (2) a 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 for the previous financial year.
- (3) the matters to be discussed at general electors' meetings are to be those prescribed.

Section 5.29 provides that the Chief Executive Officer is to convene an electors' meeting by giving —

- (a) at least 14 days' local public notice; and
- (b) each council member at least 14 days' notice, of the date, time, place and purpose of the meeting.

The local public notice referred to in subsection (1)(a) is to be treated as having commenced at the time of publication of the notice under section 1.7(1)(a) and is to continue by way of exhibition under section 1.7(1)(b) and (c) until the meeting has been held.

Section 5.53 requires a local government to prepare an annual report containing:

- (a) a report from the mayor or president;
- (b) a report from the Chief Executive Officer;

- (e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year;
- (f) the financial report for the financial year;
- (g) such information as may be prescribed in relation to the payments made to employees;
- (h) the auditor’s report for the financial year;
- (ha) a matter on which a report must be made under section 29(2) of the *Disability Services Act 1993*; and
- (i) such other information as may be prescribed.

Section 5.55 requires the Chief Executive Officer to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

Section 1.7 (local public notice) provides that:

- (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;
 - (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.
- (2) Unless expressly stated otherwise it is sufficient if the notice is —
 - (a) published under subsection (1)(a) on at least one occasion; and
 - (b) exhibited under subsection (1)(b) and (c) for a reasonable time, being not less than —
 - (i) the time prescribed for the purposes of this paragraph; or
 - (ii) if no time is prescribed, 7 days.

Policy Implications

1.4 Minimum Audit Standard Specifications

Financial Implications

Nil

Strategic Implications

Strategic Community Plan Goal 5: Innovation, Leadership and Governance

Risk Implications

Risk	The key risk is in relation to the annual report legislative process not being adhered to.
Risk Rating (Prior to Treatment or Control)	Medium (6)
Principal Risk Theme	Reputational / Legislative
Risk Action Plan (Controls or Treatment Proposed)	Nil

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

Voting Requirements

Absolute Majority

12780 Moved: Cr Hotham

Seconded: Cr Hastings

Recommendation and Council Decision:

That Council

- 1. accepts the Shire of Pingelly Annual Report for the Financial Year ended 30 June 2019, inclusive of the Annual Financial Report; and**
- 2. receives and notes the Shire of Pingelly Audit Report for 2018/19.**

Carried 5:0

The Shire President thanked the staff for all their hard work and assistance during the audit period and in putting together the annual report.

11. DIRECTORATE OF CORPORATE AND COMMUNITY SERVICES

Nil.

12. DIRECTORATE OF TECHNICAL SERVICES

Nil.

13. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.


14. NEW BUSINESS OR URGENT BUSINESS INTRODUCED BY DECISION OF THE MEETING

New business of an urgent nature introduced by decision of the meeting. Best practice provides that Council should only consider items that have been included on the Agenda (to allow ample time for Councillors to research prior to the meeting) and which have an Officer Report (to provide the background to the issue and a recommended decision).

16. CLOSURE OF MEETING

The Chairman declared the meeting closed at 9.15am.

These minutes were confirmed by Council at the Ordinary Council Meeting held on 11 December 2019.

Signed.....
Presiding Person at the meeting at which the minutes were confirmed.