



Agenda  
Audit Committee Meeting

Thursday  
14 December 2017

12.00pm



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A handwritten signature in black ink, appearing to read 'H. Hawkins', is positioned above the printed name and title.

---

**Harry Hawkins**  
**Chief Executive Officer**

29/11/2017

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E-mail: - [ceo@sandstone.wa.gov.au](mailto:ceo@sandstone.wa.gov.au)



**WRITTEN DECLARATION OF INTEREST IN MATTER BEFORE COUNCIL**

**NOTE: USE ONE FORM PER DECLARATION**

I, (1) \_\_\_\_\_ wish to declare an interest in the following item to be considered by council at its meeting to be held on (2)

\_\_\_\_\_

Agenda item (3) \_\_\_\_\_

The type of interest I wish to declare is (4)

- Financial pursuant to Sections 5.60A of the Local Government Act 1995
- Proximity pursuant to Section 5.60B of the Local Government Act 1995
- Indirect Financial pursuant to Section 5.61 of the Local Government Act 1995
- Impartiality pursuant to Regulation 11 of the Local Government (Rules of Conduct) Regulation 2007

The nature of my interest is (5)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The extent of my interest is (6)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I understand that the above information will be recorded in the Minutes of the meeting and recorded by the Chief Executive Officer in an appropriate Register.

\_\_\_\_\_

Signature

Date

RECEIVED BY:

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Date

- (1) Insert your name.
- (2) Insert the date of the Council Meeting at which the item it to be considered.
- (3) Insert the Agenda Item Number and Title.
- (4) Tick the box to indicate the type of interest.
- (5) Describe the nature of your interest.
- (6) Describe the extent of your interest (if seeking to participate in the matter under the s.5.68 of the Act)

\_\_\_\_\_

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## ***Financial pursuant to Sections 5.60A of the Local Government Act 1995***

### **5.60A – Financial Interest**

For the purpose of this Subdivision, a person has a financial interest in a matter if it is reasonable to expect that the matter will if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person.

*[Section 5.60A inserted by No. 64 of 1998 s. 30; amended by No. 49 of 2004 s. 50.]*

## ***Proximity pursuant to Section 5.60B of the Local government Act 1995***

### **5.60B – Proximity Interest**

- (1). For the purposes of this Subdivision, a person has a proximity interest in a matter if the matter concerns –
  - (a). a proposed change to a planning scheme affecting land that adjoins the person's land;
  - (b). a proposed change to zoning or use of land that adjoins that person's land; or
  - (c). a proposed development (as defined in section 5.63 (5)) of land that adjoins the person's land.
- (2). In this section, land ("**the proposal land**") adjoins a person's land if –
  - (a). the proposal land, not being a thoroughfare, has a common boundary with the person's land;
  - (b). the proposal land, or any part of it, is directly across a thoroughfare from, the person's land; or
  - (c). the proposal land is that part of a thoroughfare that has a common boundary with the person's land.
- (3). In this section a reference to a person's land is a reference to any land owned by the person or in which the person has any estate or interest.

*[Section 5.60B inserted by No 64 of 1998 s. 30.]*

## ***Indirect Financial pursuant to Section 5.61 of the Local Government Act 1995***

### **5.61 – Indirect financial interest**

A reference in this Subdivision to an indirect financial interest of a person in a matter includes a reference to a financial relationship between that person and another person who requires a local government decision in relation to the matter.

## ***Impartiality pursuant to Regulation 11 of the Local Government (Rules of Conduct) Regulation 2007***

### **11 – Disclosure of interest**

- (1). In this regulation –  
Interest means an interest that could, or could reasonably be perceived to; adversely affect the impartiality of the person having the interest arising from kinship friendship or membership of an association.
- (2). A person who is a council member and who has an interest in any matter to be discussed at a council or committee meeting attended by the member must disclose the nature of the interest –
  - (a). in a written notice given to the CEO before the meeting;or

- (b). at the meeting immediately before the matter is discussed.
- (3). Sub-regulation (2) does not apply to an interest referred to in section 5.60 of the Act.
- (4). Sub-regulation (2) does not apply if –
  - (a). A person who is a council member fails to disclose an interest because the person did not know he or she has an interest in the matter; or
  - (b). A person who is a council member fails to disclose an interest because the person did not know the matter in which he or she had an interest would be discussed at the meeting and the person disclosed the interest as soon as possible after the discussion began.
- (5). If, under sub-regulation (2)(a), a person who is a council member discloses an interest in a written notice given to the CEO before a meeting then –
  - (a). Before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; and
  - (b). At the meeting the person presiding is to bring the notice and its contents to the attention of the persons present immediately before a matter to which the disclosure related is discussed.
- (6). If –
  - (a). Under sub-regulation (2)(b) or (4)(b) a person's interest in a matter is disclosed at a meeting; or
  - (b). Under sub-regulation (5) (b) notice of a person's interest in a matter is brought to the attention of the persons present at a meeting.

The nature of the interest is to be recorded in the minutes of the meeting.

***Describe the extent of your interest (If seeking to participate in the matter under the s.5.68 of the act)***

**5.68 – Councils and committees may allow members disclosing interests to participate etc. in meetings**

- (1). If a member has disclosed, under section 5.65, an interest in a matter, the members present at the meeting who are entitled to vote on the matter
  - (a). may allow the disclosing member to be present during any discussion or decision making procedure relating to the matter; and
  - (b). may allow , to the extent decided by those members, the disclosing member to preside at the meeting (if otherwise qualified to preside) or to participate in discussions and the decision making procedures relating to the matter if –
    - (i) the disclosing member also discloses the extent of the interest; and
    - (ii) those members decide that the interest –
      - (I) is so trivial or insignificant as to be unlikely to influence the disclosing member's conduct in relation to the matter; or
      - (II) is common to a significant number of electors or ratepayers
- (2). A decision under this section is to be recorded in the minutes of the meeting relating to the matter together with the extent of any participation allowed by the council or committee.
- (3). This sections does not prevent the disclosing member from discussing, or participating in the decision making process on, the question on whether an application should be made to the Minister under section 5.69.



## Councilors Claim for Sitting Fees and Travel

Councillor \_\_\_\_\_

Creditor No \_\_\_\_\_

<i>Date</i>	<i>Meeting</i>	<i>Sitting Fees</i>	<i>Travel Km's</i>	<i>Amount</i> 74 cents per km
Date of Meeting	Type of Meeting	\$170/ \$340	No of km's	Office Use
14 December	<b>Audit Committee</b>			

Fees payable are in accordance with the Local Government Act (5.98) – Administration Regulations (30)

Total

04109

Line Item 370

Total

04100

TOTAL:

### OTHER MEETINGS ATTENDED IN MONTH

Date	Meeting	Km's	Vehicle supplied?

\_\_\_\_\_  
 Signature Date ⇐

**Calculations Checked** \_\_\_\_\_ **Date** \_\_\_\_\_

**Goods Received / Payment Approved** \_\_\_\_\_

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**SHIRE OF SANDSTONE  
AUDIT COMMITTEE MEETING  
TO BE HELD IN THE COUNCIL CHAMBERS, SANDSTONE,  
ON THURSDAY 24 MARCH 2016**

**1.0 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The Presiding Member, Cr Bethel Walton is to declare the meeting open at 12.00pm.

**VISITORS**

Nil

**2.0 ANNOUNCEMENTS FROM THE PRESIDING MEMBER**

Nil

**3.0 ATTENDANCE**

**3.1 PRESENT**

Cr B Walton	Shire President	Presiding Member
Cr C Hodshon	Deputy President	Committee Member
Cr D Lefroy	Councillor	Committee Member
Cr F May	Councillor	Committee Member
Cr D Murat	Councillor	Committee Member
Cr V McQuie	Councillor	Committee Member

**3.2 STAFF ATTENDING**

Mr Harry Hawkins                      Chief Executive Officer

**3.3 APOLOGIES**

**3.4 APPROVED LEAVE OF ABSENCE**

Nil

**4.0 APPLICATIONS FOR LEAVE OF ABSENCE**

Nil

**5.0 DECLARATION OF INTEREST**

Nil

## **6.0 PUBLIC QUESTION TIME**

### **6.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil

### **6.2 PUBLIC QUESTIONS WITHOUT NOTICE**

## **7.0 CONFIRMATION OF PREVIOUS MEETING MINUTES**

### **Officer Recommendation**

**Moved** Cr

**Seconded** Cr

That the minutes of the Audit Committee Meeting held on 27 April 2017 are confirmed as a true and accurate record of proceedings

**CARRIED/NOT CARRIED (??)**

## **8.0 PRESENTATIONS**

### **8.1 PETITIONS**

Nil

### **8.2 PRESENTATIONS**

Nil

### **8.3 DEPUTATIONS**

Nil

### **8.4 DELEGATES REPORTS**

Nil

## **9.0 OFFICERS REPORTS**

## 9.1 CHIEF EXECUTIVE OFFICER'S REPORTS

### 9.1.1 Audited Annual Financial Report

<b>Agenda Reference:</b>	FIN 12/17 - 01
<b>Location/Address:</b>	Shire of Sandstone
<b>Name of Applicant:</b>	Chief Executive Officer
<b>Disclosure of Interest:</b>	Nil
<b>Date of Report:</b>	29 November 2017
<b>File No:</b>	
<b>Previous References:</b>	
<b>Author:</b>	Harry Hawkins CEO

#### Summary

The Audit Committee is asked to review the Audited Annual Financial Report for the year ended 30 June 2017 and recommend to Council that it is received.

#### Attachments

2017 Annual Financial Report including Audit Report and Management Letter.

#### Background

A local government is to receive its annual financial report from its auditor by the 31<sup>st</sup> December each year and then within 30 days of its receipt the Annual Financial Report of a Local Government is to be presented to the Audit Committee for review and recommendation to Council to receive it.

#### Comment

The audit report for the financial report for the year ended 30 June 2017 is a clean report with no items of non compliance or concern raised by the auditor.

The management letter does contain several issues some of which were raised last year and have not been resolved for various reasons and they are as follows.

1. Non-compliance with purchasing policy (No purchase order for some invoices) – I have spoken to the Finance Officer and this seems to mainly be items that are on a recurring order basis i.e. computer support, printer metered charges etc. There are other instances but these are rare and staff will be chased up for purchase orders when this occurs.
2. Bank Reconciliations (No evidence of independent review) – This was followed up with Lenin at IT Vision and improved for a short time and lapsed towards the end of last year. The Finance Officer and I held a teleconference with the new person doing our work at IT Vision and have hopefully resolved this.
3. Overhead Allocation (Overhead allocations not correct) – There has been some confusion about whose responsibility this was and during the

teleconference with IT Vision a system was discussed which should correct this issue.

There were other issues raised that were identified during this years audit and they were as follows.

- a. Review and Maintenance of supporting documentation for general ledger journal entries. – General ledger journals are month end or year end entries usually to correct posting errors. These have not been reviewed by management prior to posting however a system has now been put in place to ensure that this happens.
- b. Reconciliation of Fixed Assets – Periodic reconciliation of the fixed asset register has not been documented in the past as there are not a lot of transactions affecting the asset register and reconciliations have only been done annually. A system has been put in place for these to be done monthly or at least quarterly.
- c. Ratio Benchmarks – The only ratio that has not met the benchmark for 2017 is that of own source revenue coverage and this is being distorted by significant flood damage claims. This issue will be discussed with Moore Stephens in relation to annual budgets and the Long Term Financial Plan.
- d. Failure to complete Related Party Disclosure Declaration forms – This is a new requirement and I was not aware of the need for declarations until after the end of the financial year when Moore Stephens asked me for the disclosure figures. Declarations will be completed in future for all transactions with related parties.

#### **Consultation**

RSM

Moore Stephens

IT Vision

#### **Statutory Environment**

Local Government Act 1995

Local Government Financial Management Regulations 1997

#### **Policy Implications**

Nil

#### **Financial Implications**

Nil

#### **Strategic Implications**

Nil

#### **Voting Requirements**

Simple Majority

#### **Officer Recommendation**

That the Audit Committee advises Council it has reviewed the Annual Financial Report including the auditors report and management letter and recommend that it be received by Council.

**CARRIED/NOT CARRIED (?!?)**

**10. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**11. QUESTIONS FROM MEMBERS WITHOUT NOTICE**

Nil

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

Nil

**13. MEETING CLOSED TO THE PUBLIC**

**13.1 MEETING CLOSED TO THE PUBLIC**

**13.2 PUBLIC READING OF RESOLUTIONS THAT MAY BE MADE TO THE PUBLIC**

**TIME AND DATE OF NEXT MEETING**

Meetings will be called as required.

**14 CLOSURE OF MEETING**

There being no further business, the Presiding member closed the meeting at \_\_\_\_\_ PM

**CERTIFICATION**

I, Cr Beth Walton, certify that the minutes of the Audit Committee meeting held on the 27 April 2017 as shown were confirmed as a true record at the meeting held on the 14 December 2017.

\_\_\_\_\_

**Presiding Member**

Date: \_\_\_\_\_