



WAGAIT SHIRE COUNCIL

**AGENDA
AUDIT COMMITTEE MEETING**

**COUNCIL CHAMBERS
LOT 62, WAGAIT TOWER ROAD 9.30AM**

Tuesday 11 May 2021

I hereby give notice that the Wagait Shire Council Audit Committee Meeting will be held on:

Date: Tuesday 11 May 2021

Time: 9.30am

Location: Council Chambers

142 Wagait Tower Road, Wagait Beach NT 0822

CEO

Renita Glencross

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1. Present

Committee members:

Chair Clare Milikins

President Neil White

Cr Graham Drake

Maureen Newman

Shelley Hewitt

Council staff:

CEO, Renita Glencross

Office Manager, Pamela Wanrooy

2. Opening of Meeting

The Chair Clare Milikins declares the meeting open at and welcomes all to the meeting.

The Chair introduces new Committee member Shelley Hewitt, who was endorsed by Council through resolution 2021/

The Chair advises that the meeting will be audio taped for minute taking purposes as authorised by the Chief Executive Officer.

2.1. Apologies

**Resolution No. 2021/
That the apologies of Cr Graham Drake and Maureen Newman be accepted.
Moved:
Seconded:
Vote:**

3. Conflict of Interest

4. In Camera Items

At..... am Clare Milikins, Chair closed the meeting to the general public.

At..... am Clare Milikins, Chair of the Audit Committee re-opened the meeting to the general public.

5. Confirmation of Previous Minutes for the Audit Committee

The draft Minutes of the Audit Committee Meeting held Tuesday 9 February 2021 are included as an attachment to the Agenda.

Resolution No. 2021/

That the Minutes of the Audit Committee Meeting of Tuesday 9 February 2021 be confirmed by Committee Members as a true and correct record.

Moved:

Seconded:

Vote:

6. Matters Arising from the Previous Minutes

7. Action Sheet

Audit Committee Resolution No.	Resolution	Meeting Date	Status
2019/492	That the Audit Committee receives and notes the report entitled 2018 Compliance Review Update.	26/09/2019	Council agreed by resolution at its meeting of 15 October 2019 to receive and note the Minutes of the Audit Committee meeting of 26 September 2019. WSC Resolution No. 2019/510.
2019/528	The Committee requested that the Audit Committee review the Compliance Audit Report and Management letter at the meetings and that Compliance Audit Recommendations from these reports be tracked and presented to each meeting. Compliance Audit Reports are to be brought to each meeting on a spreadsheet. The Management letter from the Department is to be forwarded to the Chair.	13/11/2019	Updates will be provided until close out.
		12/05/2020	Compliance Review actions completed and tabled at Council meeting 21 January 2020. WSC Resolution No. 2020/014. Emailed to Local Government Compliance Unit on 13/02/20.
		8/09/2020	Refer Agenda Item 8.3 Compliance Review actions spreadsheet has been created and update provided. Management letter has been copied and sent to the Chair.
		10/11/2020	Ref Agenda Item 8.4 Compliance Review actions update - no changes, all pending NTG review of LG Act 2019 Guidelines proposed delivery November 2020.
		9/02/2021	Ref Agenda Items 8.1 and 8.2 where it is noted LG Act 2019 Guidelines and Regulations have not yet been provided. New monthly financial report templates were provided to Council in January 2021.
		06/05/2021	Ref Agenda Items 8.1 and 8.2 information update on the LG Act 2019 Guidelines and Regulations and Compliance Review status.

2020/024 2020/136	The Vehicular Crossovers/Drainage Policy to come back to the next Audit Committee Meeting addressing the issue of causation and linkages to Verge policy. The Audit Committee recommends to Council that: a) P46 Council Verge Management Policy be received and noted; b) That Council adopts the revised P46 Council Verge Management Policy. c) that P06 Vehicular Crossovers and Drainage Policy be rescinded.	22/01/2020	Action Created.
		8/09/2020	Refer Agenda Item 8.7
		10/11/2020	Refer Agenda Item 10.3 Council did not follow AC recommendation to adopt the policy and it will be reviewed and redeveloped after discussion and decisions regarding responsibility of costs for verge crossovers. AC has suggested a permit system could support the needs of both residents and Council for verge management.
		2/02/2021	The Policy has been further revised to cover all aspects of verge management including signage, per the new NTG Guidelines for Advertising and Activities in Road Reserves (2020). CEO hope to finalise the policy and permit process for the March meeting of Council.
None	Half-Yearly Budget Report. The committee requested: a) Future Operating Statement financial report be segregated into Operational and Grant funding streams to enable members to assess the real position of Council operations separate from tied the commitments relating to grants; and b) A report on current grants and their status at its next meeting.	22/01/2020	Action created.
		8/09/2020	Refer Agenda Item 9. Quarterly Financial Report to be separated into into Operational and Grant funding streams. CEO and Chair to work together to refine the reporting and to bring back a more useful report to the next Committee Meeting.
		10/11/2020	Refer Agenda Item 9. Financial Reporting has been separated into Operational and Special Grants Inc/Exp.
		01/02/2021	Refer Agenda Item 8.4 a draft half yearly report has been prepared for consideration.
		06/05/2021	Refer Agenda Item 8.4 Three-Qtr Financial report was prepared and tabled at the Community Meeting on 24 April and the Council Meeting on 27 April 2021.

Resolution No. 2021/

That the Audit Committee note and accept the Action Items update.

Moved:

Seconded:

Vote:

8. Agenda Items

8.1. Local Government Act 2019 Policies and Guidelines Update

In January 2021 the Department Local Government and Community Development (now an agency within Department of Chief Minister and Cabinet) provided revised Guidelines and reporting templates to assist local government organisations in aligning with the requirements of the new Local Government Act 2019.

At the LGANT General Meeting April, the Department provided advice to Councils that:

- Local Government Act 2019, including new Regulations and Minister's guidelines will commence on 1 July 2021.
- Councils will have 12 month transition period to adopt new policies and keep new registers under the Regulations.
- Last batch of sample policies, registers and explanatory papers will be provided in May 2021; after which the Department will offer a Q&A forum for councils to ask any questions about the policies, registers or preparing for the new Act.
- Mandatory training for new Council members through the Local Government Learning and Training Steering Committee.

Resolution No. 2021/

That the Audit Committee note the information update on Local Government Act 2019 Guidelines and Regulations as the new policy and reporting requirements for Council.

Moved:

Seconded:

Vote:

8.2. Compliance Review Actions Update

The Department Local Government and Community Development sets annual compliance targets with local government organisations to review policies and procedures.

A spreadsheet of the Compliance Audit Recommendations and Council actions undertaken to date has been prepared and is included as an attachment for members consideration.

Changes to note: In March 2021 Department Compliance officers met with Council officers on site to review record keeping processes and have confirmed that Council is compliant in this matter. Outstanding matters include:

- Council procedure documents for destruction of records.
- Council policy for HR (overarching) and procedure documents for recruitment.

At the LGANT General Meeting April, the Department provided advice in regard to Council compliance, investigations and ICAC including:

- Compliance reviews and investigations are conducted to support a council's operations.
- The priority is to work with Councils and focus on building capability; working together for a strong sector.
- The Act requires the Department to ensure councils and local government subsidiaries are conducting their business lawfully.
- Local Government Inspectors have powers under the Act to conduct compliance reviews & investigations.
- The outcome of a compliance review must be notified to the council / subsidiary.
- If there are reasonable grounds to suspect a material irregularity in or affecting the conduct of a council's affairs, the Department may direct an investigation.
- Council members and all staff must assist a local government inspector as requested during a compliance review / investigation.

Resolution No. 2021/

That the Audit Committee note and accept the Compliance Review Actions update.

Moved:

Seconded:

Vote:

8.3. Elected Member Allowances 2021-22

Council have received advice from the Department of Chief Minister and Cabinet in February 2021 that confirms no change to the maximum allowance amounts for Elected Members. The advice was noted at the March Meeting of Council and will go to the May Meeting of Council for ratification.

In accordance with *Section 71(2) of the Local Government Act* the proposed annual allowances for Elected Members of the Council is 14.5% of the base allowance as set by the Minister and a set professional development allowance of \$500 per elected member, calculated to a total of \$ 9,432.26 and allocated as follows:

Council Elected Member	Principal Member	Deputy Principal	Ordinary Member
Base Allowance	\$ 3,630.69	\$ 1,342.63	\$ 652.98
Electoral Allowance	-	-	-
Training/PD Allowance	\$ 500.00	\$ 500.00	\$ 500.00
Max Extra Meeting Allowance	-	-	-
Total Claimable Allowance	\$ 4,130.69	\$ 1,842.63	\$ 1,152.98

Resolution No. 2021/

That the Audit Committee endorse the proposed Elected Member Allowances for 2021-2022, to go to the May Meeting of Council for ratification.

Moved:

Seconded:

Vote:

8.4. Draft Budget 2021-2022

The Wagait Shire Council proposes to adopt its Budget for the 2021-22 financial year in accordance with the requirements of Section 128(1) of the *Local Government Act (2019)*.

On 4 May 2021, a Budget Workshop facilitated by the CEO was held with Elected Members. The keys points for discussion included:

- Determination of the rates increase; the Strategic Plan 2020-2025 proposes an increase of 3.1% however other suggestions were made for an increase of 1.8% and 5.1% to be considered.
- Consideration of annual savings needed (additional to depreciation) to recover savings not made previously (when depreciation was not included in the budget). The amount suggested is an additional \$150,000 per year, which is not possible without increased business revenue as well as rates income. Council would need to consider engaging a Business Manger to develop an industry business case for this in future years.
- Further savings of \$17,000 to be found in the 2021-22 proposed budget, considering the difference actual (forecast) expenses for 2020-21.

The proposed budget (attached) considers the three rates increase options mentioned above and identifies where a potential \$17,000 savings could be made for the Committee's consideration and recommendations.

Resolution No. 2021/

That the Audit Committee endorse the Draft Budget for 2021-2022 to go to the June Meeting of Council for ratification with the following recommendations:

- a) Rates should be increased by 1.8%, 3.1%, 5.1%**
- b) Further savings of \$17,000 are/are not to be made in the budget.**

Moved:

Seconded:

Vote:

9. Financial Reports

9.1. Financial Report for the Month ended 30 March 2021

Cash at Bank & on Hand	TOTAL
Petty Cash	\$ -
Un-Deposited Funds	\$ 1,638.87
CBA - transaction account	\$ 28,498.52
CBA - Cash Saver	\$ 15,235.29
CBA - Fixed Term Deposits (at call)	\$ 450,000.00
CBA - Fixed Term Deposit 2 (27/04/21)	\$ 100,000.00
CBA - Fixed Term Deposit 3 (08/03/21)	\$ 250,000.00
CBA - Fixed Term Deposit 4 (13/04/21)	\$ 300,000.00
Bendigo Bank - Investment Q/C	\$ 500,000.00
Total Cash at Bank & on Hand	\$ 1,645,372.68

Debtors	Current	> 30 days	> 60 days	> 90 days	
Trade Debtors	7,830.00	0.00	75.00	1,757.50	\$ 9,662.50
Sundry Debtors	2.95				\$ 2.95
Rates 20/21 (not overdue)					\$ -
Rate Arrears Current Year		10,976.39		10,486.24	\$ 21,462.63
Rate Arrears Historical				6,237.05	\$ 6,237.05
					\$ 37,365.13
less Rates paid in Advance					(\$1,651.90)
Total Debtors					\$ 35,713.23

Creditors & Current Liabilities	Current	> 30 days	> 60 days	> 90 days	
Trade	20,995.56	11,781.00			\$ 32,776.56
Tax & Super Liabilities	1,239.48				\$ 1,239.48
Sundry Creditors	0.00				\$ -
Unexpended Grants - Operational	71,879.75				\$ 71,879.75
Unexpended Grants - Special Purpose	121,764.06				\$ 121,764.06
Total Creditors & other current Liabilities					\$ 227,659.85

Net Cash Position **\$ 1,453,426.06**

9.2. March 2021 Reports Attached

- Accrual Income and Expenditure Report for March 2021.
- Special Purpose Grants Report for March 2021.
- Proposed new Accrual Income and Expenditure Report commencing July 2021.

Resolution No: 2021/

That the Audit Committee accepts the Financial Reports for March 2021.

Moved:

Seconded:

Vote:

9.3. Three-Quarter Report (July 2020- Mar 2021)

Council has prepared a three-quarter report for the Committee's approval, as requested. The report was tabled and ratified at the April Meeting of Council. The report identifies the current expenditure against the approved whole of year budget and is assisting in the preparation of the 2021-2022 budget.

**Resolution No. 2021/
That the Audit Committee note and accept the 2020-21 Council Three-Qtr Financial Report.**
Moved:
Seconded:
Vote:

10. General Business

10.1. Schedule for End of Financial Year Responsibilities

The schedule of Local Government Act compliance documents that need to be reviewed and ratified by Audit Committee and Council in the next 3-4 months was tabled at the April Meeting of Council. A budget workshop was added for 4 May 2021, which has already taken place.

In addition to the schedule below, the following has been provided by the Auditors:

Progress	Date
Interim Audit Site Visit	20 May to 24 May 2021
Final Audit Site Visit	14 July to 16 July 2021
Draft sign financials	25 August 2021
AGM	TBD

Item	Audit Committee Date	Council Meeting Date	NTG Due Date
Rates Assessment Record	NA	NA	30 June
Budget Workshop	NA	4 May	
Fees and Charges	11 May	18 May	31 July
Elected Member Allowances	11 May	18 May	31 July
2021-2022 Budget - Draft	11 May	15 June	-
2021-2022 Shire Plan - Draft	NA	15 June	-
Rates Declaration	NA	15 June	31 July
Adopt 2021-2022 Budget	June - Out of session	20 July	31 July
Adopt 2021-2022 Shire Plan	June - Out of session	20 July	31 July
Adopt Financial Report	10 August	17 August	-
Financial Audit - Draft	10 August	21 September	-
Adopt 2021 Financial Audit	12 October	19 October	15 November
Adopt 2021 Annual Report		19 October	15 November

10.2. Current Tenders for Road Construction and Maintenance

Since February 2021 Council has published procurement requests for Tender/Quote (RFT/RFQ) on the Local Buy portal and on the Council website as well as direct-marketed to known contractors. Procurement assessment panels will be formed immediately after closing to facilitate a transparent selection process, which may include Audit Committee members.

Item	Funding	RFQ/RFT Dates	Awarded	Value
Road safety guardrails	BlackSpot (Aus Gov)	19 Feb-12 Mar *	Arjays	\$140,000
Cox Drive Floodway remediation	R2R (Aus Gov)	01-14 May	TBA	\$100,000
Cloppenburg Park culverts, carpark and Greenwaste track	PIF (NTG)	12 May-02 June	TBA	\$100,000
Pedestrian bridges over drains	LCRI (Aus Gov)	TBA	TBA	

* This RFQ received nil responses and permission for procurement exemption was granted from NTG Department Local Government Compliance on 31 March 2021, with conditions.

10.3. NT Local Government Elections

At the LGANT General Meeting in April, the Department provided advice on the 2021 Local Government Amendment Bill and Elections including:

- August 2021 local government elections will be run in accordance with the Local Government Act 2019 and the Local Government (Electoral) Regulations 2021.
- “On the day” voting and simplified donations disclosure requirements.
- “On the day” voting - savings provision to support voter participation.
- Persons who are entitled to be enrolled can still vote and have their entitlement confirmed by the Australian Electoral Commission.
- New donation disclosure requirements will mean no disclosure required if nil return.
- Disclosure period for general elections will be from 1 July in the year prior to 30 days after election day (and will apply the same to all candidates).
- “On the day” voting will be available for the August 2021 local government elections.
- New donation disclosure requirements will commence 1 July 2022 and will not apply to the August 2021 local government elections.

A draft 2021 NT Local Government Council election campaign flyer has been provided by LGANT for consideration. The proposed date for the election is Saturday 28 August 2021, with nominations required by Thursday 5 August 2021. Early voting is expected to commence on Monday 16 August 2021.

Council staff have been consulted in the planning and delivery arrangements for the election at the Wagait Beach Community Centre.

Resolution No. 2021/.....

That the Committee note all items presented in Item 10, being:

- 1. Schedule of Council responsibilities for EoFY;**
- 2. Current Council Tenders; and**
- 3. 2021 Local Government Council election dates.**

Moved:

Seconded:

Vote:

11. Closure of Meeting:

The next meeting of the Wagait Shire Council Audit Committee will be held in the Wagait Shire Council Chambers at 9.30am, Wednesday 11th May 2021.

The Chair declared the meeting closed at