



WAGAIT SHIRE COUNCIL

**MINUTES
AUDIT COMMITTEE MEETING**

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

Tuesday 11 May 2021

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1. Present

Committee members:

Chair Clare Milikins (via phone conference)
President Neil White
Shelley Hewitt

Council staff:

CEO, Renita Glencross

2. Opening of Meeting

The Chair Clare Milikins declared the meeting open at 9:33am and welcomed all to the meeting.

The Chair introduced new Committee member Shelley Hewitt, who was endorsed by Council through resolution 2021/035.

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. 2021/053

That the apologies of Cr Graham Drake and Maureen Newman be accepted.

Moved: President Neil White

Seconded: Shelley Hewitt

Vote: AIF

3. Conflict of Interest

Nil. For record purposes:

- Shelley Hewitt is the Chief Financial Officer and Company Secretary for the Northern Territory Major Events.
- Clare Milikins has been appointed as the independent chair for the Department of Infrastructure Planning and Logistics Audit Committee.

4. In Camera Items

Resolution No. 2021/054

That the Audit Committee does not go into In Camera Session.

Moved: Shelley Hewitt

Seconded: President Neil White

Vote: AIF

5. Confirmation of Previous Minutes for the Audit Committee

Resolution No. 2021/055

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: President Neil White

Seconded: Clare Milikins

Vote: AIF

6. Matters Arising from the Previous Minutes

CEO Renita Glencross to email to the Audit Committee members the link to the 2019 Local Government Act along with all supporting documents.

7. Action Sheet

In addition to the Action List:

- Audit Committee Resolution No. 2019/528 is to be discussed in item 8.1 Local Government Act 2019 Policies and Guidelines Update.
- CEO Renita Glencross to forward the Draft Financial Guidelines to Clare Milikins.
- The vehicular Crossovers/Drainage Policy is still in draft. Council has received a lot of feedback from residents after the works to the drains and verges were carried out and the draft policy is to be updated to note the information received from the public. The Audit Committee has noted the update.

Resolution No. 2021/056

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

Moved: President Neil White

Seconded: Shelley Hewitt

Vote: AIF

8. Agenda Items

8.1. Local Government Act 2019 Policies and Guidelines Update

In January 2021 the Department of 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. The Local Government and Community Development (LGANT) power point presentation is to be circulated to committee members.

The Chair requested that:

- a) the power point presentation from LGANT be circulated to Committee members;
- b) Audit Committee members be included in the mandatory training for council members; and
- c) the current documents relating to the new Act, Guidelines and Regulations be circulated as well as the other documents when they become available from the Government.

Resolution No. 2021/057

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: Clare Milikins

Seconded: President Neil White

Vote: AIF

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 was prepared and was 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.

In addition to the Compliance Review Actions Update:

- The Audit Committee congratulates Management for the great work they have done to complete the actions in the Compliance Review.
- All completed Actions are to be moved to a completed list with the numbering sequence is to remain the same.

Resolution No. 2021/058

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

Moved: President Neil White

Seconded: Shelley Hewitt

Vote: AIF

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

Resolution No. 2021/059

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

Moved: Shelley Hewitt

Seconded: President Neil White

Vote: AIF

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 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. 2021/060

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 a minimum of 3.1% and notes that anything less would be a deficit budget.**
- b) That Council recommence building up their asset replacement reserve by transferring at a minimum all proceeds for the sale of an asset into the asset replacement reserve.**

Moved: Clare Milikins

Seconded: Shelley Hewitt

Vote: AIF

9. Financial Reports

In addition to the Financial Reports:

- The Audit Committee note that the Chair Clare Milikins will put a report to council regarding the significant growth in 90 days plus for rates and the likelihood that that will result in an impairment provision and absorb a significant proportion of the anticipated surplus.
- The CEO is to provide a Balance sheet with expected forecast to 30 June.
- Request that a balance sheet form part of the financial report.

Resolution No: 2021/061

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

Moved: Clare Milikins

Seconded: Shelley Hewitt

Vote: AIF

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

Council 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. 2021/062

That the Audit Committee note and accept the 2020-21 Council Three-Qtr Financial Report.

Moved: President Neil White

Seconded: Shelley Hewitt

Vote: AIF

10. General Business

10.1. Schedule for End of Financial Year Responsibilities

The statutory 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 statutory schedule below, the following information 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 |
| Attend Council Meeting | TBD |

| Item | Audit Committee | Council Meeting | NTG Due |
|------------------------------|-----------------------|-----------------|---------|
| 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 |
| Adopt 2021 Annual Report | | 19 October | 15 |

The Chair requested that an additional Audit Committee meeting be arranged (Zoom) in June prior to Council adopting the 2021-2022 Budget. CEO to propose dates for the Committee.

Resolution No. 2021/063

That the Audit Committee note the Schedule for End of Financial Year Responsibilities.

Moved: Shelley Hewitt

Seconded: President Neil White

Vote: AIF

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. 2021/064

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: Shelley Hewitt

Seconded: President Neil White

Vote: AIF

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 August 2021.

The Chair declared the meeting closed at 11.03am.