



**AUDIT & FINANCE COMMITTEE  
CONFIRMED MINUTES**

for the meeting held on Tuesday 6 December 2011,  
in the Margaret Coates Boardroom, City Office, North Road, Albany

**(File Ref: FM.MEE.1, Synergy Ref: AM1121103)**

**1.0 ATTENDANCE**

<b>Mayor</b>	D Wellington (Deputy Chair)
<b>Councillors:</b>	
R Hammond	Member (Chair)
S Bowles	Member
V Calleja	Member
D Dufty	Member
G Gregson	Member
C Holden	Member
A Hortin	Member
G Stocks	Member
R Sutton	Member
<b>Staff:</b>	
Chief Executive Officer	F James
Acting Executive Director Corporate Services	P Wignall
Manager Finance	D Olde
Executive Director Planning & Development Services	G Bride
Manager Recreational Services	C Wood
Executive Manager Compliance & Community Safety	S Jamieson (Secretariat)
<b>Apologies/Leave of Absence:</b>	
Councillor (Member)	Y Attwell
Acting Executive Director Community Services	L Hill

**2.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

**ITEM 2.0: COMMITTEE RESOLUTION**

**MOVED MAYOR WELLINGTON  
SECONDED COUNCILLOR GREGSON**

**The unconfirmed minutes of the Audit & Finance Committee meeting held on Tuesday 8 November 2011, as previously distributed, be confirmed as a true and accurate record of proceedings.**

**CARRIED 9-0**

**3.0 DISCLOSURE OF INTEREST**

**Financial Interest.** Councillor Hortin, declared a Financial Interest in Agenda Item 4.2 – Albany Leisure and Aquatic Centre Report, the nature of the interest being that Councillor Hortin provides beverage and snack food vending machines to the Albany Leisure & Aquatic Centre.

#### 4.0 BUSINESS ARISING & ITEMS FOR DISCUSSION

##### 4.1 Auditor's Report for Financial Statements ended 30 June 2011

- **Reporting Officer:** Acting Executive Director Corporate Services

A teleconference was conducted with the City's appointed external auditors, Grant Thornton, at 5.33pm.

Auditors advised that the Committee that the City of Albany had received an unqualified audit report and no incidences of fraud were found.

Suggested areas of minor improvement were presented to the Committee for consideration, being:

- a. The use of an impairment value of assets;
- b. Additional control for general journal entries; and
- c. Preventative control of financial reports were assessed as a slight weakness.

*Councillor Dufty arrived at 5.35pm.*

*Councillor Hortin, having declared a Financial Interest, left the meeting at 5.41pm.*

##### 4.2 Albany Leisure and Aquatic Centre Report

- **Reporting Officer:** Manager Recreation Services

The Manager Recreational Services, Cameron Wood gave a brief overview of the Albany Aquatic and Leisure Centre (ALAC) situational analysis report.

The Committee requested that an asset condition report is drafted in order to help analyse future capital and operating risks that may have an impact on future budgets.

The Committee requested that a workshop is conducted within 3 months.

The Committee thanked Mr Wood for his work to date.

**Action:** Workshop to be conducted within the next 3 months for the specific purpose of reviewing a refined situational analysis of the ALAC, including the individual business units (i.e. Cafe).

##### 4.3 Monthly Airport Security Upgrade Status Report

- **Reporting Officer:** Acting Executive Director Community Services

The Chief Executive Officer, Faileen James gave a short brief on the Monthly Airport Security Upgrade Status Report.

The Committee noted the report.

*Councillor Hortin, returned to the meeting at 5.53pm.*

##### 4.4 Annual Report Content (Minus Financial Statements)

- **Reporting Officer:** Chief Executive Officer

The Committee noted the report.

The Chief Executive Officer requested Committee members to consider the Annual Report and provide any feedback.

**4.5 Department of Local Government Negotiations RE: Waste Levy**  
**Reporting Officer:** Chief Executive Officer.

Confidential Legal Advice and a verbal update were provided by the Chief Executive Officer.

The Committee noted the legal advice received and agreed that a difference of opinion has arisen between the Department of Local Government and the City of Albany regarding the requirements under regulation 33 of the *Local Government (Financial Management) Regulations 1996*, Section 7.13 (l)(i) of the *Local Government Act 1995*, and the *Local Government (Audit) Regulations 1996*.

The City has acted on legal advice on the effect of the relevant provisions of the *Waste Avoidance Resource Recovery Act 2007*. The City acknowledges that the provisions may be open to different interpretations.

However, it has acted in good faith based on legal advice, and to require the City to withdraw the levy, in the City's view, would be an abuse of the Minister's power in the circumstances where the City arguably has the power to impose the levy in the manner it did.

Neither the Minister nor the Department has the power to require that the City interpret legislation in the manner that the Department considers it should be interpreted, when the legislation is open to another interpretation and there has been no judicial ruling on the matter.

The City stands by its position regarding the imposition of the levy.

**4.6 Rationalisation of City of Albany Real Property Assets**  
**Reporting Officer:** Executive Director Planning and Development Services

The Committee requested that a workshop is conducted to discuss the report in detail.

The Committee noted the report and made the following recommendation to Council:

**ITEM 4.6: COMMITTEE RESOLUTION & RECOMMENDATIONS**

**MOVED COUNCILLOR DUFTY**  
**SECONDED COUNCILLOR GREGSON**

- (1) That the Committee and Council RECEIVES the Real Property Assets Report as attached.**
- (2) That Council AUTHORISES the CEO to obtain valuations over this financial year, and next financial year, as funds become available on identified property by staff as possible surplus to the City's requirements.**
- (3) That once valuations are received, staff to report back and ADVISE the Committee of the findings/valuations for those sites identified as 'Consider Disposal' in the Real Property Assets Report.**

**CARRIED 10-0**

**Action:** Council Workshop to be conducted in April 2012 for the specific purpose of analysing the rationalisation of City of Albany Real Property Assets.

**4.7 Regional Cities Alliance and Funding Reserves**

- **Reporting Officer:** Chief Executive Officer

**ITEM 4.7: COMMITTEE RESOLUTION & RECOMMENDATIONS**

**MOVED MAYOR WELLINGTON  
SECONDED COUNCILLOR HORTIN**

That Council establish a Regional Cities Alliance Reserves Account and AGREE to transfer unspent funds allocated to the City's ongoing membership of the Regional Cities Alliance to this RESERVE at the end of each financial year.

**CARRIED 10-0**

**4.8 Centennial Park Recreation Precinct Project Scope Expansion**

- **Reporting Officer:** Chief Executive Officer

The Committee noted the Report.

**ITEM 4.8: COMMITTEE RECOMMENDATIONS**

**MOVED COUNCILLOR STOCKS  
SECONDED COUNCILLOR GREGSON**

**THAT COUNCIL:**

(1) **SUPPORT** the CEO's plan for an increased scope of the Centennial Park Precinct project, and continue with a Regional Development Australia application in respect of that expanded scope.

(2) **NOTE** Council has approved a budgeted amount of \$330,000 in this financial year towards this project; and would be required to commit a further amount of \$270,000 in the 2012-13 financial year budget for the enhanced project scope, and to comply with the matched funding requirements under the Regional Development Australia funding agreement.

**CARRIED 10-0**

**4.9 Revised Operational Policies (Code of Conduct, Fleet Management Policy, Independent Contractors Policy)**

- **Reporting Officer:** Chief Executive Officer

The Committee noted the following operational policies:

- Staff Code of Conduct,
- Fleet Management Policy, and
- Independent Contractors Agreement

**4.10 Preparation for 2012-13 Budget Work-Up**

- **Reporting Officer:** Chief Executive Officer

The Committee noted the report.

The Committee requested the Chief Executive Officer write to the Surf Life Saving Club and request a business plan is forwarded to the City prior to budget consideration for financial year 2012-13 being conducted and note in the correspondence that there is no budget for this financial year.

**4.11 Enterprise Bargaining Negotiations**

- **Reporting Officer:** Chief Executive Officer

The Committee noted the confidential report.

**4.12 2011/12 Country Local Government Fund (CLGF) OPTIONS**

- **Reporting Officer:** Chief Executive Officer

The Committee noted the report and made the following recommendation to Council:

<p><b>ITEM 4.12: COMMITTEE RECOMMENDATION</b></p> <p><b>MOVED COUNCILLOR DUFTY SECONDED COUNCILLOR GREGSON</b></p> <p><b>That Council SUPPORT the submission for Royalties for Regions – Country Local Government Fund 2011/12: and seeks \$868,939 for the following drainage project – North Rd/Sanford Rd Drainage, noting that no City of Albany funding will be required for this drainage infrastructure project.</b></p> <p style="text-align: right;"><b>CARRIED 9-0</b></p>
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**4.13 2011/12 Capital Works Projects**

- **Reporting Officer:** Chief Executive Officer

The Committee noted the report.

The Chief Executive Officer advised the Committee that the report would be presented to Council for adoption at the February 2012 ordinary meeting of Council and requested Committee members to submit via email if they supported the proposed budget amendments or would propose alternate recommendations.

*The Chair adjourned the meeting at 6.28pm to facilitate attendance at Special Council Meeting.*

*The Chair re-opened the meeting at 7.12pm.*

*All members returned to the meeting, except Councillor Dufty.*

*Chair, requested Committee to resolve on a request from Councillor Bostock, to attend the Audit & Finance Committee as an observer.*

*The Chair put the request from Councillor Bostock the Committee to consider.*

*The Committee considered the request and resolved unanimously to decline allowing Councillor Bostock to attend the Committee as an observer till the matter of the Writ made against the City of Albany is resolved.*

**4.14 Reimbursement of Council Member Expenses**

- **Reporting Officer:** Chief Executive Officer

The Committee noted the Report and made the following recommendation:

**ITEM 4.14: COMMITTEE RECOMMENDATION**

**MOVED COUNCILLOR DUFTY  
SECONDED COUNCILLOR GREGSON**

**THAT COUNCIL advise its members (past and present) who have sought reimbursement of expenses incurred outside of the current financial year, that as those expenses fall outside of the current budget, it will not reimburse those expenses.**

**CARRIED 10-0**

**Action:** The Chief Executive Officer was requested to provide an information sheet to guide Councillors on what they can and cannot claim, when, and expense claim reimbursement form.

**5.0 ITEMS TO BE DISCUSSED AT FUTURE MEETINGS**

- 5.1 Consolidated Debt Obligation (CDO) – Chapter 11 Bankruptcy Plan**
- 5.2 City of Albany and Water Corporation Septage Waste Plant Joint Venture**
- 5.3 Rate Discount for Charitable Organisations Incorporating Great Southern Housing Association**
- 5.4 Waste Services Status Report – Will be going to February 2012 meeting.**

**6.0 GENERAL DISCUSSION**

- 6.1 Asset Impairment.**
- Councillor Ray Hammond.

The Committee noted the report and deferred discussion to a future workshop.

- 6.2 Redundant Assets.**
- Councillor Ray Hammond.

The Committee noted the report and deferred discussion to a future workshop.

- 6.3 Asset Protection.**
- Councillor Ray Hammond.

The Committee noted the response from the Chief Executive Office and the tabled commercial in confidence underwriting report.

The Chair, advised the Committee that he was comforted by the contents of the commercial in confidence underwriting report.

- 6.4 Office of CEO**
- Councillor Ray Hammond.

The Committee noted the report and deferred discussion to a future workshop.

**6.5 Whistle Blower Policy.**

- Councillor Ray Hammond.

The Committee noted the report and deferred discussion to a future workshop.

*The Executive Manager Compliance and Community Safety, Stuart Jamieson left the meeting at 7.45 pm and did not return.*

**7.0 IN CAMERA – CONFIDENTIAL BRIEFING**

The Chief Executive Officer presented a confidential update to the Committee.

**8.0 DATE OF NEXT MEETING:** Tuesday 14 February 2012.

**9.0 CLOSURE OF MEETING**

The Chair declared the meeting closed at 8.30pm.

**Note:** Reports and associated attachments follow in Report Item Numerical Order.