



AUDIT & FINANCE COMMITTEE

MINUTES

for the meeting held from 5.30pm to 8.00pm on Monday 26 March 2012,
in the Margaret Coates Boardroom, City Office, North Road, Albany

(File Ref: FM.MEE.1)

Terms of Reference: *The Committee is established under section 7.1A of the Local Government Act 1995 (the Act) and its Regulations. The Committee does not have any delegated authority from Council.*

1.0 ATTENDANCE

Mayor D Wellington (Deputy Chair)

Councillors:

R Hammond Member (Chair)

Y Attwell Member

S Bowles Member

V Calleja Member

G Gregson Member

C Holden Member

A Hortin Member

G Stocks Member

R Sutton Member

Staff:

Chief Executive Officer F James

Manager Finance D Olde

Executive Director Works & Services S Grimmer

Executive Director Community Services L Hill

Manager Asset Planning and Major Projects A McEwan

Visitors:

Cameron Syme Latro Lawyers

Apologies/Leave of Absence:

Y Attwell Member

D Dufty Member

2.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

ITEM 2.0: RESOLUTION

**MOVED: MAYOR WELLINGTON
SECONDED: COUNCILLOR STOCKS**

The unconfirmed minutes of the Audit Committee meeting held on Tuesday 14 February 2012, as previously distributed, be confirmed as a true and accurate record of proceedings.

CARRIED 10-0

3.0 DISCLOSURE OF INTEREST

[Elected members of Council and staff are asked to use the forms prepared for the purpose, aiding the proceedings of the meeting by notifying the presiding member prior to the conduct of the meeting]

Mayor Wellington declared a financial interest in Item 5.8: Deregulation of Trading Hours-Implementation of Council resolution. The Mayor participated in the discussion and vote of this item.

4.0 STANDING ITEMS FOR DISCUSSION

- 4.1 **Monthly Report-Airport Masterplan**
Reporting Officer: Executive Director Community Services
- 4.2 **Monthly Capital Works-Works and Services Projects Spreadsheet**
Reporting Officer: Executive Director Works and Services
- 4.3 **Quarterly Budget Review (due May 2012))**
Reporting Officer: Executive Director Corporate Services
- 4.4 **Quarterly Major Projects Spreadsheet**
Reporting Officer: Manager Asset Planning and Major Projects
- 4.5 **Quarterly Legal Register Table (next due May 2012)**
Reporting Officer: Chief Executive Officer

5.0 ITEMS FOR DISCUSSION

- 5.1 **ALAC Operating Model**
Reporting Officer: Executive Director Community Services

ITEM 5.1: COMMITTEE RECOMMENDATION

**MOVED: COUNCILLOR MAYOR WELLINGTON
SECONDED: COUNCILOR SUTTON**

That the Committee recommend to Council:

- a) That it invite Expressions of Interest regarding potential contract management of ALAC.
- b) Proceed to prepare for the possibility of outsourcing to a reputable Leisure Centre Facility Management Group.
- c) The City undertake more detailed business comparisons between received Expressions of Interest and a City owned and managed model over a five year period.

CARRIED 10-0

5.2 Joint Venture regarding Septage Waste Facility
Reporting Officer: Chief Executive Officer

ITEM 5.2: COMMITTEE RECOMMENDATION

MOVED: COUNCILLOR HORTIN
SECONDED: COUNCILLOR GREGSON

THAT the Committee recommend to Council that:

- 1. The CEO be directed to pursue, to the full extent of the law, the City's rights under agreements it has with WaterCorp and Great Southern Liquid Waste, balancing enforcement of those legal rights, with an economical and commercial resolution regarding any legal breaches by the parties.**
- 2. Council directs the CEO to negotiate with WaterCorp in an attempt to improve contractual agreements between WaterCorp and the City, including the possibility of selling the City's share of the Albany septage waste facility to WaterCorp or another entity.**

CARRIED 10-0

5.3 Risk Management Policy and Framework
Reporting Officer: Chief Executive Officer

ITEM 5.3: COMMITTEE RECOMMENDATION

MOVED: COUNCILLOR CALLEJA
SECONDED: COUNCILLOR GREGSON

THAT Council endorse the Enterprise Risk Management Policy and agree to receive monthly reports on all risks rated high or extreme.

CARRIED 10-0

Council expressed a special thank you to Erin Aslett, Mel Organ and Anthony McEwan for their efforts in producing a comprehensive Risk Management and Mitigation evaluation for Anzac Centenary Events.

5.4 Risk Management and Mitigation Associated with Anzac Centenary Events
Reporting Officer: Chief Executive Officer

ITEM 5.4: RESOLUTION

The Committee agreed that this matter should lay on the table until a meeting with the DPC had occurred.

ITEM 5.4: COMMITTEE RECOMMENDATION

THAT the Committee recommend to Council that the:

1. City call for consultancy services (Request for Offer) to undertake, as a matter of urgency, detailed business analysis including financial, risk and asset management analysis, regarding the City's involvement in, commitment to and City of Albany and community economic development opportunities of, the Albany based Anzac Centenary and its associated activities.
2. Payment of such business analysis be funded from the City's Anzac Centenary Reserve.
3. Outcomes of such business analysis guide Council in its budget allocations for the 2012-13 and 2013-14 financial years, and its models of operationalising its commitment to Anzac Centenary.
4. City not commit to any activity as a member of the ACAA, or in its own right, without having a clearly identified and committed funding source available for that activity.

5.5 Buy Local Policy Review

Reporting Officer: Executive Director Corporate Services

ITEM 5.5: COMMITTEE RECOMMENDATION

THAT this matter be brought to the April Audit and Finance Committee meeting for further consideration, including a review of accommodation and travel outsourcing to travel agents.

5.6 Annual Compliance and Audit Return

Reporting Officer: Executive Manager Compliance and Community Safety

ITEM 5.6: COMMITTEE RECOMMENDATION

MOVED: COUNCILLOR BOWLES

SECONDED: COUNCILLOR SUTTON

1. THAT a Certified Copy of the Compliance Audit Return is presented to Council and any additional information explaining or qualifying the compliance audit is to be submitted to the Director General of the Department of Local Government.
2. Recommend a panel of suppliers is established for:
 - a. The provision of Casual Employment Services (Labour Hire); and
 - b. The provision of legal services.

CARRIED 10-0

5.7 AEC

Reporting Officer: Chief Executive Officer

ITEM 5.7: COMMITTEE RECOMMENDATION

MOVED: COUNCILLOR HOLDEN

SECONDED: COUNCILLOR HORTIN

THAT the Committee recommend to Council:

1. The City not take ownership or operational management responsibility for the AEC for the foreseeable future, and not before at least 1 July 2016.
2. It reassess its position in respect of Recommendation 1 above on or about 30 November 2015.
3. That it allocate “in principle”, in all future budgets (although acknowledging that it will not bind future Council’s in respect of future budgets), a financial contribution amount to the AEC of \$330,000 per year (the amount advised to the State Government in the Business Case the State Government was provided with).

CARRIED 10-0

5.8 Deregulated Trading Hours-Implementation of Council Resolution
Reporting Officer: Chief Executive Officer

ITEM 5.8: COMMITTEE RECOMMENDATION

MOVED: COUNCILLOR HOLDEN
SECONDED: COUNCILLOR GREGSON

The City of Albany call for a consultancy (Request for Offer) leading a process to assess community and business support, or otherwise, regarding deregulated trading hours. The Request for Offer to undertake such consultation with the community, local trader organisations, tourism interests and local members of the State Parliament, with the consultancy undertaken over the months of April-August 2012, and bring the outcomes of that Request for Offer back to the Committee for consideration.

CARRIED 7-3

Record of Vote

Against the Motion: Mayor Wellington, Councillors Sutton and Stocks

5.9 Third Quarter Budget Review
Reporting Officer: Executive Director Corporate Services

6.0 ITEMS TO BE DISCUSSED AT FUTURE MEETINGS

- 6.1 Consolidated Debt Obligation (CDO) – Chapter 11 Bankruptcy Plan**
- 6.2 Investment Strategy with Community Banks**
- 6.3 Less Government “red tape”**

7.0 GENERAL DISCUSSION

7.1 Cull Road Finance of Purchases. The Committee requested that:

- 1. The CEO consider City of Albany finance for purchasers; and
- 2. That the CEO investigate mortgage coverage security.

A legislative business analyst is to be engaged when this investigation has been undertaken.

8.0 DATE OF NEXT MEETING: 23 April 2012

9.0 CLOSURE OF MEETING