



MINUTES OF AN AUDIT COMMITTEE MEETING, HELD IN THE UPSTAIRS MEETING AREA, ON TUESDAY, 26 JULY, 2011 COMMENCING AT 6.30PM.

A10. OPENING OF MEETING

The Presiding Member opened the meeting.

A10.1 Present

Mayor A Ferris

Cr B de Jong

Cr R Olson

Presiding Member

Cr M Rico

Mr J Roberts

Executive Manager Finance & Admin

A11. ACKNOWLEDGEMENT OF COUNTRY

"On behalf of the Council I would like to acknowledge the Nyoongar people as the traditional custodians of the land on which this meeting is taking place."

A12. WELCOME TO GALLERY

No members of the public were present.

A13. APOLOGIES

Cr Rob Lilleyman

A14. PUBLIC QUESTION TIME

Nil.

A15. CONFIRMATION OF MINUTES

A15.1 Audit Committee Meeting – 1 March 2011

Mayor Ferris - Cr de Jong

That the Minutes of the Audit Committee Meeting held on 1 March, 2011 and adopted at the Council Meeting held on 15 March 2011 be confirmed. CARRIED

A16. BUSINESS

A16.1 Interim Audit - Annual Financial Statements for the Year Ended 30 June 2011

By John Roberts – Executive Manager Finance & Admin on 20 July 2011

PURPOSE

For the Audit Committee to receive the interim audit report relative to its activities conducted during the financial year.

BACKGROUND

Staff are completing the 2010/2011 Annual Financial Statements for audit purposes. The statements will then be presented to the auditors in accordance with the Local Government Act and Financial Regulations. As a part of the audit process the Council auditor undertakes an interim audit visit.

REPORT

Comments/Discussion

The Interim audit was conducted in June 2011. The review noted a number of matters that were subsequently raised with the administration. **ATTACHMENT**

The final audit will be conducted over a three day period commencing on Tuesday 8 August 2011 and concluding Thursday 11 August 2011. Following this the Audited



Financial Statements will be provided to Council and the representatives from Macri & Partners will attend the Audit Committee meeting scheduled for October 2011.

Statutory Requirements

Council is required to complete the Annual Financial Statements by 30 September of each year and at least once a year meet with the auditors to discuss the audit process and address any issues that have been brought to attention by the auditors.

Relevant Policies

Council adopted its Significant Account Policies relative to the financial reporting and procedures each year.

Principal Activity Plan Impact

Nil.

Strategic Plan Impact

Nil.

Financial/Budget Implications

Nil.

Conclusion

The 2010/2011 Interim Audit report is provided to Council for information.

RECOMMENDATION

That the 2010/2011 Interim Audit report be received.

Discussions took place regarding the Management Responses and the need to ensure compliance with Council's Purchasing Policy.

RECOMMENDATION TO COUNCIL

Cr de Jong - Mayor Ferris

That the 2010/2011 Interim Audit report be received.

CARRIED

A16.2***Financial Management Review of the Town of East Fremantle***

By John Roberts, Executive Manager Finance & Admin on 20 July 2011

PURPOSE

For the Audit Committee to receive and consider the report on the independent review of the financial management of the Town of East Fremantle relative to its activities conducted during the financial year.

BACKGROUND

Council appointed, at its 18 March 2008 meeting, Macri Partners to carry out the internal audit of the financial management of the Town of East Fremantle for a period of four years.

INTERNAL AUDIT

The Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996 have specific provisions regarding internal audits, which are designed to provide Council with an independent review of the financial affairs of the Town. Council have not previously entered into an agreement for the provision of internal audit services.

REPORT**Comments/Discussion**

The internal audit was conducted in April 2011. The review identified a number of matters which were subsequently raised with the administration. Management comments for each issue raised are shown in the Financial Review report.

ATTACHMENT

**Statutory Requirements**

Clause 5 of the Local Government (Financial Management) Regulations 1996 provides:

.. Financial Management Duties of the CEO

- (1) *Efficient systems and procedures are to be established by the CEO of a local government:*
 - (a) *for the proper collection of all money owing to the local government;*
 - (b) *for the safe custody and security of all money collected or held by the local government;*
 - (c) *for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process);*
 - (d) *to ensure proper accounting for municipal or trust funds;*
 - (i) *revenue received or receivable;*
 - (ii) *expenses paid or payable; and*
 - (iii) *assets and liabilities;*
 - (e) *to ensure proper authorisation for the incurring of liabilities and the making of payments;*
 - (f) *for the maintenance of payroll, stock control and costing records; and*
 - (g) *to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.*
- (2) *The CEO is to:*
 - (a) *ensure that the resources of the local government are effectively and efficiently managed;*
 - (b) *assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and*
 - (c) *undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 4 financial years) and report to the local government the results of those reviews.*

Clause 6 of the Local Government (Financial Management) Regulations 1996 provides:

.. Independent Performance Reviews

A local government is to ensure that an employee to whom is delegated responsibility for the day to day accounting or financial management operations of a local government is not also delegated the responsibility for:

- (a) *conducting an internal audit; or*
 - (b) *reviewing the discharge of duties by that employee,*
- or for managing, directing or supervising a person who carries out a function referred to in paragraph (a) or (b).*

Relevant Policies

Nil.

Principal Activity Plan Impact

Nil.

**Strategic Plan Impact**

Nil.

Financial/Budget Implications

The 2010/11 Budget included an allocation of \$6,000.

Conclusion

The Financial Management Review 2010 is provided to Council for information.

RECOMMENDATION

That the Financial Management Review 2010 be received.

Discussions took place regarding the Management Responses and the Auditors Risk Ranking Criteria. It was agreed that questions could be raised with the Auditors at the Audit Committee meeting to be held later in the year to discuss the End of Year Audit.

RECOMMENDATION TO COUNCIL

Cr de Jong – Cr Rico

That the Financial Management Review 2010 be received.

CARRIED
ABSOLUTE MAJORITY

A16.3 Local Laws – Amendment and Repeal

By John Roberts, Executive Manager Finance and Administration on 20 July 2011

PURPOSE

To advise Council of the outcome of a review of the City's local laws pursuant to Section 3.16 of the Local Government Act 1995.

BACKGROUND

Section 3.16 of the Local Government Act requires local governments to review their local laws every eight years, and provides that:

- “(1) *Within a period of 8 years from the day when a local law commenced or a report of a review of the local law was accepted under this section, as the case requires, a local government is to carry out a review of the local law to determine whether or not it considers that it should be repealed or amended.*
- (2) *The local government is to give Statewide public notice stating that —*
 - (a) *the local government proposes to review the local law;*
 - (b) *a copy of the local law may be inspected or obtained at any place specified in the notice; and*
 - (c) *submissions about the local law may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given.*
- (2a) *A notice under subsection (2) is also to be published and exhibited as if it were a local public notice.*
- (3) *After the last day for submissions, the local government is to consider any submissions made and cause a report of the review to be prepared and submitted to its council.*
- (4) *When its council has considered the report, the local government may determine* whether or not it considers that the local law should be repealed or amended.*

** Absolute majority required.”*



At its meeting held on 16 November 2010, Council resolved to initiate the review.

No submissions were received at the close of the 6 week period specified by s3.16(2), which ended on 7 February 2011.

REPORT

As advised in the previous report to Council, the bulk of the Town's 21 local laws still in place were adopted in 2001, with some being amended in 2004.

The majority are based on models produced by the WA Local Government Association. Since 2001, WALGA has issued two major updates to its models, the most recent in June 2010.

A project to determine if the required statutory review could be dealt with by repealing and updating them at the same time was initiated but then put 'on hold' following the State Governments introduction of local government reform (essentially mergers) in February 2009.

As also noted in the previous report to Council, in a perfect world all the Town's local laws could be repealed and replaced with the latest versions of the WALGA models. However, as with all projects that have significant resource implications, this should be considered in the context of any other issues that the Town may be dealing with.

A number have been superseded by later local laws or changes to legislation, particularly the Local Government Act and its associated raft of Regulations. Of the remainder, most are still reasonably effective. The 2005 and 2010 updates of the model WALGA local laws are essentially refinements of the 'base' model local laws that were used to develop the Town's 2002 and 2004 local laws.

Under these circumstances, it was felt that the most appropriate approach for the Town to take was to simply:

- undertake the 8 year review as required by s3.16, now concluded.
- subject to the outcome of that review, narrow the scope of any changes to local laws to simply deal with those only those areas where problems may have arisen, and update any penalty provisions; and
- repeal a number of outdated local laws.

In terms of the remaining local laws still in place, the following action is recommended:

1. **Adoption of an Amendment Local Law** to amend the following local laws:

Title	Previous Gazettal date(s) and Action Taken	Proposed Action
Activities on Thoroughfares & Trading in Thoroughfares & Public Places	16/10/2002 - Adopted	Update Penalties
	25/08/2004 - Amended	
Safety, Decency, Convenience and Comfort of Persons in Respect of Bathing	20/01/1978 - Adopted	Update Penalties
	25/08/2004 - Amended	
Dogs	30/11/1951 - Adopted	Update Penalties
	28/09/1979 - Amended	
	23/07/1962 - Amended	
	14/10/1983 - Amended	
	25/08/2004 - Repealed and new LL Adopted	
Local Government Property	16/10/2002 - Adopted	Amend to incorporate provisions to deal with boat mooring pens; update penalties



Title	Previous Gazettal date(s) and Action Taken	Proposed Action
Parking and Parking Facilities	8/11/1999 - Repealed and Adopted	Update penalties, amendment to clearance distance to street corner
	19/12/1974 - Adopted	
	30/06/1978 - Amended	
	12/12/1980 - Amended	
	9/12/1983 - Amended	
	30/08/1985 - Amended	
	3/08/1990 - Amended	
	23/08/1991 - Amended	
	21/04/1995 - Amended	

A **proposed Town of East Fremantle Amendment Local Law** is attached to this report. **ATTACHMENT**

AND

Adoption of a Repeal Local Law to repeal the following local laws and for the reasons indicated below:

Title	Gazettal and Amendment Date(s)	Notes
Bee Keeping Local Law	25/08/2004 - Adopted	Any issues about bees can be dealt with under Item 11 of Schedule 3.1 of Local Government Act 1995 (notice requiring removal of bees).
Building Line - Canning Highway	3/10/1963 - Adopted (page 2936)	No longer required
Nuisances and Miscellaneous Matters	3/08/1979 - Adopted	Now dealt with by the 'Urban Nuisance' Local Law.
	10/04/1981 - Amended	
	2/04/1993 - Amended (p1951)	
Obstructing Animals and Vehicles	4 March 1977 - Adopted	Part of 'Thoroughfares' Local Law
	6 Jan 1978 - Amended	
Parking of Commercial and other Vehicles on Street Verges	19/01/1979 - Amended	Superseded by Parking Facilities Local Law.
	4/03/1977 - Adopted	
	10/03/1978 - Amended (p736)	
Refuse Adversely Affecting Neighbours	20/02/1976 - Adopt/ Repeal (p502)	Provisions now dealt with by items 4,5 and 5A of Schedule 3.1 of Local Government Act 1995
Refuse Depositing Removal of Rubbish and Litter	4/01/1985 - Adopt/ Repeal	Provisions now dealt with by items 4, 5 and 5A of Schedule 3.1 of Local Government Act 1995, Litter Act and Waste and Resource Recovery Act.
	2/04/1993 - Amended	
Reserves - Public	4/03/1977 - Adopted p723)	Covered by Local Government Property Law
	6/01/1978 - Amended	
Prevention of Damage to, Obstruction of and Misuse of Council Property and of Property on a Public Reserve	20/01/1978 - Adopted (p217)	Covered by Local Government Property Law
Rubbish on Land Clearing of	2/04/1958 - Adopted (p635)	Provisions now dealt with by items 4,5 and 5A of Schedule 3.1 of Local Government Act 1995



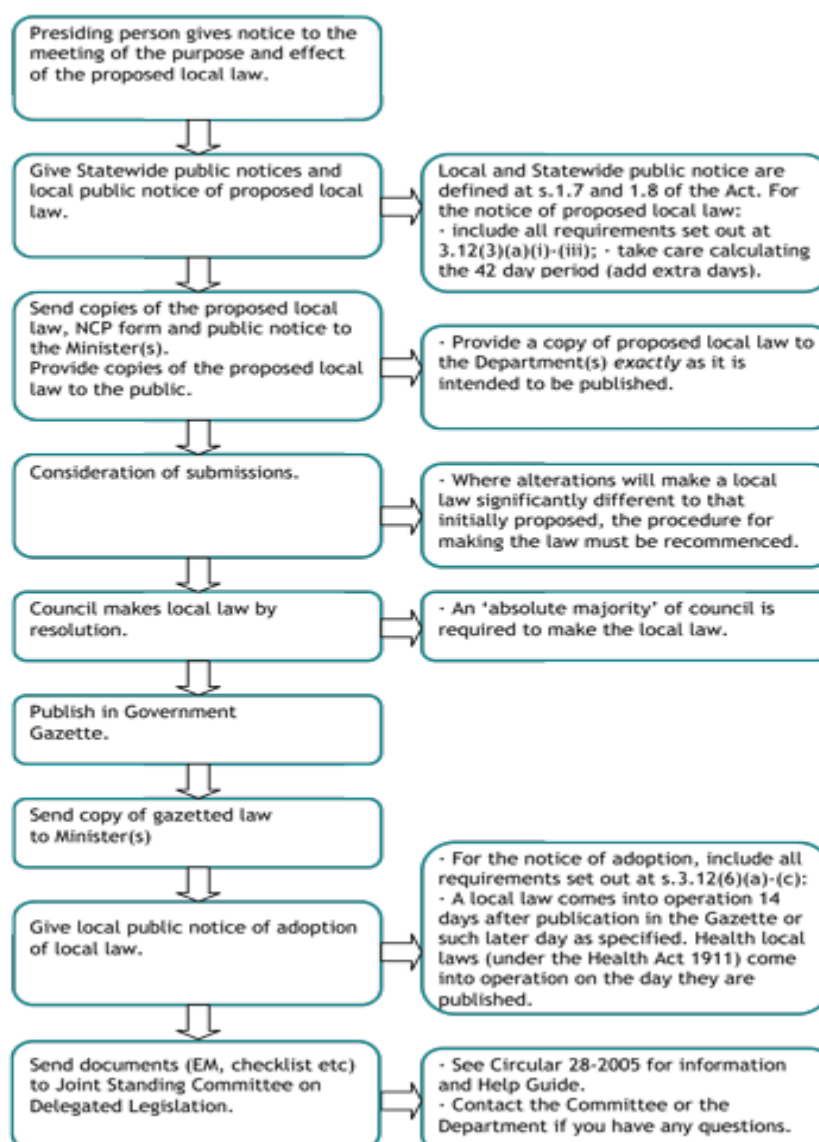
Title	Gazettal and Amendment Date(s)	Notes
Street Lawns and Gardens	4/03/1977 - Adopted	Covered by 'Thoroughfares' Local Law
	19/05/1978 - Amended (p1579)	
Vehicle Wrecking	4/03/1977 - Adopted	Provisions now dealt with by items 4,5 and 5A of Schedule 3.1 of Local Government Act 1995
	6/01/1978 - Amended	

A proposed Town of East Fremantle Repeal Local Law is attached to this report.

ATTACHMENT

The process to amend, repeal and make a local law is different to the review process in s3.16 and is outlined in s3.12 of the Local Government Act 1995. This is summarized below:

Local Law Process – Flow Chart



Local laws where no repeal or amendment action is suggested are Fencing, Standing Orders, and Urban Environment and Nuisance.



In accordance with s3.12(2) of the Local Government Act 1995 and Regulation 3 of the Local Government (Functions and General) Regulations 1996, the purpose and effect of a proposed local law is to be included in the agenda for that meeting where it is considered for advertising for public comment.

The purpose and effect of the proposed **Various Amendments Local Law** is:

Purpose

To amend penalties in the Activities on Thoroughfares & Trading in Thoroughfares & Public Places; Safety, Decency, Convenience and Comfort of Persons in Respect of Bathing; Dogs; Local Government Property; and Parking and Parking Facilities Local Laws; Local Government Property Local Law; and to amend the Parking and Parking Facilities Local Law to amend the distance that vehicles can park on street corners.

Effect

Penalties in the local laws listed are increased and the distance that a vehicle may park in proximity to a street corner is changed to reflect the provisions of the Traffic Code 2000.

The purpose and effect of the proposed **Repeal Local Law** is:

Purpose

To repeal outdated and obsolete local laws relating to Bee Keeping; Building Line - Canning Highway; Nuisances and Miscellaneous Matters; Obstructing Animals and Vehicles; Parking of Commercial and other Vehicles on Street Verges; Refuse Adversely Affecting Neighbours; Refuse Depositing Removal of Rubbish and Litter; Prevention of Damage to, Obstruction of and Misuse of Council Property and of Property on a Public Reserve; Clearing of Rubbish on Land; Street Lawns and Gardens; and Vehicle Wrecking.

Effect

The local laws no longer have effect.

Relevant Council Policies

Nil.

Strategic Plan Implications

Nil, although a reduction in the numbers of local laws administered by the Town will contribute to administrative efficiency.

Financial/Resource/Budget Implications

The Town's 2011/12 Budget contains provision to finalise the amendment of its local laws to ensure they remain consistent with other legislation and up to date.

RECOMMENDATION

That:

1. In accordance with s3.12(3)(a)(b) and (3a) of the Local Government Act 1995, Council gives State wide and local public notice stating that:
 - (a) it proposes to make a Various Amendments Local Law, and a summary of its purpose and effect;
 - (b) copies of the proposed Various Amendments Local Law may be inspected at the Town's offices; and
 - (c) submissions about the proposed Various Amendments Local Law may be made to the Town within a period of not less than 6 weeks after the notice is given.
2. In accordance with s3.12(4), as soon as the notice is given, a copy of the proposed Various Amendments Local Law be supplied to the Minister for Local Government.



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3. In accordance with s3.12(3)(c) of the Act, a copy of the proposed Various Amendments Local Law be supplied to any person requesting it.
4. The results be presented to Council for consideration of any submissions received with respect to the proposed Various Amendments Local Law.
5. In accordance with s3.12(3)(a)(b) and (3a) of the Local Government Act 1995, Council gives State wide and local public notice stating that:
 - (a) it proposes to make a Repeal Local Law, and a summary of its purpose and effect;
 - (b) copies of the proposed Repeal Local Law may be inspected at the Town's offices; and
 - (c) submissions about the proposed Repeal Local Law may be made to the Town within a period of not less than 6 weeks after the notice is given.
6. In accordance with s3.12(4), as soon as the notice is given, a copy of the proposed Repeal Local Law be supplied to the Minister for Local Government.
7. In accordance with s3.12(3)(c) of the Act, a copy of the proposed Repeal Local Law be supplied to any person requesting it.
8. The results be presented to Council for consideration of any submissions received with respect to the proposed Repeal Local Law.

RECOMMENDATION TO COUNCIL**Mayor Ferris – Cr de Jong****That:**

1. In accordance with s3.12(3)(a)(b) and (3a) of the Local Government Act 1995, Council gives State wide and local public notice stating that:
 - (a) it proposes to make a Various Amendments Local Law, and a summary of its purpose and effect;
 - (b) copies of the proposed Various Amendments Local Law may be inspected at the Town's offices; and
 - (c) submissions about the proposed Various Amendments Local Law may be made to the Town within a period of not less than 6 weeks after the notice is given.
2. In accordance with s3.12(4), as soon as the notice is given, a copy of the proposed Various Amendments Local Law be supplied to the Minister for Local Government.
3. In accordance with s3.12(3)(c) of the Act, a copy of the proposed Various Amendments Local Law be supplied to any person requesting it.
4. The results be presented to Council for consideration of any submissions received with respect to the proposed Various Amendments Local Law.
5. In accordance with s3.12(3)(a)(b) and (3a) of the Local Government Act 1995, Council gives State wide and local public notice stating that:
 - (a) it proposes to make a Repeal Local Law, and a summary of its purpose and effect;
 - (b) copies of the proposed Repeal Local Law may be inspected at the Town's offices; and
 - (c) submissions about the proposed Repeal Local Law may be made to the Town within a period of not less than 6 weeks after the notice is given.
6. In accordance with s3.12(4), as soon as the notice is given, a copy of the proposed Repeal Local Law be supplied to the Minister for Local Government.
7. In accordance with s3.12(3)(c) of the Act, a copy of the proposed Repeal Local Law be supplied to any person requesting it.
8. The results be presented to Council for consideration of any submissions received with respect to the proposed Repeal Local Law. CARRIED

A17. URGENT BUSINESS WITHOUT NOTICE BY PERMISSION OF THE MEETING

Nil.

A18. CLOSURE OF MEETING



There being no further business, the meeting closed at 7.24 pm.

*I hereby certify that the Minutes of the meeting of the **Audit Committee** of the Town of East Fremantle, held on Tuesday **26 July 2011**, Minute Book reference **A10. to A18.** were confirmed at the meeting of the Committee on*

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Presiding Member