

minutes

Audit Committee

MEETING HELD ON **MONDAY, 6 AUGUST 2012**

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CITY OF JOONDALUP

MINUTES OF THE AUDIT COMMITTEE MEETING HELD IN CONFERENCE ROOM 2, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON MONDAY, 6 AUGUST 2012.

ATTENDANCE

Committee Members:

Cr Tom McLean, JP	<i>Presiding Member</i>
Cr Geoff Amphlett, JP	
Cr Brian Corr	<i>Deputy Presiding Member</i>
Cr Christine Hamilton-Prime	
Cr Teresa Ritchie	

Officers:

Mr Jamie Parry	Director, Governance and Strategy
Mr Mike Tidy	Director, Corporate Services
Mrs Lesley Taylor	Governance Officer

DECLARATION OF OPENING

The Presiding Member declared the meeting open at 6.03pm.

APOLOGIES/LEAVE OF ABSENCE

Apologies

Mayor Troy Pickard
Cr Sam Thomas
Mr Andy Cowin – External Member
Mr Garry Hunt – Chief Executive Officer

CONFIRMATION OF MINUTES

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 25 JUNE 2012

MOVED Cr Amphlett, SECONDED Cr Corr that the minutes of the meeting of the Audit Committee held on 25 June 2012 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Crs McLean, Amphlett, Corr, Hamilton-Prime, and Ritchie.

ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

Nil.

DECLARATIONS OF INTEREST**Disclosure of Financial Interest/Proximity Interest**

Nil.

Disclosure of interest affecting impartiality

Elected Members (in accordance with Regulation 11 of the Local Government [Rules of Conduct] Regulations 2007) and employees (in accordance with the Code of Conduct) are required to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making process. The Elected Member/employee is also encouraged to disclose the nature of the interest.

Name/Position	Mr Garry Hunt, Chief Executive Officer
Item No/Subject	Item 3 – Confidential - Chief Executive Officer's Credit Card Expenditure for the quarter ended June 2012.
Nature of interest	Interest that may affect impartiality.
Extent of Interest	The Chief Executive Officer is the card holder. Mr Hunt was not in attendance at this meeting.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY SIT BEHIND CLOSED DOORS

In accordance with Clause 76 of the City's *Standing Orders Local Law 2005*, this meeting was not open to the public.

PETITIONS AND DEPUTATIONS

Nil.

REPORTS**ITEM 1 HALF YEARLY REPORT – CONTRACT
EXTENSIONS – 1 JANUARY 2012 TO
30 JUNE 2012****WARD:** All**RESPONSIBLE
DIRECTOR:** Mr Mike Tidy
Corporate Services**FILE NUMBER:** 07032**ATTACHMENTS:** Attachment 1 Bi-Annual Figures for Contract Extensions
1 January 2012 to 30 June 2012**PURPOSE**

The purpose of this report is to provide the Audit Committee with details of Contracts extended by the Chief Executive Officer between 1 January 2012 and 30 June 2012.

EXECUTIVE SUMMARY

The schedule of Contracts extended by the Chief Executive Officer during the half-year ended 30 June 2012 is provided in Attachment 1.

It is recommended that the Audit Committee NOTES the report detailing Contracts extended by the Chief Executive Officer during the period 1 January 2012 to 30 June 2012 forming Attachment 1 to this Report.

BACKGROUND

At its meeting held on 1 November 2005 (CJ231-11/05 refers), Council resolved that a half-yearly report be prepared for the Audit Committee detailing Contracts that were originally approved by Council and have subsequently been extended by the Chief Executive Officer.

DETAILS

Council has delegated to the Chief Executive Officer the authority to approve all Contract extensions on tenders approved by Council subject to a report to the Audit Committee being prepared on a half-yearly basis providing details of those Contracts extended.

During the period 1 January to 30 June 2012 two contracts were extended.

Issues and options considered:

The option to extend the contracts by the Chief Executive Officer is required to maintain continuity of the applicable services to the City.

Legislation/Strategic Plan/Policy Implications

Legislation The City's legal advice is that under section 5.41(d) of the *Local Government Act 1995*, the Chief Executive Officer may be delegated the power to extend a Contract – provided the Chief Executive Officer does not extend the Contract beyond the 'total term of the Contract' specified by the Council in the resolution.

Strategic Plan

Key Focus Area: The report of Contracts extended by the Chief Executive Officer links to the Strategic Plan

1.3 To lead and manage the City effectively.

Objective: 1.1 To ensure that the processes of local governance are carried out in a manner that is ethical, transparent and accountable.

Policy

Not Applicable.

Risk Management Considerations:

The delegated authority to extend Contracts is limited to the original terms and conditions approved by resolution of Council when the tender was first awarded.

Financial/Budget Implications:

In accordance with each individual Contract and approved Budget limits.

Regional Significance:

Not Applicable.

Sustainability Implications:

Not Applicable.

Consultation:

Not Applicable.

COMMENT

This report provides the Audit Committee with details of Contracts originally approved by Council or by the Chief Executive Officer under delegated authority, which have subsequently been extended by the Chief Executive Officer during the period from 1 January 2012 to 30 June 2012.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Ritchie, SECONDED Cr Hamilton-Prime that the Audit Committee NOTES the report detailing Contracts extended by the Chief Executive Officer during the period 1 January 2012 to 30 June 2012 forming Attachment 1 to this Report.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Crs McLean, Amphlett, Corr, Hamilton-Prime, and Ritchie.

Appendix 1 refers

To access this attachment on electronic document, click here:

[Attach1agnAUDIT060812.pdf](#)

ITEM 2 HALF YEARLY REPORT WRITE OFF OF MONIES (1 JANUARY 2012 - 30 JUNE 2012)

WARD:	All
RESPONSIBLE DIRECTOR:	Mr Mike Tidy Corporate Services
FILE NUMBER:	07032
ATTACHMENTS:	Nil.

PURPOSE

To report to the Audit Committee on monies written off under delegated authority.

EXECUTIVE SUMMARY

The total amount written off under delegated authority during the six months ended 30 June 2012 amounted to \$8,102.31. This comprised mainly of 4,351 small amounts of unpaid rates below the \$100 reportable limit totalling \$7,057.18, as well as 11 small amounts of unpaid fees and charges below the \$100 reportable limit totalling \$304.03.

The total amount includes the following reportable items written off on the recommendation of the City's debt collection agency:

- One item of unpaid Swimming pool inspection of \$164.00;
- One item of unpaid Hire of Room fees totalling \$207.00; and
- Two items of unpaid community transport services charges of \$370.10.

It is recommended that the Audit Committee RECEIVES the report of amounts written off under delegated authority for the period 1 January to 30 June 2012.

BACKGROUND

Section 6.12 (1)(c) of the *Local Government Act 1995* gives the Council the power to write off any amount of money owing to the City.

At its meeting held on 6 June 2006 (CJ079-06/06 refers), Council approved inter alia to delegate to the Chief Executive Officer the authority to write-off monies owed to the City, subject to a report being provided to the Audit Committee on a six monthly basis on the exercise of this delegation for amounts between \$100 and \$20,000.

The Chief Executive Officer under section 5.44 of the *Local Government Act 1995* has on-delegated his authority to nominated employees, up to the limits provided in the Instrument of Delegation.

DETAILS

During the six months ended 30 June 2012, a total amount of \$8,102.31 was written off. This was made up by the following:

- 4,351 items of small Rates balances totalling \$7,057.18, representing in the main rounding decimals or penalty interest charged for a few days late payment where ratepayers did not pay the penalty and the cost of collection was, for all practical purposes, proving to be uneconomical and which were all below the reportable limit.
- Eleven items of fees and charges balances totalling \$304.03, representing in the main rounding decimals or amounts underpaid on settlement of outstanding debts. All these items were below the reportable limit and the cost of collection on all these was proving, for all practical purposes, to be uneconomical.
- One item of \$164.00, representing unpaid swimming pool inspection fees. Debt recovery was initiated and the debt written off on the advice of the City's debt collection agency once it became uneconomical to continue action.
- One item of \$207.00 representing unpaid hire of room fees. Debt recovery action was initiated and the debt written off on the advice of the City's debt collection agency when such action became uneconomical to pursue.
- Two items of \$370.10 representing unpaid community transport services. The items were written off due to the charge dating back to 2008 and proved to be uneconomical to recover.

Issues and options considered:

Not Applicable.

Legislation/Strategic Plan/Policy Implications

Legislation Section 6.12 (1) (c) of the *Local Government Act 1995*.
Section 5.42 of the *Local Government Act 1995*.
Section 5.44 of the *Local Government Act 1995*.

Strategic Plan

Key Focus Area: Leadership and Governance.

Objective: 1.1 To ensure that the processes of local governance are carried out in a manner that is ethical, transparent and accountable.

Policy:

Not Applicable.

Risk Management Considerations:

The amounts written off are immaterial in value and are either unrecoverable or uneconomical to recover, none of which represent a noteworthy financial risk to the City.

Financial/Budget Implications:

Account No:	3256
Budget Item:	Bad Debts Written Off
Annual Budget:	\$ 13,700
Actual for the year:	\$ 21,665
Variance:	(\$7,965)

The annual variance is not considered material. The variance was mainly due to one item totalling \$5,891.85, representing unpaid rates. These items were above the reportable limit, but written off subsequent to debt recovery action undertaken, and ultimately proving to be either uneconomical or impossible to recover.

Regional Significance:

Not Applicable.

Sustainability Implications:

Not Applicable.

Consultation:

Not Applicable.

COMMENT

Monies written off under delegated authority comprised 4,362 small items of unpaid rates, fees and charges totalling \$7,361.21, all of which were below the \$100 reportable limit. The remaining four items totalling \$741.10 were all above the reportable limit but written off subsequent to debt recovery action undertaken, and ultimately proving to be either uneconomical or impossible to recover.

VOTING REQUIREMENTS

Simple Majority.

MOVED Cr Hamilton-Prime, SECONDED Cr Amphlett that the Audit Committee RECEIVES the report of monies written off under delegated authority for the period 1 January to 30 June 2012.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Crs McLean, Amphlett, Corr, Hamilton-Prime, and Ritchie.

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Presiding Member declared the Meeting closed at 6.15pm; the following Committee Members being present at that time:

Cr Tom McLean, JP
Cr Geoff Amphlett, JP
Cr Brian Corr
Cr Christine Hamilton-Prime
Cr Teresa Ritchie