



Special Council Meeting

Minutes

11 December 2023

Open Council Meetings – Procedures

1. All Council meetings are open to the public, except for matters raised by Council under “confidential items”.
2. Members of the public may ask a question at an ordinary Council meeting under “public question time”.
3. Members of the public who are unfamiliar with meeting procedures are invited to seek advice at the meeting. If unsure about proceedings, just raise your hand when the presiding member announces public question time.
4. All other arrangements are in accordance with the Council’s standing orders, policies and decisions of the Council.

Undersigned

Chief Executive Officer

Bunbury-Harvey Regional Council
51 Stanley Road, Wellesley
Western Australia 6233

Correspondence to:
Post Office Box 111
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ATTACHMENTS

Attachment 1	-	Auditors Report and Annual Financial Report for the year ending 30 June 2023
Attachment 2	-	Final Management Letter for year ending 30 June 2023.
Attachment 3	-	Interim Management Letter for the year ending 30 June 2023.
Attachment 4	-	2023 Financial Management System Review



VISION

To develop, implement and maintain innovative and sustainable waste reduction, recycling and landfilling services while managing waste facilities with best practice standards for the councils of the Wellington Region and beyond.

To provide sustainable waste minimisation, recycling and alternative waste treatment services to an informed community while reducing the environmental impact of waste and maximising the conservation of natural resources through reduced material use and increased resource recovery

MISSION

To ensure the delivery of an integrated, cost-effective and environmentally sound waste management system and to promote sustainable community programs and policies ensuring that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.

Reduce the environmental impact of waste and maximise conservation of natural resources through reduced overall material use and increased materials and energy recovery.

VALUES

Excellence:

To provide best practice facilities and waste services to our community through the development of quality controls and continuous improvements.

Leadership:

Having a clear vision and direction, that engages with key stakeholders and our community.

Integrity:

Acting with a level of trust, respect, honesty, hard work, communication and shared responsibility that is exhibited by its people.

Accountability:

To ensure the collection and management of solid waste and recovered materials in an environmentally sound manner and in accordance with regulatory requirements and the Department of Water and Environmental Regulation licence conditions.

Innovation:

Embrace new and better ways to achieve improved results through creativity, inventiveness and teamwork.

Respect

We value diversity and respect and are committed to work towards integrating the principles of Equal Employment Opportunity and ensure that the work environment is free from harassment and discrimination. We value and respect all members of our community.



Bunbury-Harvey Regional Council

Minutes

Minutes of the Special Meeting of the Bunbury-Harvey Regional Council held in the Administration Complex, Stanley Road Waste Management Facility, 51 Stanley Road, Wellesley on Thursday, 11 December 2023 at 4:30pm

Minutes

1. Declaration of Opening / Announcement of Visitors

The meeting was declared open by Cr Tresslyn Smith at 4:35pm

These Minutes were confirmed as being true and correct by Council on [Click here to enter a date.](#) by Council Resolution: [Click here to enter text.](#)

Cr Wendy Dickinson
Chairperson

Mr Nick Edwards
Chief Executive Officer

2. Acknowledgement of the Country

We acknowledge the Traditional Custodians of this land on which we gather today, the Noongar Wardandi people, and pay our respects to Elders past, present and future.

3. Attendances and Apologies

3.1. Attendances

<i>Council Members:</i>	Representing
Cr Tresslyn Smith (Deputy Chairperson)	Shire of Harvey
Cr Marina Quain	City of Bunbury
Cr Dakota Krispyn	Shire of Harvey
Cr John Bromham	Shire of Harvey
<i>Executive Leadership Team (Non-Voting)</i>	Representing
Mr Nick Edwards	Chief Executive Officer (BHRC)
Ms Annie Riordan	Chief Executive Officer (Shire of Harvey) (<i>via Teams</i>)
<i>Officers (Non-Voting)</i>	Representing
Ms Meta Hazeldine	Finance Manager
Mrs Taryn York	Council Meeting Support Officer
<i>Others(Non-Voting)</i>	Representing
Mr Gavin Harris	City of Bunbury

3.2. Apologies

Cr Wendy Dickinson
Cr Michelle Steck
Mr Alan Ferris, CEO City of Bunbury

4. Public Question Time

Nil

5. Summary of Response to previous Questions taken on notice

Nil

6. Applications for Leave of Absence

Cr Dickinson is on approved leave of absence from 4th December 2023 to 3rd January 2024.

7. Confirmation of Minutes

Nil

8. Petitions / Memorials / Presentations

Nil

9. Declarations of Interests

Nil

10. Announcements (by the presiding member without discussion)

Nil

11. Reports of Committees

Nil

12. Reports of Officers

12.1. Auditors Report and Annual Financial Statements for the year ending 30 June 2023

Applicant / Proponent:	Internal			
Responsible Officer:	Meta Hazeldine, Finance Manager			
Executive:	Nick Edwards, Chief Executive Officer			
Authority / Discretion:	Advocacy	<input type="checkbox"/>	Review	<input type="checkbox"/>
	Executive/Strategic	<input type="checkbox"/>	Quasi-Judicial	<input type="checkbox"/>
	Legislative	<input checked="" type="checkbox"/>	Information Purposes	<input type="checkbox"/>
Attachment(s):	Attachment 1 – Annual Financial Report and Independent Auditors Report for the year ending 30 June 2023			

Summary

The Auditor's Report and Annual Financial Report of the Bunbury-Harvey Regional Council for the financial year ending 30 June 2023 are attached at Attachment 2 for the information of the Audit Committee.

Following the Audit Exit Meeting held on the 23rd of November 2023 the Independent Auditor's reports was received, from the Office of the Auditor General WA. The Auditor General Independent Auditor's Report has confirmed that the financial report is based on proper accounts and records, and fairly represents, in all material respects, the results of the operations and the financial position of the Bunbury Harvey Regional Council for the year ended 30 June 2023.

The Auditor's Report will be presented to Council at the Council meeting immediately following this Audit Committee Meeting.

Executive Recommendation

That Council:

Accept the Auditor's Report and the Audited Annual Financial Report of the Bunbury Harvey Regional Council for the financial year ending 30 June 2023.

MOVED BY: Cr Marina Quain

SECONDED BY: Cr Dakota Krispyn

RESULT: CARRIED ~~LOST~~ 4 / 0

RESOLUTION: SC111223-1947

Voting Requirement

Simple Majority

Background

The Auditor General has audited the 2022/2023 Annual Financial Report and have provided an Independent Auditor's Report (refer to pages 37 to 39 in the attached Annual Financial Report) as required under the relevant provisions of the Local Government Act 1995 (the Act). The Auditor's Report and Annual Financial Report are now presented to the Audit Committee for information.

Furthermore, section 7.12A(2) of the Act requires a local government to meet with its Auditor at least once in every year.

Ms Carly Meagher, Director Financial Audit, from the Office of the Auditor General WA, who is representing the Auditor General, is participating in this meeting via a telephone conference call to discuss the audit with the Committee and to answer any queries arising from the 2022/2023 Audit.

Council Policy Compliance

N/A

Legislative Compliance

Section 7.9(1) of the Act requires the auditor to submit a report to the local government by 31 December each year.

Section 7.12A(2) of the Act requires a local government to meet with its Auditor at least once each year.

Officer Comments

There are five (5) primary financial statements:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Fee Setting Statement

Statement of Comprehensive Income: The Statement of Comprehensive Income (Page 3 of the Financial Report) shows the extent to which operating revenue has exceeded operating expenditure during the financial year (i.e. operating surplus).

Key financial figures within the audited Annual Financial Report for the year ended 30 June 2023 include:

	<u>2023</u>	<u>2022</u>
Operating Revenue	\$12,851,199	\$ 5,418,121
Operating Expenses	\$ (7,539,776)	\$(12,789,243)
Operating Surplus / (Deficit)	\$ 5,311,423	\$ (7,371,122)
Total Comprehensive Income	\$ 6,505,442	\$ (7,371,122)

For the year ending 30 June 2023, the Total Comprehensive Income for the period increased from a deficit of \$7.37M to a surplus of \$6.50M, an increase of \$13.87M. This is mainly due to the work completed to cap and make good of the existing land fill. This resulted in an increase in revenue due to the member council contributions providing funds of \$6M. A provision of \$6.38M was recognised in 2022 for the work to be completed. The work has been completed and expensed in 2023 under Materials and Contracts. The provision from the prior year has been reversed resulting in a negative expenditure in Other expenditure.

This statement also includes for Changes on Revaluation of Non-Current assets. The fair value of the buildings and infrastructure increased by \$1.18M. Valuations were carried out by an independent valuer.

Statement of Financial Position: The Statement of Financial Position (Page 4 of the Financial Report) shows the assets and liabilities which make up the Equity as at the 30 June 2023.

Key financial figures within the audited Annual Financial Report for the year ended 30 June 2023 include:

	<u>2023</u>	<u>2022</u>
Current Assets	\$ 3,979,878	\$ 2,615,806
Current Liabilities	\$ 2,643,843	\$ 7,179,155
Current Assets over Current Liabilities	\$ 1,336,035	\$(4,563,349)
Non-Current Assets	\$ 5,459,522	\$ 4,848,326
Non-Current Liabilities	\$ 27,097	\$ 21,158
Total Equity	\$ 6,768,461	\$ 263,019

Council's current assets exceed current liabilities by \$1.33M compared to current liabilities exceeding current assets in 2022 by \$4.56M.

The Regional Council received funding for the Organics Facility of \$1.5M in 2022/23 which has resulted in the increase of Current assets from prior year of \$1.36M.

Current liabilities decreased by \$4.53M. This is due to recognising the make good and cell capping provision (\$6.38M) in the prior year which has reduced to nil. Offset by an increase of \$1.5M as a liability recognised for the Organics Facility due to funding being unspent at 30 June 2023.

Non-current assets increased by \$611K due to the fair value of the buildings and infrastructure being revalued.

The total Equity at 30 June 2023 was \$6.76M an increase of \$6.50M from the 2021/22 financial year.

Statement of Changes in Equity: The Statement of Changes in Equity (Page 5 of the Financial Report) shows the extent to which the Equity has increased by the net result of the year's activities. For the year ending 30 June 2023, the Equity increased from \$263K to \$6.76M.

Statement of Cash Flows: The Statement of Cash Flows (Page 6 of the Financial Report) shows the nature and amount of Council's cash inflows and out flows from all activities. Council's cash held at the end of the reporting period was \$3.43M compared to \$2.25M in 2021/22, an increase of \$1.18M.

Statement of Financial Activity: The Statement of Financial Activity (Page 7 of the Financial Report) shows the surplus position after income and expenditure activity during the year. At the end of 2022/23 the surplus was \$488K. This was \$6.8M more than last year. As per the Budget approved for 2023/24, \$200K of the surplus will be utilised for a new reserve set aside for staff entitlements.

Analysis of Financial and Budget Implications

There are no financial or budget implications for Council to accept Annual Financial Statements and Auditor's report.

Elected Member/Officer Consultation

This matter is presented to the Committee for consideration.

12.2. Final Audit Management Letter for the year ending 30 June 2023

Applicant / Proponent:	Internal			
Responsible Officer:	Meta Hazeldine, Finance Manager			
Executive:	Nick Edwards, Chief Executive Officer			
Authority / Discretion:	Advocacy	<input type="checkbox"/>	Review	<input type="checkbox"/>
	Executive/Strategic	<input type="checkbox"/>	Quasi-Judicial	<input type="checkbox"/>
	Legislative	<input checked="" type="checkbox"/>	Information Purposes	<input checked="" type="checkbox"/>
Attachment(s):	Attachment 2 – Final Management Letter for year ended 30 June 2023.			

Summary

Following the 30 June 2023 financial audit, the Auditor General, has issued their Final Management Letter (refer to Attachment 3). The Management Letter comments on matters noted during the audit and provides recommendations to be considered.

Only one matter was raised in the Management Letter being the late submission of the Annual Financial Statements for 2021/22. Local Government (Financial Management) Regulations 1996 section 51(2) requires the Council to submit its Annual Financial Report to the Department of Local Government within 30 days of receipt of the Auditor's report.

Executive Recommendation

That Council:

Receives the Auditors' Management Letter from the Office of the Auditor General for the 2022/23 financial year.

MOVED BY: Cr John Bromham

SECONDED BY: Cr Dakota Krispyn

RESULT: CARRIED / ~~LOST~~ 4 / 0

RESOLUTION: SC111223-1948

Voting Requirement

Simple Majority

Background

Findings identified during the Year End Audit outlines any management or financial issues identified by the Auditor as part of the financial audit of the Bunbury-Harvey Regional Council that were not material enough to qualify the overall audit, but relevant enough to be brought to the attention of the Audit Committee.

Council Policy Compliance

N/A

Legislative Compliance

The Report to the Audit Committee is provided by the Council's Auditor as part of the Council's annual audit report completed under section 7.9(1) of the *Local Government Act 1995*.

Officer Comments

A new process has been established to ensure this does not occur again.

Analysis of Financial and Budget Implications

Nil

Elected Member/Officer Consultation

This matter is presented to the Committee for consideration.

12.3. Interim Audit Management Letter for the year ending 30 June 2023

Applicant / Proponent:	Internal			
Responsible Officer:	Meta Hazeldine, Finance Manager			
Executive:	Nick Edwards, Chief Executive Officer			
Authority / Discretion:	Advocacy	<input type="checkbox"/>	Review	<input type="checkbox"/>
	Executive/Strategic	<input type="checkbox"/>	Quasi-Judicial	<input checked="" type="checkbox"/>
	Legislative	<input checked="" type="checkbox"/>	Information Purposes	<input checked="" type="checkbox"/>
Attachment(s):	Attachment 3 – Interim Management Letter for year ended 30 June 2023.			

Summary

Following the 30 June 2023 interim financial audit, the Auditor General, has issued their Management Letter (refer to Attachment 4). The Management Letter comments on matters noted during the audit and provides recommendations to be considered.

There were two findings raised in the Management Letter. During the review of the petty cash controls, it was noted that not all invoices were being retained with the petty cash reconciliation. The second finding being the late submission of the Annual Financial Statements for 2021/22 also addressed in the Final Management Letter.

Executive Recommendation

That Council:

Notes the findings by the Auditor General in the Auditors' Management Letter for the 2022/23 financial year.

MOVED BY: Cr Dakota Krispyn

SECONDED BY: Cr Marina Quain

RESULT: CARRIED /LOST 4 / 0

RESOLUTION: SC111223-1949

Voting Requirement

Simple Majority

Background

Findings identified during the Interim Audit outlines any management or financial issues identified by the Auditor as part of the financial audit of the Bunbury-Harvey Regional Council that were not material enough to qualify the overall audit, but relevant enough to be brought to the attention of the Audit Committee.

Council Policy Compliance

N/A

Legislative Compliance

The Report to the Audit Committee is provided by the Council's Auditor as part of the Council's annual audit report completed under section 7.9(1) of the *Local Government Act 1995*.

Officer Comments

All supporting invoices are now retained in the petty cash reconciliation and a new process has been established to ensure Annual Financial Statements are submitted within 30 days of receipt of the Auditor's report.

Analysis of Financial and Budget Implications

Nil

Elected Member/Officer Consultation

This matter is presented to the Committee for consideration.

12.4. Draft Financial Management Systems Review April 2023

Applicant / Proponent:	Internal			
Responsible Officer:	Meta Hazeldine, Finance Manager			
Executive:	Nick Edwards, Chief Executive Officer			
Authority / Discretion:	Advocacy	<input type="checkbox"/>	Review	<input type="checkbox"/>
	Executive/Strategic	<input type="checkbox"/>	Quasi-Judicial	<input type="checkbox"/>
	Legislative	<input checked="" type="checkbox"/>	Information Purposes	<input checked="" type="checkbox"/>
Attachment(s):	Attachment 4 – 2023 Financial Management System Review (Draft)			

Summary

The purpose of this report is for the Audit Committee to receive the draft Financial Management Systems Review (FMSR) April 2023 prepared by AMD Chartered Accountants. Note this is a draft report subject to management comments before the final Financial Management Systems Review is delivered.

Executive Recommendation

That Council:

Receives the draft Financial Management Systems Review April 2023 as presented.

MOVED BY: Cr Marina Quain

SECONDED BY: Cr Dakota Krispyn

RESULT: CARRIED ~~LOST~~ 4 / 0

RESOLUTION: SC111223-1950

Voting Requirement

Simple Majority

Strategic Relevance

Not applicable.

Background

In March 2023, AMD Chartered Accountants conducted a review of the Council's financial management systems and procedures in accordance with Regulation 5(1) of the Local Government (Financial Management) Regulations 1996.

The resulting reports have now been completed and are presented to the Audit Committee for information. A copy of this report is attached at Attachment 5.

Council Policy Compliance

There is no current Council Policy relevant to this item.

Legislative Compliance

Regulation 5(1) of the Local Government (Financial Management) Regulations 1996 outlines the Chief Executive Officer's duties as to financial management.

Officer Comments

The FMSR (Attachment 5) includes recommendations to improve the Council's internal controls following an onsite visit to the Council and a management response to each of the identified recommendations.

The following areas were reviewed as part of the FMSR:

1. Collection of money
2. Custody and security of money
3. Maintenance and security of financial records

4. Accounting for municipal or trust transactions
5. Authorisation for incurring liabilities and making payments
6. Maintenance of payroll, stock control and costing records
7. Preparation of budgets, budget reviews, accounts and reports required by the Act or the regulations.

AMD have identified the following areas of risk and recommendations in the FMSR report:

Medium Risk

1. Tender Management

Low Risk

1. Keys Register
2. Employee – Performance Appraisal
3. Excessive Leave Owing

The above-mentioned issues have been detailed in the FMSR addressing the identified areas of risk and improvement.

Analysis of Financial and Budget Implications

Nil

Elected Member/Officer Consultation

This matter is presented to the Committee for consideration.

13. Elected Member motions of which previous notice has been given

Nil

14. Urgent business approved by the person presiding or by decision of the Council

Nil

15. Confidential Business (Meeting Closed to the Public)

Nil

16. Next Meeting

The next meeting is scheduled for Thursday, 18 January 2024 at the Administration Complex, 51 Stanley Road, Wellesley, commencing at 4:15pm.

The Presiding Member Cr Smith took this opportunity to thank all for the year and wished everyone a safe and happy Christmas and new year.

17. Close of Meeting

The Presiding Member declares meeting closed at 4:40pm.