

TOWN OF BASSENDEAN

MINUTES

AUDIT AND RISK MANAGEMENT COMMITTEE

HELD IN THE COUNCIL CHAMBER, 48 OLD PERTH ROAD, BASSENDEAN
ON WEDNESDAY 4 OCTOBER 2017 AT 5.30PM

1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Presiding Member declared the meeting open, welcomed all those in attendance and conducted an Acknowledgement of Country.

2.0 ATTENDANCES, APOLOGIES AND APPLICATIONS FOR LEAVE OF ABSENCE

Present

Cr Gerry Pule, Presiding Member
Cr Mike Lewis
Cr Paul Bridges
Mr Ian Walters
Mr Tom Klaassen
Mr Ron Back, Financial Advisor
Mr Suren Herathmudalige, Macri Partner
Mrs Amy Holmes, Minute Secretary

Staff

Mr Mike Costarella, Director Corporate Services
Mr Ken Lapham, Manager Finance Services

3.0 DEPUTATIONS

Nil

4.0 CONFIRMATION OF MINUTES

4.1 Minutes of the Meeting held on 9 August 2017

COMMITTEE/OFFICER RECOMMENDATION – ITEM 4.1

MOVED Ian Walters, Seconded Tom Klaassen, that the minutes of the meeting held on 9 August 2017, be confirmed as a true record.

CARRIED UNANIMOUSLY 5/0

5.0 ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

The Presiding Member thanked the members for their time and work on this Committee and invited them to nominate again.

6.0 DECLARATIONS OF INTEREST

Nil

7.0 BUSINESS DEFERRED FROM PREVIOUS MEETING

Nil

8.0 REPORTS

8.1 Audited Annual Financial Statements for the Year Ended 30 June 2017 (Ref: FINM/AUD/7 – Michael Costarella Director Corporate Services)

APPLICATION

The purpose of this report is to receive the Audited Annual Financial Statements for the year ended 30 June 2017.

ATTACHMENTS

Attachment No. 1:

- 2016/17 Audited Annual Financial Statements including the Audit Report.
- Audit Completion Report to the Audit Committee for the year ended 30 June 2017.
- List of the major variances between the 2016/17 Budget and Actual amounts.

BACKGROUND

The 2016/17 Audited Annual Financial Statements have been completed and the Committee is requested to adopt the document.

RELEVANT LAW

Section 6.4 of the Local Government Act states:

6.4 Financial report

- (1) *A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.*
- (2) *The financial report is to —*
 - (a) *be prepared and presented in the manner and form prescribed; and*
 - (b) *contain the prescribed information.*
- (3) *By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —*
 - (a) *the accounts of the local government, balanced up to the last day of the preceding financial year; and*
 - (b) *the annual financial report of the local government for the preceding financial year.*

STRATEGIC IMPLICATIONS

Leadership and Governance

- *We will be accountable and make decisions for the good of the community.*
- *Strengthen Council governance and compliance.*

COMMENT

The audit for the 2016/17 financial year has been completed and provides an overview of the financial activities of the Town of Bassendean for the 2016/17 year.

The auditor has requested that the 2016/17 audit completion report and draft audit report be endorsed by the Audit and Risk Management Committee prior to the auditor providing the final version of the audit report.

2016/17 Closing Surplus

The estimated closing budget surplus at 30 June 2017 was anticipated to be \$24,860 following the conclusion of the financial year and the completion of the Annual Audit, the actual closing surplus for the 2016/17 financial year is \$2,184,378.

A list of the major variances between the 2016/17 Budget and Actual amounts are included as an attachment to the Agenda.

The Auditor spoke on this item, expressed his satisfaction and did not have any concerns regarding the financial sustainability of the Town. This was supported by the Committee's Financial Advisor.

COMMITTEE/OFFICER RECOMMENDATION – ITEM 8.1

ARMC - 1/10/17 MOVED Tom Klaassen, Seconded Cr Bridges, that the Committee recommends to Council that it receives the audited 2016/17 Annual Financial Statements and draft Audit Report and Completion Report, as attached to the Audit and Risk Management Committee Agenda of 4 October 2017.

CARRIED UNANIMOUSLY 5/0

8.2 Request for a Rate Exemption – Morley Baptist Church, 33 Hanwell Way, Bassendean (Ref: RAT&VAL/RTPAYMT/2 - Ken Lapham, Manager Corporate Services)

APPLICATION

The purpose of this report is to provide Council with information to assess whether a Rates Exemption from Council rates could be granted under Section 6.26(2) (d) of the Local Government Act.

ATTACHMENTS:

Attachment No. 2:

Correspondence from the Morley Baptist Church received on 6 September 2017.

BACKGROUND

The Baptist Church purchased the property (33 Hanwell Way, Bassendean) in December 2014, Council granting planning approval to change the use to a Place of Worship.

The Church has written to Council seeking a rates exemption on rates levied for the 2017/18 year. The Church advises that the property is used as a place of worship.

A religious body may apply for an exemption from rates if it can demonstrate the land is used exclusively as a place of public worship or in relation to that worship a place of residence of a minister of religion.

STRATEGIC IMPLICATIONS

Good Governance

5.1.3 Strengthen Governance, risk management & compliance.

5.1.4 Improve efficiency & effectiveness of planning & Services.

COMMENT

The Manager Corporate Services and the Senior Rates Officer visited the property in August 2016, to seek clarification of the activities that were currently being undertaken on the property. The Chairman of the Church who met with Council Officers explained that its initial projected use of the property (that being a reception/café) would not be realised and the property would solely be used for a place of worship and associated activities. At this stage, the original concept was would not be progressed.

A drive through inspection in September 2017 has confirmed that the property had not changed since 2016.

Council may decide to provide a full rate exemption, or reject the application, but given the nature of the activities as described by the applicant, that being “primarily as a place of worship” and normal activities of a Baptist Church. Planning approval was given as a place of worship, and as a function centre.

Granting full exemption in accordance with the Local Government Act would be the most suitable resolution, given the fact that the property is being primarily used in accordance with the requirements of Section 6.26 (2) (d).

Section 6.26 (2) (d) states:

“Land used or held exclusively by a religious body as a place of public worship or in relation to that worship, a place of residence of a minister of religion, a convent, nunnery or monastery or occupied exclusively by a religious brotherhood or sisterhood.”

STATUTORY REQUIREMENTS

Section 6.26 (2) (d) of the Local Government Act 1995.

FINANCIAL CONSIDERATIONS

The 2017/18 rates levied total \$10,890.80. FESA levies are still required to be paid.

COMMITTEE/OFFICER RECOMMENDATION – ITEM 8.2

ARMC - 2/10/17 MOVED Cr Bridges, Seconded Cr Lewis, that the Audit and Risk Management Committee recommends to Council that the Trustee of the Morley Baptist Church Inc. is eligible for a Rate Exemption on 33 Hanwell Way, Bassendean for the 2017/18 financial year in accordance with Section 6.26 (2)(d) of the Local Government Act.

CARRIED BY AN ABSOLUTE MAJORITY 5/0

9.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

10.0 ANNOUNCEMENTS OF NOTICES OF MOTION FOR THE NEXT MEETING

Nil

11.0 CONFIDENTIAL BUSINESS

Nil

12.0 **CLOSURE**

The next meeting for 2018 is yet to be confirmed.

There being no further business the Presiding Member declared the meeting closed the time being 6.04pm.