

TOWN OF BASSENDEAN

MINUTES

AUDIT AND RISK MANAGEMENT COMMITTEE

HELD IN THE COUNCIL CHAMBER, 48 OLD PERTH ROAD, BASSENDEAN
ON WEDNESDAY 9 AUGUST 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

Staff

Mr Mike Costarella, Director Corporate Services
Mr Ken Lapham, Manager Finance Services
Mrs Amy Holmes, Minute Secretary
Mr Ron Back, Financial Advisor

Observer

Mr Don Yates

3.0 DEPUTATIONS

Mr Don Yates addressed the Committee on Item 8.1.

4.0 CONFIRMATION OF MINUTES

4.1 Minutes of the Meeting held on 7 June 2017

COMMITTEE/OFFICER RECOMMENDATION – ITEM 4.1

MOVED Cr Lewis, Seconded Mr Ian Walters, that the minutes of the meeting held on 7 June 2017 be confirmed as a true record.

CARRIED UNANIMOUSLY 5/0

5.0 ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

Nil

6.0 DECLARATIONS OF INTEREST

Nil

7.0 BUSINESS DEFERRED FROM PREVIOUS MEETING

Nil

8.0 REPORTS

8.1 Australian Accounting Standard 124 (AAS124) Related Party Disclosures (Ref GOVN/CCLMEET/18 - Mike Costarella, Director Corporate Services)

APPLICATION

The purpose of the report is to inform Council of the Related Party Disclosure as required under Australian Accounting Standard AASB124. Disclosures are required quarterly. The disclosure requirement includes Councillors and Key Management Personnel (Executives).

ATTACHMENTS

Attachment No 1:

A copy of the new Related Party Disclosures Policy

BACKGROUND

The objective of the standard is to ensure that an entity's financial statements contain disclosures necessary to draw attention to the possibility that its financial position and surplus or loss which may have been affected by the existence of related parties and transactions.

The disclosure requirements apply to the existence of relationships regardless of whether a transaction has occurred or not. Upon review of the completed forms, the Town must make an informed judgement each financial year as to who is considered to be a related party and what transactions need to be considered, when determining if disclosure is required

STRATEGIC IMPLICATIONS

“Good Governance,

to enhance organisational accountability and Strengthen governance, risk management and compliance.”

COMMENT

The scope of Australian Accounting Standard AASB 124 *Related Party Disclosures* was extended in July 2015 to include application by not-for-profit entities, including local governments. The operative date for Local Government is 1 July 2016, with the first disclosures to be made in the Financial Statements for year ended 30 June 2017. The policy outlines required mechanisms to meet the disclosure requirements of AASB 124.

This standard is applied in:

- Identifying related party transactions and relationships;
- Identifying outstanding balances including commitments between an entity and its related parties;
- Identifying circumstances in which disclosure of the above items are required;
- Determining the disclosures to be made about those items.

STATUTORY REQUIREMENTS

AASB 124 Related Party Disclosures

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

FINANCIAL CONSIDERATIONS

The audit of these completed forms are part of the external audit and is included in the annual budget.

COMMITTEE/OFFICER RECOMMENDATION – ITEM 8.1

ARMC - 1/08/17 MOVED Cr Bridges, Seconded Mr Tom Klaassen, that the Audit and Risk Management Committee recommends that Council adopts the AASB124 Related Party Disclosures Policy, as attached to the Audit and Risk Management Committee Agenda of 9 August 2017.

CARRIED 3/2

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

COMMITTEE RECOMMENDATION – ITEM 11.0(a)

ARMC - 2/08/17 MOVED Mr Tom Klaassen, Seconded Cr Bridges, that the meeting go behind closed doors in accordance with Section 5.23 of the Local Government Act 1995, the time being 6.05pm.

CARRIED UNANIMOUSLY 5/0

All members of the public vacated the Chamber, the time being 6.05pm.

11.1 Assessment A4982 Lot 68 Villiers St Bassendean (Ref: FINM/DBTOS/2– Ken Lapham, Manager Corporate Services)

This matter was considered with members of the public excluded from the chamber under Clause 5.23 (2) (e)(iii) of the Local Government Act as the officer report discusses a matter that if disclosed, would reveal information about a business, professional, commercial or financial affairs of a person.

COMMITTEE RECOMMENDATION – ITEM 11.1(a)

ARMC - 3/08/17 MOVED Cr Bridges, Seconded Cr Pule, that a Point 4 be added as follows:

4. *Following transfer, the Town offers to sell Lot 68 Villiers Street, Bassendean, to the WAPC at the best realistic valuation to recover the unpaid rates and offset implementation of Town Planning Scheme No. 4A.*

CARRIED UNANIMOUSLY 5/0

COMMITTEE/OFFICER RECOMMENDATION – ITEM 11.1(b)

ARMC - 4/08/17 MOVED Cr Bridges, Seconded Cr Lewis, that:

1. Council writes off rates of \$52,955.88 as listed in the Confidential Report to the Audit & Risk Management Committee Agenda of 9 August 2017;
2. In accordance with Section 6.64 of the Local Government Act, Lot 68 Villiers Street, Bassendean be transferred to the Town of Bassendean; and
3. Following the land being transferred to the Town of Bassendean, exempt the property in accordance with Section 6.26 of the Local Government Act.
4. **Following transfer the Town offers to sell Lot 68 Villiers Street Bassendean to the WAPC at the best realistic valuation to recover the unpaid rates and offset implementation of Town Planning Scheme No 4A.**

CARRIED BY AN ABSOLUTE MAJORITY 5/0

COMMITTEE RECOMMENDATION – ITEM 11.0(c)

ARMC - 4/08/17 MOVED Cr Lewis, Seconded Cr Bridges, that the meeting proceed with open doors, the time being 6.25pm.
CARRIED UNANIMOUSLY 5/0

As no members of the public returned to the Chamber, the reading aloud of the motions passed behind closed doors was dispensed with.

12.0 **CLOSURE**

The next meeting is to be held on Wednesday 4 October 2017.

There being no further business the Presiding Member declared the meeting closed the time being 6.25pm.