

**NOTICE OF A SPECIAL MEETING OF COUNCIL**

Dear Council Member

A Special Meeting of Council will be held in Council Chambers on **Thursday 11 April 2024** commencing at 5.30pm, called to consider the Adoption of the 2023/2024 Budget Review and Confidential item, Approve receipt of the CEO Performance Review Report and approve adoption of the Performance Agreement.

N Gibbs, CEO



Date

09 April 2024

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## **AGENDA**

For the Special Meeting of Council to be held in the Council Chambers on **Thursday 11 April 2024** commencing at 5.30pm, called to consider the Adoption of the 2023/2024 Budget Review and Confidential item, Approve receipt of the CEO Performance Review Report and approve adoption of the Performance Agreement.

### **Opening of Meeting**

*Meeting to be opened by the Presiding Member*

### **Acknowledgment of Country**

*We acknowledge the cultural custodians of the land on which we gather. We acknowledge and support their continuing connection to the land, waterways and community. We pay our respects to members of the Aboriginal communities and their culture; and to Elders past and present, their descendants still with us today, and those who will follow in their footsteps.*

### **Attendance & Apologies**

President - Cr J Mountford

Councillors - S Mahoney (Deputy)

- J Boyle

- M Christensen

- M Fletcher

- T Lansdell

- L Pearce

- A Pratico

- R Redman

Officers - N Gibbs, Chief Executive Officer

- M Richards, Executive Manager Community & Economic Development

- S Alexander, Executive Manager Infrastructure

- L Guthridge, Executive Manager Planning & Development

- M Gillham, Principal Project Manager

- L Taramoeroa, Executive Assistant

### **Attendance of Gallery**

### **Public Question Time**

*Note: At Special Council Meetings questions must relate to the items on the Agenda.*

### **Petitions/Deputations/Presentations**

### **Comments on Agenda Items by Parties with an Interest**

### **Notification of Disclosures of Interest**

Part 5, Division 6 of the *Local Government Act 1995* requires a member who has an interest in any matter to be discussed at the meeting to disclose the interest and the nature of the interest in writing before the meeting, or immediately before the matter is discussed.

### **Business Items**

<b>ITEM NO.</b>	SpC.01/0424	<b>FILE REF.</b>	133
<b>SUBJECT</b>	Adoption of the 2023/2024 Budget Review		
<b>OFFICER</b>	Executive Manager Corporate Services		
<b>DATE OF REPORT</b>	09 April 2024		

Attachment 1            2023/2024 Budget Review

### **OFFICER RECOMMENDATION**

*That the Council:*

1. *Adopt the budget review with the variations detailed at Note 5 of the Budget Review document as shown in Attachment 1 for the period 1 July 2023 to 31 January 2024 and amend the budget accordingly.*
2. *Note the budget review for the period 1 July 2023 to 31 January generates a budgeted surplus of \$143,565.*
3. *Transfer the surplus of \$143,565 to:*
  - *\$25,000 – PJ158 144 Hampton Road.*
  - *\$23,628.91 – Recreation Officer Salaries - Account 1349120.01.*
  - *\$42,870.02 – Aquatic coordinator and Lifeguard Salaries -Account 1342920.01.*
  - *\$8,371.27-Health and Fitness Programs Salaries-Account 1349820.01.*
  - *\$10,000 unbudgeted expenditure for a contractor to undertake electrical testing and tagging.*
  - *\$33,694.80 –will remain in the municipal account to be allocated toward the Financial Assistance Grant Overpayment*

### **Summary/Purpose**

Between 1 January and 31 March in each year a local government is to carry out a review of its annual budget for the year in accordance with Regulation 33A of the Local Government (*Financial Management*) Regulations 1996. The intention of the legislation is to ensure that the local government's conduct at least one budget review between six and nine months into the financial year.

### **Background**

The budget review 2023/24 has been undertaken in accordance with Regulation 33A of the Local Government (*Financial Management*) Regulations 1996. The budget review was presented to the Audit committee on 21 March 2024 for review. A summary of the main findings of the budget review is provided in this report.

The mid-year budget review was considered by the Audit Committee (AC.02.0324) at its meeting held on 21 March 2024 where the following proposed recommendations were carried and reflected in the unconfirmed minutes;

1. *Endorse the budget review for the period 1 July 2023 to 31 January 2024 as presented in the committee agenda, noting the year-to-date actual figures as of 31 January 2024 has been taken into account to be included in the Council report.*
2. *Note the budget review for the period 1 July 2023 to 31 January 2024 generates a budgeted surplus of \$155,823*
3. *The surplus of \$155,823 is to be allocated to:*
  - \$25,000 – towards furnishing staff housing; 144 Hampton Road to be set aside in PJ158.*
  - \$57,640– amount overspent on Salary and Wages at Bridgetown Leisure Centre*
  - \$73,183 – to be set aside for building surplus to make a provision for Financial Assistance Grant Overpayment.*

The reported surplus at the meeting was \$155,823 whereas the actual surplus is \$143,565 leaving a difference of \$12,258. This was due to an officer error that overlooked budget amendments and adjustments within a number of accounts including the Reserves Transfer, Fees & Charges, Employee Costs and Materials & Contracts that resulted in a net adjustment of \$12,258.

The minutes of the Audit committee will be changed to reflect the accurate figures before confirmation at the next committee meeting.

There have been a number of similar oversights that have been identified recently. An example of the mistakes made prior to the review of budget documents by the incoming Executive Manager Corporate Services included the reversal of a Council decision (C.14/0224) February that Council transfer \$30,000 from 07BU to 38BU for the refurbishment of the bathroom and toilet in 144 Hampton Street Bridgetown.

The incorrect amendment was made by increasing 07BU and decreasing 38BU by \$30,000 which was the opposite to the Officer Recommendation. In addition to this, the transaction was processed and posted in finance system before the transaction was reviewed and approved.

Once these issues were identified, and an in-depth review of all budget review documents was undertaken by the Executive Manager Corporate Services, these discrepancies were corrected. With the department being understaffed until recently, this took some time. For this reason, there has been a delay in presenting the Mid-year Budget review before 31st March 2024.

According to the Acting Director Financial Reporting from the Department of Local Government Sports and Culture (DLGSC), the report can be presented to Council in a Special Council Meeting without any negative consequences for the organisation. An email has been sent to the DLGSC to confirm the delay in reporting.

#### Officer Comment

The budget review has been prepared to include information required by the *Local Government Act 1995, Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards. A budget review is a detailed comparison of the year-to-date (January 2024) actual results with the adopted budget. The review process establishes whether a Local Government expects to meet its budget

commitments i.e. if the Council is in receipt of income and incurs expenditure in accordance with the adopted budget.

Councils adopted 'F.23 - Budget Management Policy' sets a minimum reportable variance of \$1,000. In determining items to be included in the budget review this limit has been used as a general guide. As a result of the proposed adjustments presented in the Budget Review document the estimated closing funds have increased from \$0 to \$143,565.

There was an overspend in wages at the Bridgetown Leisure Centre between July 1 to end of February. This was a direct result of staff shortages during the pool season, namely, a pool operator to operate the pool. The result of this shortage was that the Bridgetown Leisure Centre Coordinator was required to work full-time (on coordinator wages plus penalties) and the shire were required to pay a second pool operator a higher rate to gain his commitment to cover our pool for the 23/24 season.

The consequence of this was that there was an underspend of Coordinators wages in of \$17,230.75 (as the Coordinator was working as a Pool Operator) and an overspend in Aquatics Wages of \$42,870 due to the higher than budgeted hourly rates to cover the pool operators and the cost of the trainee pool operator to complete their on the job training under supervision.

The Coordinator was unable to perform their administrative duties during this time which increased to requirement for Recreation Officers to cover the gap in service provision in the dry area leading to an overspend of \$23,628.

A portion of the Bridgetown Leisure Centre wages overspend is also due to increased use of the Centre as a result of Council's Activation Plan. The area of health and Fitness has an overspend of \$8,371, however this overspend reflects the increased number of classes which are running at Councils agreed Break-Even point of 6.5 participants per class or more.

#### Bridgetown Leisure Centre Wages Summary (July 1 to Feb 28)

Coordinator Wage (Underspend)	\$17,230.75
Aquatics Wages (Overspend)	\$42,870.02
Rec Officers (Overspend)	\$23,628.91
Fitness Instructors (Overspend)	\$ 8,371.27
Total Overspend	\$57,639.45

Once Council adopts the budget review, a copy of the review and Council determination will be provided to the Department of Local Government, Sports and Cultural Industries within 14 days, as per the legislative requirements.

#### Statutory Environment

Regulation 33A of the Local Government (Financial Management) Regulations 1996 requires that:

*(1) Between 1 January and the last day of February in each financial year a local government is to carry out a review of its annual budget for that year.*

*(2A) The review of an annual budget for a financial year must —*

*(a) consider the local government’s financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and*

*(b) consider the local government’s financial position as at the date of the review; and*

*(c) review the outcomes for the end of that financial year that are forecast in the budget; and*

*(2) The review of an annual budget for a financial year must be submitted to the council on or before 31 March in that financial year.*

*(3) A council is to consider a review submitted to it and is to determine\* whether or not to adopt the review, any parts of the review or any recommendations made in the review.*

*\*Absolute majority required.*

*(4) Within 14 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.*

#### Integrated Planning

➤ Strategic Community Plan

Outcome 14            Effective governance and financial management  
Objective 14.1        Achieve excellence in organisational performance and service delivery.

➤ Corporate Business Plan

Objective 14.1        Achieve excellence in organisational performance and service delivery.

➤ Long -Term Financial Plan - Nil

➤ Asset Management Plans - Nil

➤ Workforce Plan - Nil

➤ Other Integrated Planning - Nil

Policy Implications – Not Applicable

Budget Implications – If Council support the recommendations proposed in this report, Council will allocate the surplus of \$143,565 to the accounts outlined in recommendation 3;

- \$25,000 – PJ158 144 Hampton Road.
- \$23,628.91 – Recreation Officer Salaries - Account 1349120.01.
- \$42,870.02 – Aquatic coordinator and Lifeguard Salaries -Account 1342920.01.

- \$8,371.27-Health and Fitness Programs Salaries-Account 1349820.01.
- \$10,000 unbudgeted expenditure for a contractor to undertake electrical testing and tagging.
- \$33,694.80 –will remain in the municipal account to be allocated toward the Financial Assistance Grant Overpayment

This will be reflected in the 2023-24 Budget. Comprehensive financial outcomes and the specific financial implications of the mid-year budget review are detailed in the budget review document (Attachment 1)

Whole of Life Accounting – Not Applicable

Risk Management – Not Applicable

The current recommendations address the following Risk Management Priority area identified according to Policy RM 1 – Financial.

Financial Risk – the financial risk is low given the guidance received by the Acting Director Financial Reporting from the Department of Local Government Sports and Culture (DLGSC), that there wouldn't be any negative consequences for the Shire given Council are provided the opportunity to formally consider the mid-year budget review at a Special Council Meeting.

Measures of Likelihood			
Rating	Description	Frequency	Probability
Almost Certain	The event is expected to occur in most circumstances	More than once per year	> 90% chance of occurring
Likely	The event will probably occur in most circumstances	At least once per year	60% - 90% chance of occurring
Possible	The event should occur at some time	At least once in 3 years	40% - 60% chance of occurring
Unlikely	The event could occur at some time	At least once in 10 years	10% - 40% chance of occurring
Rare	The event may only occur in exceptional circumstances	Less than once in 15 years	< 10% chance of occurring

Risk Matrix					
Consequence Likelihood	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
Almost Certain	Moderate	High	High	Extreme	Extreme
Likely	Low	Moderate	High	High	Extreme
Possible	Low	Moderate	Moderate	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Low	Low	Moderate

Voting Requirements – Absolute Majority

## **Confidential Items**

In accordance with s.5.23(2) of the *Local Government Act 1995*, the CEO has recommended item SpC.02/0424 - Approve receipt of the CEO Performance Review Report and approve adoption of the Performance Agreement be considered behind closed doors as the subject matter relates to the following matters prescribed by section 5.23(2):

- a) a matter affecting an employee or employees
- b) the personal affairs of any person
- e) a matter that if disclosed, would reveal
  - (iii) information about the business, professional, commercial or financial affairs of a person

In accordance with Clause 4.2 of the Standing Orders Local Law the contents of this item is to remain confidential and must not be disclosed by a member to any person other than a member of Council or an employee of the Council to the extent necessary for the purpose of carrying out his or her duties.

## **Closure**

*The Presiding Member to close the meeting.*

## **List of Attachments**

Attachment 1      2023/2024 Budget Review