

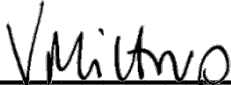


SPECIAL COUNCIL MEETING

MINUTES

**Special Meeting of Council was held
in the Council Chambers, Welcome Road, Karratha,
on Monday, 3 February 2025 at 6pm
to consider the following items:**

- **Receive the Annual Financial Report and Audit Report**
 - **Receive Annual Report**



VIRGINIA MILTRUP
CHIEF EXECUTIVE OFFICER



No responsibility whatsoever is implied or accepted by the City of Karratha for any act, omission or statement or intimation occurring during Council or Committee Meetings. The City of Karratha disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee Meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee Meeting does so at that persons or legal entity's own risk.

In particular, and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a license, any statement or intimation of approval made by any member or Officer of the City of Karratha during the course of any meeting is not intended to be and is not taken as notice of approval from the City of Karratha.

The City of Karratha warns that anyone who has any application lodged with the City of Karratha must obtain and should only rely on **WRITTEN CONFIRMATION** of the outcome of the application, and any conditions attaching to the decision made by the City of Karratha in respect of the application.

Signed: _____
Virginia Miltrup - Chief Executive Officer

DECLARATION OF INTERESTS (NOTES FOR YOUR GUIDANCE) (updated 13 March 2000)

A member who has a **Financial Interest** in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest:

- (a) In a written notice given to the Chief Executive Officer before the Meeting or;
- (b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- (c) Preside at the part of the Meeting, relating to the matter or;
- (d) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995*.

NOTES ON FINANCIAL INTEREST (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have a **Financial Interest** in a matter. I intend to include these notes in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the *Local Government Act 1995* but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
 - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the *Local Government Act*; or
 - 6.2 Where the Minister allows the Councillor to participate under s5.69 (3) of the *Local Government Act*, with or without conditions.

INTERESTS AFFECTING IMPARTIALITY

DEFINITION: *An interest that would give rise to a reasonable belief that the impartiality of the person having the interest would be adversely affected, but does not include an interest as referred to in Section 5.60 of the 'Act'.*

A member who has an **Interest Affecting Impartiality** in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest;

- (a) in a written notice given to the Chief Executive Officer before the Meeting; or
- (b) at the Meeting, immediately before the matter is discussed.

IMPACT OF AN IMPARTIALITY CLOSURE

There are very different outcomes resulting from disclosing an interest affecting impartiality compared to that of a financial interest. With the declaration of a financial interest, an elected member leaves the room and does not vote.

With the declaration of this new type of interest, the elected member stays in the room, participates in the debate and votes. In effect then, following disclosure of an interest affecting impartiality, the member's involvement in the Meeting continues as if no interest existed.

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
	TABLE OF CONTENTS	2
1	OFFICIAL OPENING	3
2	RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE PREVIOUSLY APPROVED	3
3	PUBLIC QUESTION TIME	4
4	DECLARATIONS OF INTEREST	4
5	CORPORATE & COMMERCIAL REPORTS	5
5.1	2023/24 INDEPENDENT AUDITORS REPORT AND ANNUAL FINANCIAL REPORT	5
6	CHIEF EXECUTIVE OFFICER REPORTS	9
6.1	ANNUAL REPORT 2023/24	9
7	MATTERS BEHIND CLOSED DOORS	13
	ATTACHMENT TO ITEM 5.1 Management Letter – IT General Controls	13
	ATTACHMENT TO ITEM 5.1 Management Letter – Financial Audit	13
	ATTACHMENT TO ITEM 5.1 Minutes of the Audit and Organisational Risk Committee held on 12 December 2024 (Confidential version)	13
8	CLOSURE & DATE OF NEXT MEETING	14

AGENDA

1 OFFICIAL OPENING

The Special Meeting of Council held in the Council Chambers, Welcome Road, Karratha on Monday 3 February 2025 was declared open at 6:00pm. Mayor Scott acknowledged the traditions of the Ngarluma people, on whose land we are gathered here today.

Mayor Scott notified all attendees that this meeting is being live streamed and recorded.

2 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE PREVIOUSLY APPROVED

Councillors:
Cr Daniel Scott [Mayor]
Cr Daiva Gillam [Deputy Mayor]
Cr Gillian Furlong
Cr Brenton Johannsen
Cr Kelly Nunn (via Teams)
Cr Sarah Roots
Cr Tony Simpson
Cr Jodie Swaffer
Cr Joanne Waterstrom Muller

Staff:

Virginia Miltrup	Chief Executive Officer
Emma Landers	Director Community Experience
Alistair Pinto	Director Corporate & Commercial
Lee Reddell	Director Development Services
Simon Kot	Director Strategic Projects & Infrastructure
Henry Eaton	Manager Governance & Organisational Strategy
Kate Jones	Minute Secretary

Apologies:

Absent:

Leave of Absence:

Members of Public: 1

Members of Media:

3 PUBLIC QUESTION TIME

There were no questions.

4 DECLARATIONS OF INTEREST

There were no declarations of interest.

5 CORPORATE & COMMERCIAL REPORTS

5.1 2023/24 INDEPENDENT AUDITORS REPORT AND ANNUAL FINANCIAL REPORT

File No:	FM.1
Responsible Executive Officer:	Director Corporate and Commercial Services
Reporting Author:	Manager Governance and Organisational Strategy
Date of Report:	28 January 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	<ol style="list-style-type: none"> 1. 2023/24 Independent Auditors Report 2. 2024 Annual Financial Report 3. CONFIDENTIAL Management Letter – IT General Controls 4. CONFIDENTIAL Management Letter – Financial Audit 5. CONFIDENTIAL Version - Minutes of the Audit and Organisational Risk Committee held on 12 December 2024. 6. Public Version - Minutes of the Audit and Organisational Risk Committee held on 12 December 2024.

PURPOSE

To receive the Annual Financial Report of the City's affairs for the 2023/24 financial year and to consider the Independent Auditor's Report and Management Letter provided by the Office of the Auditor General (OAG).

OFFICER'S RECOMMENDATION / COUNCIL RESOLUTION

MOVED : Cr Simpson
SECONDED : Cr Waterstrom Muller
Res No : SCM250203-01

That Council:

1. **ACCEPT** the Independent Auditors Report 2024 from the Auditor General dated 13 December 2024;
2. **ACCEPT** the City's Financial Report for the year ended 30 June 2024;
3. **NOTE** the Confidential Management Letters as they relate to IT General Controls and Financial Audit for the year ended 30 June 2024 as prepared by the Office of the Auditor General dated 13 December 2024; and
4. **RECEIVE** the Minutes of the Audit and Organisational Risk Committee held on 12 December 2024.

CARRIED 9/0

FOR : Cr Scott, Cr Gillam, Cr Furlong, Cr Johannsen, Cr Nunn, Cr Roots, Cr Simpson,
Cr Swaffer, Cr Waterstrom Muller
AGAINST : Nil

BACKGROUND

The OAG subcontracted RSM Australia to undertake the annual financial audit for the City for the 2023/24 financial year. The purpose of the audit is to express an opinion on the financial report and the internal controls applied by the City to ensure its accuracy.

Financial reports were presented to the auditors on 30 September 2024. RSM Australia audit staff subsequently attended on site from 14-25 October 2024 to commence their field work.

On 10 December 2024, the City received the draft management reports from RSM Australia identifying findings from the Financial Audit and the IT General Controls audit. A meeting was held on 12 December 2024 with the Audit and Organisational Risk Committee and representatives from the OAG and RSM Australia to discuss the audit and findings.

Audit Opinion

The OAG's provides an unqualified opinion on their audit of the City's finances for the 2023/24 period.

Management Reports and Findings

The auditors prepared a confidential management report that identified deficiencies in internal controls that require management attention. Two (2) minor deficiencies were noted against the annual financial report regarding a lack of evidence of review of valuations and payroll, and no related party disclosure from a retired councillor. Three (3) moderate risks were noted against the IT Audit and one unresolved from a previous year.

The Annual Financial Report and the Auditor's Opinion for the period ending 30 June 2024, if accepted by Council, will be put forward to the Annual Electors Meeting within the next 2 months.

LEVEL OF SIGNIFICANCE

In accordance with Council Policy *CG-8 Significant Decision Making Policy*, this matter is considered to be of moderate significance in terms of Council's ability to perform its role.

STATUTORY IMPLICATIONS

Part 7 Division 3A of the Act particular sections 7.12AA-7.12AE and regulation 10 of the *Local Government (Audit) Regulations 1996* provide for the conduct of the annual audit and the report by the auditor.

COUNCILLOR/OFFICER CONSULTATION

Financial Services staff, the Chief Financial Officer, Director Corporate and Commercial Services and CEO have been involved regarding the finalisation of the annual financial report, management reports and a response to the audit opinion.

The Audit and Organisational Risk Committee members met the audit team and discussed outcomes from the audit at its meeting on 12 December 2024.

COMMUNITY CONSULTATION

An Annual Electors' Meeting will be held to discuss the contents of the City's Annual Report which will include the audit opinion and annual financial report for year ended 30 June 2024.

POLICY IMPLICATIONS

The financial report was prepared in accordance with the Australian and International Accounting Standards.

FINANCIAL IMPLICATIONS

In summary, the Annual Financial Report indicated that the City had as at 30 June 2024:

	30 June 2024	30 June 2023	Inc /(Dec)
Net Result	\$29,964,313	\$21,127,343	\$8,836,970
Total Current Assets	\$138,921,025	\$104,317,683	\$34,603,342
Total Non Current Assets	\$757,474,208	\$762,327,213	(\$4,853,005)
Total Assets	\$896,395,233	\$866,644,896	\$29,750,337
Total Liabilities	\$23,513,323	\$24,219,625	(\$706,302)
Loan Liability	\$21,285	\$43,951	(\$22,666)
Cash Reserves	\$115,590,641	\$84,448,299	\$31,142,342
Property, Plant & Equipment	\$297,560,753	\$303,744,458	(\$6,183,705)
Investment Property	\$46,350,000	\$39,300,000	\$7,050,000
Infrastructure Assets	\$408,731,471	\$414,283,217	(\$5,551,746)
Final Surplus (Restricted)	\$0	\$62,129	(\$62,129)
Final Surplus (Unrestricted)	\$8,147,653	\$4,126,240	\$4,021,413

STRATEGIC IMPLICATIONS

This item is relevant to the Council's approved Strategic Community Plan 2020-2030 and the Corporate Business Plan 2020-2025. In particular, the Operational Plan 2024-2025 provided for this activity:

Our Program/Services:	4.c.1.1	Management Accounting Services
Our Projects/Actions:	4.c.1.1.19.1	Conduct monthly and annual financial reviews and reporting
Programs/Services:	4.e.1.2	Organisational Risk Management
Projects/Actions:	4.e.1.2.21.1	Assist the Office of Auditor General with financial and performance audits.

RISK MANAGEMENT CONSIDERATIONS

The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	Moderate	Significant controls and oversight in place throughout the year to monitor financial performance. Audits assist in minimising risks.
Service Interruption	Low	Improving IT security policies, system and processes will minimise service interruption.
Environment	N/A	Nil
Reputation	Low	Significant controls and oversight in place throughout the year to protect the City from reputational damage.
Compliance	Moderate	Significant controls and oversight in place throughout the year to ensure high levels of compliance.

IMPACT ON CAPACITY

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

RELEVANT PRECEDENTS

The external audit is completed annually and reported to the Audit & Organisational Risk Committee and Council prior to the Annual Electors' Meeting. Management reports are received as part of this process.

VOTING REQUIREMENTS

Simple Majority.

CONCLUSION

RSM Australia have provided management reports in relation to the financial audit and in relation to the information technology general controls that are in operation at the City.

RSM Australia's Management Report for the Financial Audit highlighted two minor financial risks in relation to a lack of evidence of review of reports and no disclosure of a related party disclosure of a retired councillor. Processes have been put in place to ensure that these gaps are avoided in the future. The Management Report for the Information Technology General Controls Audit identifies three moderate risks. Actions to appropriately manage these risks will be implemented as soon as practicable.

6 CHIEF EXECUTIVE OFFICER REPORTS

6.1 ANNUAL REPORT 2023/24

File No:	IM.5
Responsible Executive Officer:	Chief Executive Officer
Reporting Author:	Communications Officer
Date of Report:	28 January 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	Annual Report 2023/24

PURPOSE

For Council to consider the Annual Report for the financial year ended 30 June 2024.

COUNCIL AMENDED RESOLUTION

MOVED : Cr Simpson
SECONDED : Cr Furlong
Res No : SCM250203-02

That Council:

- ACCEPT the Annual Report 2023/24, subject to further formatting, styling and minor edits, as determined by the Chief Executive Officer; and**
- HOLD the Annual Electors' Meeting within 56 days as per statutory requirements on Monday 24 March 2025 at 5:30pm.**

CARRIED 9/0

FOR :	Cr Scott, Cr Gillam, Cr Furlong, Cr Johannsen, Cr Nunn, Cr Roots, Cr Simpson, Cr Swaffer, Cr Waterstrom Muller
AGAINST :	Nil

BACKGROUND

The Annual Report 2023/24 details the activities and achievements of the organisation over the 2023/24 financial year supported by the Annual Financial Report and the Independent Auditor's Report. Reporting is provided against the City's Strategic Community Plan 2020-2030, Corporate Business Plan 2020-2025 and Operational Plan 2023-2024.

DISCUSSION

Some highlights for 2023/24 period are outlined below:

Strategic theme	Key achievements
Our Community: Inclusive and Engaged	<ul style="list-style-type: none"> The City awarded more than \$180,000 to local community and sporting organisations across the Local

	<p>Government Area through the City's Community Grants Scheme.</p> <ul style="list-style-type: none"> • The area in front of the Quarter was grassed – providing the community with a revitalised public space to enjoy. • The City of Karratha Libraries Memory Preservation Station received the Library Board Award for Innovation and Collaboration • Airport Passenger growth has exceeded forecasts, with 661,779 passengers over the financial year, driven by increased seating capacity and heightened demand spurred by ongoing project activity in Karratha. • The 31st Cossack Art Awards were held in 2023 with more than \$85,000 in prize money awarded across 10 categories. The 2023 Awards saw more than 8,000 visitors enjoy the gallery. • Record-breaking attendance at Karratha Leisureplex, with over 580,000 visits.
<p>Our Economy: Well Managed and Diversified</p>	<ul style="list-style-type: none"> • The City provided \$102,829 in Take Your Business Online Grants to 40 local businesses. As well as \$170,000 in Business Development Support Grants to three local business support providers. • Four events were secured through the Major Events Sponsorship & Attraction Scheme including the Pilbara Summit. • We continued five formal partnerships with Pilbara Kimberley University Centre, Karratha and Districts Chamber of Commerce, Karratha Business Enterprise Centre Incorporated, SEED, and Pilbara Tourism Association. • As part of the City's efforts to support local industry, approximately \$10M was spent locally across 3469 payments. This meant 68.97% of invoices were to local suppliers well above our target of 50%. • The Karratha Tourism and Visitor Centre recorded strong visitation and booking numbers, boasting more than 23,581 tourists through the Centre. • The City continued to manage leases at its facilities including The Quarter with currently 90.9 per cent of available area leased as well as assisting Development WA and businesses to progress development of the Gap Ridge Industrial Estate.

<p>Our Natural and Built Environment: Thriving and Sustainable</p>	<ul style="list-style-type: none"> • Three key initiatives of the City’s Environment Sustainability Strategy (ESS) commenced. These being carbon accounting, Waterwise Council program implementation, and utility monitoring working group • Continued monitoring of the Effluent Reuse Scheme used to irrigate parks, ovals, and verge gardens to ensure public safety is not compromised. Using treated effluent in this water reduces pressure on potable water sources. • Over the financial year, more than 75,000 tonnes of waste were accepted to landfill with 21,116 tonnes of liquid waste. • 29 subscriptions taken up through the Climate Clever Program. Under the program, Council agreed to subsidise up to 50 community subscriptions as a way of promoting uptake and removing barriers to the use of the platform, procuring software designed to assist in the sustainable use of utilities and to assist in measuring the City’s carbon emissions.
<p>Our Leadership: Proactive and Accountable</p>	<ul style="list-style-type: none"> • In 2023/24, 73% of the key performance measures were achieved or substantially achieved. • Following the review of the Local Government Act by the State Government, the 2023 election saw the implementation of a preferential voting method and the mayor is now elected by electors as a separate election to councillor elections. Councillor Daniel Scott was elected Mayor. • The City received 2,075 completed responses to the 2024 Annual Community Survey, representing a 128% increase in participation, and received an overall score of 75%. • The City continues to build strong partnerships and indigenous relations including strong traction with three Roebourne entities who have partnered with us to deliver engagement activities.

LEVEL OF SIGNIFICANCE

In accordance with Council policy CG-8 Significant Decision Making policy, this matter is considered to be of moderate significance in terms of Council’s ability to perform its role.

STATUTORY IMPLICATIONS

The City is required to prepare an annual report for each financial year in accordance with Part 5 Division 5 of the Local Government Act 1995 (the Act). The report is to be accepted no later than 31 December or two months following receipt of the final audit opinion by an absolute majority in accordance with section 5.54 of the Act. The audit opinion was received from the Auditor General on 13 December 2024. Section 5.27 of the Local Government Act

1995 requires that a general electors' meeting be held within 56 days to discuss the contents of the Annual Report.

COUNCILLOR/OFFICER CONSULTATION

Each directorate has had the opportunity to provide input into and review the Annual Report 2023/24. The Annual Financial Report and the Independent Auditor's Report was accepted by the Audit & Organisational Risk Committee on 12 December 2024.

COMMUNITY CONSULTATION

No community consultation is required.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

STRATEGIC IMPLICATIONS

This item is relevant to the Council's approved Strategic Community Plan 2020-2030 and the Corporate Business Plan 2020-2025. In particular, the Operational Plan 2024-2025 provided for this activity:

Programs/Services:	4.e.2.1	Publications and Media Notices
Projects/Actions:	4.e.2.1.19.1	Produce Annual Report

RISK MANAGEMENT CONSIDERATIONS

The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	N/A	Nil
Service Interruption	N/A	Nil
Environment	N/A	Nil
Reputation	N/A	Nil
Compliance	Moderate	Failure to receive the Annual Report within two months following receipt of the final audit opinion will breach statutory requirements

IMPACT ON CAPACITY

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

RELEVANT PRECEDENTS

The Annual Report, Annual Financial Report and Auditor's Report is considered by Council each year.

VOTING REQUIREMENTS

Absolute Majority.

CONCLUSION

The Annual Report provides an overview of the achievements of the City in terms of statutory obligations, Strategic Community Plan outcomes and financial management for the 2023/24 financial year. The Annual Financial Report has been prepared in accordance with the Local Government Act 1995 and indicates the City's financial position as at 30 June 2024. The report will be presented to the community through the Annual Electors' Meeting.

7 MATTERS BEHIND CLOSED DOORS

OFFICER'S RECOMMENDATION

In accordance with Section 5.23 (2) (e) (iii) of the *Local Government Act 1995*, that Council move in camera to discuss item:

ATTACHMENT TO ITEM 5.1 Management Letter – IT General Controls

ATTACHMENT TO ITEM 5.1 Management Letter – Financial Audit

ATTACHMENT TO ITEM 5.1 Minutes of the Audit and Organisational Risk Committee held on 12 December 2024 (Confidential version).

These matters if disclosed would reveal information about the business, professional, commercial or financial affairs of a person.

8 CLOSURE & DATE OF NEXT MEETING

The meeting closed at 6:05pm

The next meeting is to be held on Monday, 24 February 2025 at 6pm at Council Chambers - Welcome Road, Karratha.

I, Cr Daniel Scott, Mayor of the City of Karratha, hereby declare on behalf of the Councillors of the City of Karratha that the enclosed Minutes are a true and accurate record of the Ordinary Council Meeting held on Monday 3 February 2025.

..... Date _____ / _____ / _____