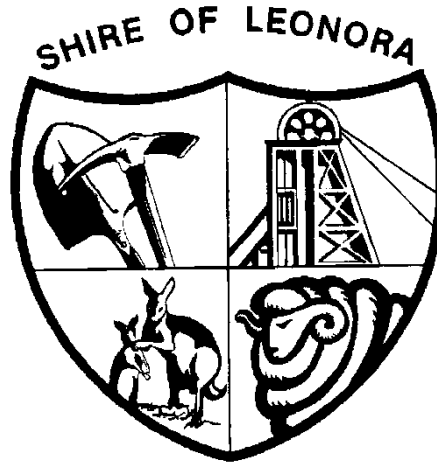


SHIRE OF LEONORA



MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

HELD 15TH MARCH, 2022, IN COUNCIL CHAMBERS
COMMENCING AT 9:04 AM.

President: _____

1.0 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS / FINANCIAL INTEREST DISCLOSURE

Chairperson, Cr PJ Craig, declared the meeting open at **9:04 am**.

2.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE**2.1 Present**

President	PJ Craig
Deputy President	RA Norrie
Councillors	RM Cotterill
	AM Moore
	F Harris
Chief Executive Officer	JG Epis
Deputy Chief Executive Officer	L Trevenen

2.2 Apologies

Nil

2.3 Applications for Leave of Absence

Councillors AE Taylor and LR Petersen requested a leave of absence from the Audit Committee Meeting to be held 15th March, 2022.

Moved Cr F Harris, seconded CR RA Norrie that Councillors AE Taylor and LR Petersen be granted a Leave of Absence from the Audit Committee Meeting to be held 15th March, 2022.

CARRIED (5 VOTES TO 0)

2.4 Leave of Absence

Councillors	AE Taylor
	LR Petersen

3.0 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

Moved Cr RA Norrie, Seconded Cr RM Cotterill that the Minutes of the Audit and Risk Committee Meeting held on 21st December, 2021, be confirmed as a true and accurate record.

CARRIED (5 VOTES TO 0)

4.0 REPORTS OF OFFICERS**4.1 CHIEF EXECUTIVE OFFICER****4.1.1 COMPLIANCE AUDIT RETURN 2021**

SUBMISSION TO: Meeting of Audit Committee
Meeting Date: 15th March, 2022

AGENDA REFERENCE: 4.1.1 AUDIT MAR 21

SUBJECT: Compliance Audit Return 2021

LOCATION / ADDRESS: Leonora

NAME OF APPLICANT: N/A

FILE REFERENCE: N/A

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: James Gregory Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 2nd March, 2022

BACKGROUND

Each year, Council is required to complete an annual compliance audit return (CAR) for the calendar year immediately preceding (1st January to 31st December) as published by the Department for Local Government and Communities. The CAR is then to be reviewed by the Audit Committee and a report presented to Council prior to the adoption of the CAR.

This year, the CAR was reviewed and completed by Moore Australia. Tanya Browning, Associate Director, and Samantha Bresciani, Manager, Local Government Services from Moore Australia attended the Shire offices on 1 February 2022, during which time the CAR was completed through interviews with senior staff and the inspection of various documents and records including:

- Minute books
- Tender Register
- Financial Interest & Return Register
- Complaints Register
- Delegations Register
- Council's website

The CAR is one of the tools that allow Council to monitor how the organisation is functioning in regards to compliance with the *Local Government Act 1995* and provides the Audit and Risk Committee the opportunity to report to Council any cases of non-compliance or where full compliance was not achieved.

This process also provides opportunity for the Audit and Risk Committee to consider matters that may require further review within ongoing risk framework assessments and actions.

Through the completion of the 2021 CAR, there were instances of non-compliance noted, particularly relating to matters which arising from changes to legislation. In relation to procurement, whilst systems and processes should be in place to ensure compliance with the purchasing policy and legislation, it is impossible to certify compliance in every instance without a complete examination of all purchases. Instances of non compliance were noted by management to have occurred during the reporting period, as well as the difficulty to declare during the review period the appropriate number of quotations had been obtained for every purchase (particularly low value purchases) in accordance with the purchasing policy.

President: _____

A summary of the matters noted during the completion of the 2021 CAR is attached for information. The attached summary also notes general improvement opportunities to systems and processes identified through the completion of the CAR. These improvements may assist the Shire in its risk management activities and continual improvement of administrative and compliance functions.

STATUTORY ENVIRONMENT

Regulation 14 of the *Local Government (Audit) Regulations 1996* provides:

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.
- (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —
 - (a) presented to the council at a meeting of the council; and
 - (b) adopted by the council; and
 - (c) recorded in the minutes of the meeting at which it is adopted.

Regulation 14 of the *Local Government (Audit) Regulations 1996* details the requirements with regard to certifying the CAR and issuing to the Departmental CEO

Section 7.13(1)(i) of the *Local Government Act 1995* refers to the provisions within regulations with regard to audits.

POLICY IMPLICATIONS

There are no policy implications resulting from the recommendation of this report.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from the recommendation of this report.

STRATEGIC IMPLICATIONS

Strategic references within the Shire of Leonora's Plan for the Future 2021-2031 demonstrate connections between services and the desired outcomes and community vision for the Shire of Leonora, particularly in relation to Leadership objective, outcomes and strategies such as 4.1.2.4 Provide appropriate governance and leadership to the Shire, 4.2.1.3 Seek high level of compliance in organisational practices.

RISK MANAGEMENT

This item has been evaluated against the Shire's Risk Management Strategy, Risk Assessment Matrix. The perceived level of risk is medium prior to treatment.

RECOMMENDATIONS

That the Audit and Risk Committee resolve to:

1. Recommend the adoption of the 2021 Compliance Audit Return as attached to the Council; and
2. Recommend to Council that the Shire President and Chief Executive Officer be authorised to sign the Compliance Audit Return for submission to the Department of Local Government.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Moved Cr RA Norrie, Seconded Cr AM Moore that the Audit and Risk Committee resolve to:

1. Recommend the adoption of the 2021 Compliance Audit Return as attached to the Council; and
2. Recommend to Council that the Shire President and Chief Executive Officer be authorised to sign the Compliance Audit Return for submission to the Department of Local Government.

CARRIED (5 VOTES TO 0)



Department of
**Local Government, Sport
and Cultural Industries**

Leonora - Compliance Audit Return 2021

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of the relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2021?	N/A		Moore Australia
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2021?	N/A		Moore Australia
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2021?	N/A		Moore Australia
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2021?	N/A		Moore Australia
5	s3.59(5)	During 2021, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A		Moore Australia



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Delegation of Power/Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	Yes	Item 11.1(A) OMC 18 May 2021	Moore Australia
2	s5.16	Were all delegations to committees in writing?	Yes		Moore Australia
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	Yes		Moore Australia
4	s5.18	Were all delegations to committees recorded in a register of delegations?	Yes		Moore Australia
5	s5.18	Has council reviewed delegations to its committees in the 2020/2021 financial year?	Yes	Item 11.1(A) OMC 18 May 2021	Moore Australia
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act?	Yes		Moore Australia
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes	Item 11.1D OMC 16/02/2021 Item 11.1(A) OMC 18 May 2021	Moore Australia
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes		Moore Australia
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		Moore Australia
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	Yes	Item 11.1 (G) OMC 21/12/2021	Moore Australia
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes		Moore Australia
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year?	Yes		Moore Australia
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Admin Reg 19?	Yes		Moore Australia

Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes		Moore Australia



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No	Reference	Question	Response	Comments	Respondent
2	s5.68(2) & s5.69 (5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting?	Yes	Item 11.1(B) OMC 21/12/2021	Moore Australia
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made?	Yes		Moore Australia
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes		Moore Australia
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2021?	Yes		Moore Australia
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes		Moore Australia
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76?	Yes		Moore Australia
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A, in the form prescribed in Admin Reg 28?	Yes		Moore Australia
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person?	Yes		Moore Australia
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes		Moore Australia
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A?	Yes		Moore Australia
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes		Moore Australia
13	s5.89A(6)	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person?	N/A		Moore Australia



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No	Reference	Question	Response	Comments	Respondent
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A (6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	N/A		Moore Australia
15	Rules of Conduct Reg 11(1), (2) & (4)	Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?* *Question not applicable after 2 Feb 2021	N/A		Moore Australia
16	Rules of Conduct Reg 11(6)	Where a council member disclosed an interest under Rules of Conduct Reg 11(2) was the nature of the interest recorded in the minutes?*	N/A		Moore Australia
		*Question not applicable after 2 Feb 2021			
17	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes	Item 12.B(i) OMC 17/08/2021	Moore Australia
18	s5.71A & s5.71B (5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A		Moore Australia
19	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered?	N/A		Moore Australia
20	s5.103 Admin Regs 34B & 34C	Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees?*	Yes		Moore Australia
		*Question not applicable after 2 Feb 2021			
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?*	Yes		Moore Australia
		*Question not applicable after 2 Feb 2021			



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No	Reference	Question	Response	Comments	Respondent
22	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)?	Yes	11.1(D) OMC 16/03/2021	Moore Australia
23	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4)?	N/A		Moore Australia
24	s5.104(7)	Did the CEO publish an up-to-date version of the adopted code of conduct on the local government's website?	Yes		Moore Australia
25	s5.51A(1) & (3)	Did the CEO prepare, and implement and publish an up-to-date version on the local government's website, a code of conduct to be observed by employees of the local government?	Yes	11.1(D) OMC 16/03/2021 11.1(E) OMC 20/7/2021	Moore Australia

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)?	No	An error with a non compliant disposal relating to a trade in occurred in January 2021. A non compliant plant disposal also occurred in June 2021 which did not go to tender.	Moore Australia
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	Yes		Moore Australia



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Elections					
No	Reference	Question	Response	Comments	Respondent
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate?	Yes		Moore Australia
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years?	N/A	No entries recorded therefore none to remove	Moore Australia
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	N/A	No entries recorded in register	Moore Australia



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Finance					
No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes	Item 10.1(C) OMC 19/11/2019 & Item 11.1 (F) OMC 21/12/2021	Moore Australia
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	Yes	11.1(A) OMC 18/05/2021	Moore Australia
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2021 received by the local government by 31 December 2021?	Yes	Received 8/12/2021	Moore Australia
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	N/A		Moore Australia
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A	Audit report received 8 December 2021, draft report prepared and to be considered OMC 15/02/2022	Moore Australia
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	N/A	To be published once submitted to the Minister	Moore Australia
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit?	Yes		Moore Australia



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Integrated Planning and Reporting

No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Item 11.1(A) at OMC held 21/7/20 reviewed the SCP 2017/2027 Major review being presented OMC 15/02/2022	Moore Australia
2	Admin Reg 19DA (1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Item 11.1(A) at OMC held 21/7/20 reviewed the CBP 2020-2024	Moore Australia
3	Admin Reg 19DA (2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes		Moore Australia

Local Government Employees

No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A	11.1(D) OMC 16/03/2021 adopted model standards	Moore Australia
2	s5.36(4) & s5.37 (3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	N/A		Moore Australia
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A		Moore Australia
4	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4)?	N/A		Moore Australia
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	Yes	11.1(C) OMC 28/09/2021 Appointment of DCEO	Moore Australia
6	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A		Moore Australia



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Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer?	Yes	Item 11.1(D) OMC 16/02/2021 CEO is complaints officer	Moore Australia
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a)? Does the complaints register include all information required by section 5.121 (2)?	Yes	No entries recorded	Moore Australia
3	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes		Moore Australia

Optional Questions					
No	Reference	Question	Response	Comments	Respondent
1	Financial Management Reg 5 (2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Financial Management Reg 5(2)(c) within the three years prior to 31 December 2021? If yes, please provide the date of council's resolution to accept the report.	Yes	Previous review undertaken in 2019 and presented to Audit & Risk Committee Meeting held 18/2/20 item 4.1.2 and presented to OMC 18/2/20 item 11.1(C)	Moore Australia
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Audit Reg 17 within the three years prior to 31 December 2021? If yes, please provide date of council's resolution to accept the report.	Yes	Previous review undertaken in 2019 and presented to Audit & Risk Committee Meeting held 18/2/20 item 4.1.2 and presented to OMC 18/2/20 item 11.1(C)	Moore Australia
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C?	N/A	No disclosures recorded	Moore Australia
4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events ?	Yes	Published within Policy Manual Item 11.2(M) at OMC held 18/2/2020 Reviewed Item 11.2(D) OMC 16/02/2021	Moore Australia



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No	Reference	Question	Response	Comments	Respondent
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	No	Information published as required, but two items not published in timeframes required	Moore Australia
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Published within Policy Manual Item 11.2(M) at OMC held 18/2/2020 Reviewed Item 11.2(D) OMC 16/02/2021	Moore Australia
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2020/2021 financial year and publish it on the local government's official website by 31 July 2021?	No	Report completed and published 16 September 2021	Moore Australia
8	s6.4(3)	By 30 September 2021, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2021?	Yes		Moore Australia
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes		Moore Australia

Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy [adopted under F&G Reg 11A(1) & (3)] in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	No	Cannot guarantee compliance has occurred with all purchasing activities below \$250,000. Systems being monitored to minimise risk of non compliance.	Moore Australia
2	s3.57 F&G Reg 11	Subject to F&G Reg 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in F&G Reg 11(1)?	Yes		Moore Australia
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with F&G Reg 14(3) and (4)?	Yes		Moore Australia
4	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract?	N/A		Moore Australia



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and Cultural Industries**

No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation?	N/A		Moore Australia
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16?	Yes		Moore Australia
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes		Moore Australia
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	N/A		Moore Australia
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes		Moore Australia
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes		Moore Australia
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of F&G Regs 21 and 22?	N/A		Moore Australia
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A		Moore Australia
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under F&G Reg 23 (1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	N/A		Moore Australia
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with F&G Reg 24?	N/A		Moore Australia
15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with F&G Reg 24AD(4) and 24AE?	N/A		Moore Australia

President: _____

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



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and Cultural Industries**

No	Reference	Question	Response	Comments	Respondent
16	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A		Moore Australia
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A		Moore Australia
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of F&G Reg 24AG?	N/A		Moore Australia
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A		Moore Australia
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A		Moore Australia
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A		Moore Australia
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F?	Yes		Moore Australia

I certify this Compliance Audit Return has been adopted by council at its meeting on

15TH MARCH, 2022.
P. J. CRAIG

Signed Mayor/President, Leonora

J. G. EPIS

Signed CEO, Leonora

Shire of Leonora 2021 Compliance Audit Return – Summary of Matters Noted

Question No.	Section/Topic	Matters Identified / Improvements	Reportable in CAR (Y/N)
1	Disposal of Property	<p>Our testing noted an instance where an asset was not disposed of in accordance with section 3.58 of the <i>Local Government Act 1995</i> and the <i>Local Government (Functions and General) Regulations 1996</i>. This was noted to be the result of a plant item being traded at the same time of purchasing a new plant item. Although the purchasing policy and legislative requirements allowed for the new plant item to be purchased without going to tender, the disposition of the traded plant item is not captured by these same exclusions.</p> <hr/> <p>A non compliant disposal of plant in June 2021 which did not go to tender or public auction was identified which did not comply with section 3.58 of the <i>Local Government Act 1995</i> and the <i>Local Government (Functions and General) Regulations 1996</i>.</p> <hr/> <p>Improvement:</p> <p>Ensure future asset disposals are in accordance with the requirements of section 3.58 of the <i>Local Government Act 1995</i> and the <i>Local Government (Functions and General) Regulations 1996</i>.</p>	Y
5	Optional Questions	<p>Local Public notices published in newspapers etc do not appear to have been consistently published on the Shire's website as required by legislation. We noted this practice improved significantly as the reporting period progressed.</p> <hr/> <p>Improvement:</p> <p>Ensure all notices relating to local public notice and statewide public notice are published on the website to comply with sections 1.7 & 1.8 of the <i>Local Government Act 1995</i>. Consider a mechanism/report trail for future compliance checks to be performed.</p>	Y
7	Optional Questions	<p>A report detailing training for elected members was prepared and published on the Shire website as required by legislation, detailing training for all elected members. The report was not completed and finalised until 16 September 2021.</p> <hr/> <p>Improvement:</p> <p>Prepare and publish future reports on the local government website detailing training for all elected members as required by s5.127 of the <i>Local Government Act 1995</i>. Reports should consider training completed and training requirements by all Council members for transparency and consistency. Ensure reports are continued to be published to the local government website within one month of the EOFY to which the report relates.</p>	Y

Shire of Leonora 2021 Compliance Audit Return – Summary of Matters Noted

Question No.	Section/Topic	Matters Identified / Improvements	Reportable in CAR (Y/N)
1	Tenders for Providing Goods and Services	<p>Non-compliance between procurement thresholds and purchasing requirements for low value purchases has possibly occurred during the review period. It was noted with management it is very difficult to declare during the review period the appropriate number of quotations had been obtained for every purchase (particularly low value purchases) in accordance with the purchasing policy.</p> <p>Improvement: Facilitate training with staff in relation to existing systems and controls, to minimise risks of future non compliance with adopted purchasing policy.</p>	Y
-	2020 Compliance Audit Return	<p>The 2020 Compliance Audit Return was considered by the Audit Committee and Council on 20 April 2021, and submitted to DLGSC on 23 April 2021. The CAR is required by legislation to be completed (i.e. considered by Audit Committee, Council and then submitted to DLGSC) by 31 March.</p> <p>Improvement: Ensure future CARs are reviewed by the Audit Committee, considered by Council, finalised and submitted to DLGSC by 31 March each year as required by legislation.</p>	N

4.0 REPORTS OF OFFICERS**4.2 DEPUTY CHIEF EXECUTIVE OFFICER****4.2.1 RELATED PARTY TRANSACTIONS AND DISCLOSURES**

SUBMISSION TO: Meeting of Audit Committee
Meeting Date: 15th March, 2022

AGENDA REFERENCE: 4.2.1 AUDIT MAR 22

SUBJECT: Related Party Transactions and Disclosures

LOCATION / ADDRESS: Leonora

NAME OF APPLICANT: N/A

FILE REFERENCE: 1.8

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: Lee-Anne Trevenen

OFFICER: Deputy Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 9th March, 2022

BACKGROUND

In accordance with AASB 124 *Related Party Disclosures*, local governments must disclose in the annual financial statements related party relationships, transactions and outstanding balances (including commitments) from 1 July 2016. Related parties include Key Management Personnel (KMP), which in the Shire of Leonora's case will include all elected members and executive staff, their close family members and any entities that they control or jointly control. The disclosure requires any transactions with these parties, whether monetary or not, to be identified and assessed whether disclosure is required or not. A disclosure may be in aggregate and will only occur where a transaction has occurred.

Regarding the disclosures, the following approach was developed in a workshop held at the June 2017 Audit and Risk Committee Meeting to ensure that management can properly address the requirements of the accounting standard:

- A procedure / guide for related party disclosures to be established, which includes the updating of returns quarterly through the Audit and Risk Committee Meetings
- Establishment of a system to identify and record related parties of KMPs
- Establishment of a system to identify and record related party relationships of KMPs
- Establishment of a system to identify and record related party transactions
- Identify 'Ordinary Citizen Transactions' (OCTs) that will not be disclosed by Council
- Create declaration forms to be completed by KMPs
- Set a materiality threshold for management to apply when assessing transactions for inclusion in the financial statements
- Identified the need for a separate workshop to be scheduled for newly elected members and
- For the Audit and Risk Committee to recommend any changes required to the above processes

STATUTORY ENVIRONMENT

Disclosures were required from Local Government entities from 1 July 2016 in accordance with AASB 124 *Related Party Disclosures*, with the first disclosures made in the Financial Statements for the year ended 30 June 2017.

POLICY IMPLICATIONS

There are no policy implications resulting from the recommendation of this report.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from the recommendation of this report that will have any detrimental effect on the Shire's finances.

STRATEGIC IMPLICATIONS

Strategic References within the Shire of Leonora Strategic Community Plan 2017-2027 demonstrate connections between services and the desired outcomes and community vision for the Shire of Leonora, particularly in relation to Governance services in this instance such as 4.1 Efficient service offerings to the community, 4.2 Effective and open engagement with all sections of the community, 4.5 Strong leadership and planning.

RECOMMENDATIONS

That the Audit and Risk Committee note the approach taken and the systems established by management with regard to addressing the requirements of *AASB 124 Related Party Disclosures*.

VOTING REQUIREMENT

Simple Majority

COUNCIL DECISION

Moved Cr RA Norrie, Seconded Cr AM Moore that the Audit and Risk Committee note the approach taken and the systems established by management with regard to addressing the requirements of *AASB 124 Related Party Disclosures*.

CARRIED (5 VOTES TO 0)

President: _____

5.0 NEXT MEETING

21st June, 2022, following the conclusion of the Ordinary meeting of Council commencing at 9:30am.

6.0 CLOSURE OF MEETING

There being no further business, Chairperson Cr PJ Craig declared the meeting closed at **9:15am**.