

# **SHIRE OF LEONORA**



## **SPECIAL MEETING OF COUNCIL**

### **PURPOSE OF MEETING: TO REVIEW THE APPOINTMENT OF THE AUDIT AND RISK COMMITTEE**

TO BE HELD 19<sup>TH</sup> MARCH 2019, AT 8:15AM.

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JG EPIS  
CHIEF EXECUTIVE OFFICER

**SHIRE OF LEONORA**  
**ORDER OF BUSINESS FOR SPECIAL MEETING TO BE HELD**  
**TUESDAY 21<sup>ST</sup> FEBRUARY 2017**

*COLOUR  
CODING*

1. **DECLARATION OF OPENING/ ANNOUNCEMENT OF VISITORS/  
FINANCIAL INTEREST DISCLOSURES**
2. **DISCLAIMER NOTICE**
3. **RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE  
(PREVIOUSLY APPROVED)**
4. **REPORTS OF OFFICERS**
  - 4.1 **Chief Executive Officer**
    - a) Appointment of Audit Committee
5. **NEXT MEETING Tuesday 19<sup>th</sup> March, 2019**
6. **CLOSURE OF MEETING**

*Pink*

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

**2.0      DISCLAIMER NOTICE**

**3.0      RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE**

**3.1      Present**

President

Deputy President

Councillors

PJ Craig

RA Norrie

RM Cotterill

AE Taylor

LR Petersen

AM Moore

F Harris

Chief Executive Officer

JG Epis

Deputy Chief Executive Officer

L Gray

**3.2      Apologies**

Nil

**3.3      Leave of Absence**

Councillor

LR Petersen

#### **4.0 REPORTS OF OFFICERS**

##### **4.1 CHIEF EXECUTIVE OFFICER**

##### **4.1 (A) APPOINTMENT OF AUDIT COMMITTEE**

**SUBMISSION TO:** Special Meeting of Council  
Meeting Date: 19<sup>th</sup> March 2019

**AGENDA REFERENCE:** 4.1(A) MAR 19

**SUBJECT:** Audit Committee

**LOCATION / ADDRESS:** Not Applicable

**NAME OF APPLICANT:** Shire of Leonora

**FILE REFERENCE:** Audits- Reports & Minutes 1.10

##### **AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT**

**NAME:** James Gregory

**OFFICER:** Chief Executive Officer

**INTEREST DISCLOSURE:** Nil

**DATE:** 12<sup>th</sup> March 2019

##### **BACKGROUND**

A local government is required to establish an audit committee of three (3) or more persons to exercise the powers and duties conferred upon it and the committee is required to be appointed by the local government by an absolute majority. The committee is to consist of at least three (3) Council members and make up the majority of the membership. The Chief Executive Officer is unable to be a member of the committee and may not nominate a person for membership or have any person represent him on the committee. An employee is also not able to be a member of the committee.

An audit committee is to provide guidance and assistance to the local government as to –

- the carrying out of its functions in relation to Audits carried out under Part 7 of the *Local Government Act 1995*;
- review of the Compliance Audit Return;
- review of systems and procedures as reported by the CEO; and
- the development of a process to be used to select and appoint a person to be an Auditor.

An audit committee may provide guidance and assistance to the local government as to –

- matters to be audited
- the scope of the audits
- its functions under Part 6 of the *Local Government Act 1995*.
- the carrying out of its functions relating to other audits and other matters related to financial management.

A local government may delegate to its audit committee any of its powers and duties under Part 7 of the *Local Government Act 1995*, other than the power to delegate.

A decision of the audit committee is made by simple majority.

Previously, audit and risk committee members for the Shire of Leonora were appointed through the adoption of a terms of reference for the audit committee some years ago, which articulated all members of council being a representative/member of the audit and risk committee. However, a recent review of the process (undertaken through completion of the 2018 Compliance Audit Return) has identified the process did not comply with the requirements of section 7.1A of the *Local Government Act 1995*. As a result, a recommendation is presented for

Council consideration to formally appoint the Audit Committee by absolute majority as required under section 7.1A of the *Local Government Act 1995*.

## **STATUTORY ENVIRONMENT**

In accordance with Section 7.1 to 7.13 of the *Local Government Act 1995* and *Local Government Audit Regulations* 4 to 8.

## **POLICY IMPLICATIONS**

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

## **FINANCIAL IMPLICATIONS**

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

## **RISK MANAGEMENT**

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

## **STRATEGIC IMPLICATIONS**

There are no strategic implications resulting from the recommendations of this report.

## **RECOMMENDATION**

That Council formally appoint by absolute majority the following members of Council to its Audit and Risk Committee:

Cr PJ Craig, Cr RA Norrie, Cr F Harris, Cr AM Moore, Cr AE Taylor, Cr LR Petersen and Cr RM Cotterill.

## **VOTING REQUIREMENTS**

Absolute majority.

## **SIGNATURE**

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Chief Executive Officer

**5.0 NEXT MEETING**

Tuesday 19<sup>th</sup> March, 2019 commencing 9:30am.

**6.0 CLOSURE OF MEETING**