

SHIRE OF LEONORA



AUDIT AND RISK COMMITTEE MEETING

MINUTES OF MEETING HELD 19TH MARCH, 2019, AT 8:26 AM.

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

1.1 The Chairperson, PJ Craig, declared the meeting open at 8:26am.

1.2 Announcement of Visitors
At 8:26am Mr David Mustard, Outback Parks & Lodges

1.3 Financial Interests Disclosure
Nil

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	LA Gray
Visitors	D Mustard (from 8:26am to 8:38am)

2.2 Apologies
Councillors AE Taylor

2.3 Leave of Absence
Councillors LR Petersen

3.0 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

Moved Cr RA Norrie, Seconded Cr AM Moore that the Minutes of the Ordinary Meeting held on 18th December 2018 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 2018 COMPLIANCE AUDIT RETURN

SUBMISSION TO: Meeting of Audit Committee
Meeting Date: 19th March 2018

AGENDA REFERENCE: 4.2.1 AUDIT DECEMBER 18

SUBJECT: Compliance Audit Return 2018

LOCATION / ADDRESS: Nil

NAME OF APPLICANT: Nil

FILE REFERENCE: Nil

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: James Gregory Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 12th March 2019

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 Stephens, as part of the four year Shared Statutory Compliance Services agreement established through the Northern Goldfields Collaborative Group. Tanya Browning, Manager Local Government Advisory from Moore Stephens attended the Shire offices on Monday 18th February 2019, and completed the CAR 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

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.

During the completion of the 2018 CAR, there was one instance of non compliance noted, relating to the appointment of the audit committee. During the review, it was noted the audit committee appointment had previously been made through adoption of a terms of reference for the Audit and Risk Committee, which articulated that all members of Council were to be representatives/members of the Audit and Risk Committee. This recommendation however did not comply with the requirements under section 7.1A of the *Local Government Act 1995*, and as such an item has already been considered by Council for consideration to rectify this matter and the audit and risk committee has now been correctly appointed through an absolute majority of Council. Systems are now in place to consider the appointment of audit and risk committee members at the first meeting following each election, in an effort to prevent future instances of non compliance in relation to this matter.

STATUTORY IMPLICATIONS

Local Government (Audit) Regulations 1996

Reg. 14 – provides that:

- (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.

Reg. 15 – 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

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

There are no strategic implications resulting from the recommendation 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 medium prior to treatment.

RECOMMENDATIONS

That the Audit and Risk Committee resolve to:

1. Recommend the adoption of the 2018 Compliance Audit Return as attached to the Council
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

COMMITTEE DECISION

Moved Cr AM Moore , seconded Cr RM Cotterill that the Audit and Risk Committee resolve to:

1. Recommend the adoption of the 2018 Compliance Audit Return as attached to the Council
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)

5.0 NEXT MEETING

18th June 2019, 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 **8:38 am**.