



Norseman Woodlands to Eucla Coast

**Minutes of Meeting
Audit Committee Meeting
30th March 2021**

UNCONFIRMED

Shire of Dundas**Audit Committee****Delegated Duties and Responsibilities**

The following duties and responsibilities are delegated to the Audit Committee by the Council at the Ordinary Meeting of the Council held on the

1. Provide guidance and assistance to the Council in carrying out the functions of the Shire in relation to audits which includes risk management, internal controls and legislative compliance.
2. Develop and recommend to the Council an appropriate process for the selection and appointment of a person as the Shires auditor.
3. Liaise with the CEO to ensure that the Shire does everything in its power to:
 - assist the auditor to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and
 - ensure that audits are conducted successfully and expeditiously.
4. Examine the reports of the auditor after receiving a report from the CEO on the matters and –
 - determine if any matters raised require action to be taken by the Shire; and
 - ensure that appropriate action is taken in respect of those matters.
5. Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and present the report to the Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time.
6. Review the relevant audit process annually to ensure that it is effective and meets the objectives of the Shires “Internal Audit and Risk Management Policy”.
7. Oversee the Shires Risk Management Plan and
 - support the implementation of the risk management and culture development program throughout the Shire;
 - make recommendation of the risk tolerance level for the Council to consider and adopt as appropriate;
 - bring to the attention of the Council the high to extreme identified risks and their recommended treatment;
 - establish the risk management plan which is aligned with the strategic planning process; and
 - actively promote risk management throughout the Shire.
8. To meet with the auditor at least once in every year in accordance with Section 7.12A(2) of the Local Government Act 1995.

Delegation reviewed and adopted without amendment at Ordinary Meeting of Council held 20th October 2020.

MINUTES of the Audit Committee Meeting held in the Council Chambers at the Shire of Dundas Administration Office, Prinsep Street Norseman on the 30th March 2021 commencing at 4.00pm.

Table of Contents

Delegated Duties and Responsibilities 2

1 Declaration of Opening..... 4

2 Declarations of Financial, Proximity and Impartiality Interests..... 4

3 Records of Attendance / Officers / Apologies 4

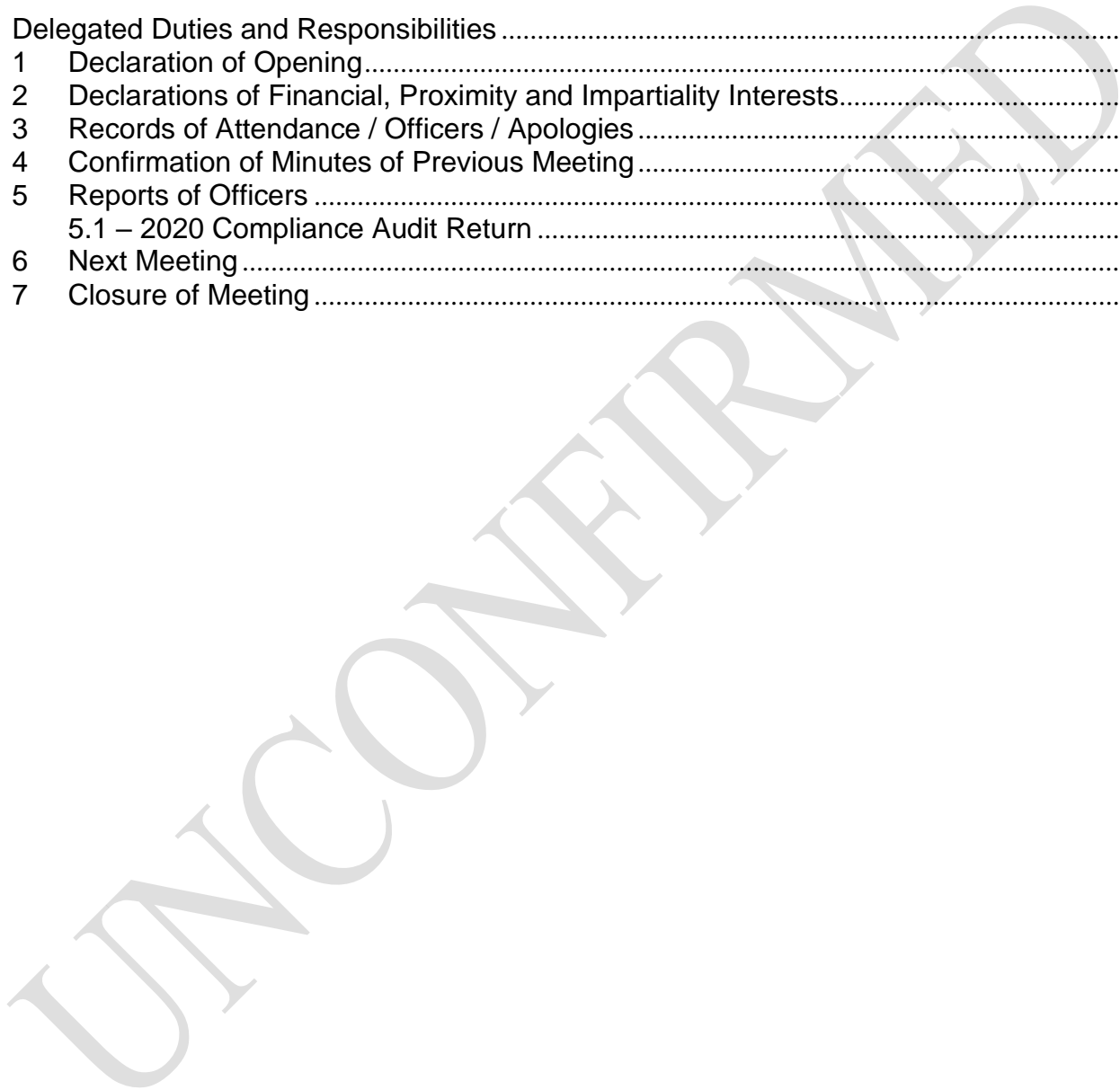
4 Confirmation of Minutes of Previous Meeting 4

5 Reports of Officers 4

5.1 – 2020 Compliance Audit Return 4

6 Next Meeting 6

7 Closure of Meeting 6



1 Declaration of Opening

The Chairperson welcomed all those in attendance and declared the meeting open at 4:02pm.

2 Declarations of Financial, Proximity and Impartiality Interests

Nil

3 Records of Attendance / Officers / Apologies

Present:

Cr L Bonza Shire President
 Cr P Hogan
 Cr V Wyatt
 Cr S Warner

P Fitchat Chief Executive Officer

Apologies:

Cr R Patupis Deputy Shire President

4 Confirmation of Minutes of Previous Meeting

Recommendation

That the minutes of the Audit Committee meeting held on 23rd February 2021 be confirmed as a true and accurate record.

Moved: Cr. Hogan
 Seconded: Cr. Wyatt

Resolution

That the minutes of the Audit Committee meeting held on 23rd February 2021 be confirmed as a true and accurate record.

Carried by: Simple Majority For: 4 Against: 0

5 Reports of Officers

| Agenda Reference & Subject | |
|---|---|
| 5.1 – 2020 Compliance Audit Return | |
| Location / Address | 88-92 Prinsep Street, Norseman |
| File Reference | FM.AD.20/21 |
| Author | Chief Executive Officer – Peter Fitchat |
| Date of Report | 22 nd March 2021 |
| Disclosure of Interest | Nil |

Summary

For the Audit and Risk Committee to consider the outcomes of the 2020 Compliance Audit Return as shown in the paper relating.

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, Manager Local Government Advisory, from Moore Australia attended the Shire offices on 22 February 2021, 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 regarding 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 2020 CAR, there were instances of non-compliance noted, particularly relating to matters which relate to recent changes to legislation, and to procurement under \$250,000 where insufficient evidence was available to support compliance with Council's purchasing policy. 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.

A summary of matters noted during the completion of the 2020 CAR is attached in the papers relating for information. The attached summary also notes general improvement opportunities to systems and processes which were identified through the completion of the CAR. These improvements may assist the Shire in its risk management activities and endeavours towards 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

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.

Voting Requirements

Simple Majority

Officer Recommendation

That the Audit and Risk Committee resolve to:

- 1. Recommend the adoption of the 2020 Compliance Audit Return as attached in the papers relating; 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.**

Moved: Cr. Hogan

Seconded: Cr. Wyatt

Resolution

That the Audit and Risk Committee resolve to:

- 1. Recommend the adoption of the 2020 Compliance Audit Return as attached in the papers relating; 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 by: Simple Majority

For: 4

Against: 0

6 Next Meeting

The next meeting of the Audit Committee will be called as required.

7 Closure of Meeting

There being no further matters for discussion the Chairperson closed the meeting at 4:20pm.