



Minutes Certification

I certify that the Minutes of the 20th March 2018 Audit Committee Meeting were presented to the Council and confirmed at the 16th October 2018 Audit Committee Meeting.

A handwritten signature in blue ink, appearing to be "L Bonza", is written above a horizontal line.

Cr L Bonza
President



Audit Committee

MINUTES

Held on the 20th March 2018 at 5:45 pm in the Shire of Dundas
Council Chambers

sb.

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 21st October 2014:-

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. Develop and recommend to the Council a written format for the proposal to tender for the Shires audit. The proposal is to include –
 - the objectives of the audit;
 - the scope of the audit;
 - a plan of the audit;
 - details of the remuneration and expenses to be paid; and
 - the method of communication to be used between the auditor and the Shire.
- 4 Recommend to the Council the person or persons to be appointed as auditor.
- 5 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.
- 6 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.
- 7 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.
- 8 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”.
- 9 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.
- 10 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 February 2018.



**Minutes of the Audit Committee Meeting held on
the 20th March 2018 in the Council Chamber, Shire
of Dundas Administration Office, meeting
commenced at 5:45pm.**

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1 Declaration of Opening

The Chairperson welcomed all those in attendance and declared the meeting open at 5:45pm.

2 Declarations of Financial, Proximity and Impartiality Interests

Nil

3 Records of Attendance / Officers / Apologies***Present:***

| | |
|--------------|------------------------|
| Cr L Bonza | Shire President |
| Cr R Patupis | Deputy Shire President |
| Cr P Hogan | |
| Cr B Bayley | |
| Cr V Wyatt | |
| Cr S Warner | |

| | |
|-------------|--------------------------------|
| D Stead | Chief Executive Officer |
| G Kohobange | Deputy Chief Executive Officer |
| S Ellison | Senior Administration Officer |
| P Crawford | Manager of Works & Services |

Public Gallery

Lynn Webb

4 Confirmation of Minutes of Previous Meeting**Recommendation**

That the minutes of the Audit Committee meeting held on the 19th September 2017 be confirmed as a true and accurate record.

Moved Cr Patupis
Seconded Cr Hogan

Resolution

That the minutes of the Audit Committee meeting held on the 19th September 2017 be confirmed as a true and accurate record.

Carried by: Simple Majority For: 6 Against: 0

5 Reports of Officers

| Agenda Reference & Subject | |
|---|-------------------------------|
| 5.1 – 2017 Compliance Audit Return | |
| Location / Address | Shire of Dundas |
| File Reference | FM.AD |
| Author | Senior Administration Officer |
| Date of Report | 7 th March 2018 |
| Disclosure of Interest | Nil |

Summary

For the Council to consider the outcomes of the 2017 Compliance Audit Return as shown in the papers 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 of Local Government. The CAR is then to be reviewed by the Audit Committee and a report presented to Council prior to the adoption of the CAR.

The 2017 CAR was completed in house by the Senior Administration Officer with the assistance of the Deputy CEO through the inspection of various documents and records including: minutes, tender register, financial interest & returns register, complaints register, delegations register etc.

The CAR is one of the tools that allow Council to monitor how the organisation is functioning in regards to compliance and with the Local Government Act 1995 and its subsidiary ledgers. This year's return again places emphasis on the need to bring to attention of Council any cases of non-compliance or where full compliance was not achieved. Comments are included in the return to provide further clarification where necessary.

Statutory Environment

Section 7.13 (1) (i) of the Local Government Act and Audit Regulations 13 to 15.

In brief the process is: -

- a) a compliance audit must be carried out for the period 1 January to 31 December in each year;
- b) a compliance audit return, in a form approved by the Minister, is to be completed;
- c) the return is to be presented to the Council at a Council meeting;
- d) the return is to be adopted by the Council;
- e) the return is to be recorded in the minutes of the meeting at which it was adopted;
- f) a certified copy of the return, together with a copy of the Council minute adopting the return and any additional information explaining or qualifying the return, is to be sent to the Director General of the Department for Local Government and Regional Development by 31 March. Note – "certified" means signed by the President and the CEO.

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Nil

Consultation

Chief Executive Officer
Deputy Chief Executive Officer

Comment

There was one matter of non-compliance noted within the CAR. An explanation is noted below for the committee's consideration.

| Section/Reference | Question | Response | Officer Comment |
|--|---|---|--|
| Finance Local Government Act 1995 section 7.1A | Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act | No. Motion was carried unanimously at Ordinary Council meeting held 19/12/2017 but was not officially recorded as being carried by an absolute majority | This appears to be an administration error. Although an absolute majority of Council did vote in favour of the motion it was not recorded as carried by absolute majority within the minutes |

Through a total of 94 questions the 2017 CAR concentrates on the statutory obligations of the local government in the areas of:

- Commercial Enterprises by Local Governments 5
- Delegation of Power/Duty 13
- Disclosure of Interest 16
- Disposal of Property 2
- Elections 1
- Finance 14
- Integrated Planning and Reporting 7
- Local Government Employees 5
- Official Conduct 6
- Tenders for providing goods and services 25

Based on the outcome of the return, the Shire of Dundas achieved 99% compliance, an improvement on the 2016 CAR with 93%.

Voting Requirements

Simple majority

Recommendation

That the Audit Committee resolve to:

- 1) Recommend the adoption of the 2017 Compliance Audit Return as attached to the Council and;
- 2) Recommend the Shire President and Chief Executive Officer be authorised to sign the 2017 Compliance Audit Return for submission to the Department of Local Government.

Moved Cr Bayley
Seconded Cr Hogan

Resolution

That the Audit Committee resolve to:

- 1) Recommend the adoption of the 2017 Compliance Audit Return as attached to the Council and;
- 2) Recommend the Shire President and Chief Executive Officer be authorised to sign the 2017 Compliance Audit Return for submission to the Department of Local Government.

Carried by: Simple Majority

For: 6


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 5:47pm.


18.10.18