

This item has been evaluated against the Shire of Dundas's Internal Audit and Risk Management Policy. The perceived level of risk is high prior to treatment, receipt of the report by the committee (and subsequently Council) as well as the progression of risk management activities may reduce the risk to low.

Voting Requirements

Simple Majority

Moved: Cr. J. E. P. Hogan

Seconded: Cr. S. M. Warner

Officer Recommendation

The Audit Committee:

1. Receive the attached report by the CEO detailing the results of the Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls; and
2. Report to the Council the results of the CEO's report by providing a copy of the finalised Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls.

Carried: 6 / 0

For: Cr L.G. Bonza, Cr S. M. Warner, Cr J. E. P. Hogan, Cr J. F. Maloney, Cr S. A. Brown, Cr C. H. McLeod

Against: Nil

Agenda Reference & Subject	
6.3 Compliance Audit Return 2023	
Location / Address	88-92 Prinsep Street, Norseman
File Reference	LS.CM
Author	Chief Executive Officer – Peter Fitchat
Date of Report	28 th January 2024
Disclosure of Interest	Nil

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, Sport and Cultural Industries. 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 WA. Tanya Browning, Director Local Government Advisory, from Moore Australia attended the Shire offices from 18th-20th December 2023, during which time information to complete the CAR was gathered 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 regard to compliance with the *Local Government Act 1995* and provides the Audit 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 Committee to consider matters that may require further review within ongoing risk framework assessments and actions.

The Audit Committee are to review the CAR and report to the Council results of the review prior to consideration and adoption by Council.

A summary of matters noted during the completion of the 2023 CAR in relation to instances of non compliance is attached for information, which also note where actions have already been implemented to address some of these matters. 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 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 sub regulation (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 regarding 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 regarding 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 Strategic Community Plan demonstrate connections between services and the desired outcomes and community vision for the Shire, particularly in relation to strategy 5.1.2 Compliance with the Local Government Act 1995 and all relevant legislation and regulations and 5.1.4 Risk is managed through planning and timely reporting of Senior Officers to Council.

Risk Management

This item has been evaluated against the Shire of Dundas's Internal Audit and Risk Management Policy. The perceived level of risk is high prior to treatment, receipt of the report by the committee (and subsequently Council) as well as the progression of risk management activities may reduce the risk to low.

Voting Requirements

Simple Majority

Moved: Cr. J. E. P. Hogan

Seconded: Cr. S. M. Warner

Officer Recommendation

That the Audit Committee resolve to:

1. Accept the draft 2023 Compliance Audit Return responses as attached to this report to be finalised for presentation to Council;
2. Recommend the adoption of the finalised 2023 Compliance Audit Return responses; and
3. 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: 6 / 0

For: Cr L.G. Bonza, Cr S. M. Warner, Cr J. E. P. Hogan, Cr J. F. Maloney, Cr S. A. Brown, Cr C. H. McLeod

Against: Nil

6. Next Meeting

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

7. Closure of Meeting

There being no further business the Shire President will declare the meeting closed at:
6:36pm