



## **Audit Committee**

### **MINUTES OF MEETING**

Held on the 16<sup>th</sup> February 2016 at 5.30 pm in the Shire of Dundas  
Council Chambers

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 21<sup>st</sup> 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 21<sup>ST</sup> October 2014*

**Minutes of the Audit Committee Meeting held on  
the 16<sup>th</sup> February 2016 in the Council Chamber,  
Shire of Dundas Administration Office  
commencing 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 J Best	Shire President
Cr LW Webb	Deputy Shire President
Cr JEP Hogan	
Cr YH Vicensoni	
Cr L Bonza	

DC Stead	Chief Executive Officer
G Kohobange	Deputy Chief Executive Officer

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

That the minutes of the Audit Committee meeting held on 17<sup>th</sup> February 2015 be confirmed as a true and accurate record

Moved Cr: JEP Hogan  
Seconded Cr: YH Vicensoni

**Resolution**

Carried by: Simple Majority For:5 Against 0

**5 Reports of Officers**

<b>Agenda Reference &amp; Subject</b>	
<b>5.1 – 2015 Compliance Audit Return</b>	
Location / Address	Shire of Dundas
File Reference	FM.AD
Author	CEO – Doug Stead
Date of Report	11 <sup>th</sup> February 2016
Disclosure of Interest	Nil

**Summary**

For the Audit Committee of the Shire of Dundas to consider the outcomes of the 2015 Compliance Audit return as shown in the papers relating and to make a recommendation on their findings to the Council of the Shire of Dundas.

### Background

Chief Executive Officer, Doug Stead has carried out the 2015 Compliance Audit Return (CAR). The 2015 Compliance Audit return is included as an attachment within this agenda.

### 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

Doug Stead - CEO

### Comment

The CAR is one of the tools that allows the Council to monitor how the organisation is functioning in regards to compliance with the Local Government Act 1995. This year's return again places emphasis on the need to bring to the attention of Council any cases on non-compliance or where full compliance was not achieved.

Through a total of 87 questions the 2015 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 |

• Local Government Employees	5
• Official Conduct	6
• Tenders for providing goods and services	<u>25</u>
	87

Based on the outcome of the return, the Shire of Dundas achieved 100% compliance.

#### Voting Requirements

Simple majority

#### Recommendation

**That the Audit Committee approve the Compliance Audit Return and refer the matter to the Ordinary Meeting of Council for adoption.**

Moved Cr JEP Hogan  
Seconded Cr: LW Webb

#### Resolution

**That the Audit Committee approve the Compliance Audit Return and refer the matter to the Ordinary Meeting of Council for adoption**

Carried by: Simple Majority For: 5 Against 0

<b>Agenda Reference &amp; Subject</b>	
<b>5.5 – Acceptance of the 2014/ 2015 Annual Report</b>	
Location / Address	Shire of Dundas
File Reference	FM.AD
Author	CEO – Doug Stead
Date of Report	11 <sup>th</sup> February 2016
Disclosure of Interest	Nil

#### Summary

For the Audit Committee of the Shire of Dundas to review the 2014/2015 Audit Report together with the CEO's comments on the Audit Report and recommending to Council the actions identified as part of this review.

#### Background

On the inside cover sheet to this agenda is the list of duties and responsibilities that Council has delegated to the Audit Committee. In particular items 7 and 8 are relevant to this meeting.

#### Statutory Environment

Item 7 of the Delegated Duties and Responsibilities as well as Section 7.12A(2) of the Local Government Act 1995.

#### Policy Implications

Nil

#### Financial Implications

Nil

### Strategic Implications

Nil

### Consultation

Marius van der Merwe – Auditor, Butler Settineri, Chartered Accountants.

Marius is available for a telephone link with this meeting (if required) so that Councillors may discuss any aspect of his audit report.

Meeting with Marius van der Merwe in this manner also satisfies the requirement of duty number 10 of the duties delegated to the Committee.

### Comment

The Shires auditor, Marius van der Merwe has presented his report on the 2014/2015 financial year. The audit report is shown in the attachment following this report.

In accordance with delegation number 7 the Audit Committee is to review the Auditor's Report and the CEO's Report and present the report to Council prior to the end of the next financial year.

The CEO's comments on the Audit Report are as follows:

The Independent Audit Report again identifies that the Shire's financial affairs are in good order and do not indicate any significant adverse trends in the Shire's financial position. The Management Report did not reflect any items of non-conformity.

### .Voting Requirements

Simple majority

### Recommendation

**That the Audit Committee recommend to the Council of the Shire of Dundas that the Auditor's Report for 2014/2015 be accepted.**

Moved Cr :LW Webb

Seconded Cr YH Vicensoni:

### Resolution

**That the Audit Committee recommend to the Council of the Shire of Dundas that the Auditor's Report for 2014/2015 be accepted.**

Carried by: Simple Majority

For: 5

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 5.53 pm

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