

SHIRE OF KOJONUP



Audit Committee Minutes

16th March 2015

SHIRE OF KOJONUP
MINUTES FOR THE AUDIT COMMITTEE MEETING
HELD ON 16th MARCH 2015

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MINUTES

1 **DECLARATION OF OPENING AND ANNOUNCEMENT OF GUESTS**

The Presiding Member declared the meeting opened at 9:02am and alerted the meeting of the procedures for emergencies including evacuation, designated exits and muster points.

2 **ATTENDANCE, APOLOGIES & LEAVE OF ABSENCE**

Members

Mr D Prasser-Jones	Presiding Member
Cr Jane Trethowan	
Cr Ian Pedler	
Cr Ned Radford	

Staff:

Mr Anthony Middleton	Manager of Corporate Services
Mrs Heather Marland	Senior Finance Officer
Ms Heather Sheppard	Senior Project Officer

Observers:

Cr Jill Mathwin

APOLOGIES

Cr John Benn

3 **PUBLIC QUESTION TIME**

Nil

4 **SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE**

Nil

5 **APPLICATIONS FOR LEAVE OF ABSENCE**

Nil

6 CONFIRMATION OF MINUTES

AUDIT COMMITTEE MEETING held 3rd February 2015

COMMITTEE DECISION

A43/15 Moved Cr Radford, seconded Cr Pedler that the Minutes of the Audit Committee Meeting held on 3rd February 2015 be confirmed as a true record.

CARRIED 4/0

7 DECLARATIONS OF INTEREST

Nil

8 AUDIT COMMITTEE TIMETABLE

As a guide and subject to availability, each Audit Committee agenda for each quarter will contain the following (**list to be expanded at the suggestion of members**):

1st Quarter (January – March)

- Committee Status Report
- Compliance Audit Return
- Review of Risk Registers

2nd Quarter (April – June)

- Committee Status Report
- Review of Risk Registers
- Fees & Charges Review
- Business Continuity Plan Review

3rd Quarter (July – September)

- Committee Status Report
- Interim Audit Report
- Financial Management Review (each 4 years – 2014, 2018...)
- Review of Risk Registers

4th Quarter (October – December)

- Committee Status Report
- Audit Report & Management Letter
- Annual Financial Report
- Annual Report
- Risk, Legal Compliance & Internal Controls review (each 2 years – 2014, 2016...)
- Review of Risk Registers

OFFICER COMMENT

The above list will remain at the commencement of each Committee Agenda to act as a timetable and enable members to add to the items to be considered.

The above list was noted and the item “Business Continuity Plan Review” was added to the 2nd Quarter list.

Item 9.2 of the agenda was considered next (after Item 8), however, has been recorded in the order of the agenda.

9 REPORTS

9.1 COMMITTEE STATUS REPORT

Date	Item Number & Title	Issue	Response	Status
16 September 2014	9.3 Fuel Cards	That fuel cards be considered whilst compiling the credit card policy.	Credit Card Policy has been adopted by the Council. Further investigation required into Fuel cards.	Ongoing
16 September 2014	9.3 Interim Audit Report	In order to establish industry best practice our Auditors recommend that a hard copy journal of general ledger entries be signed by the originating responsible person and another as evidence of review.	Agreed – Process has been implemented where Manager of Corporate Services signs off all journals	Completed
16 September 2014	9.3 Interim Audit Report	Our Auditors recommend that a policy in relation to the use of Council Corporate Credit Cards be implemented	Credit Card Policy has been adopted by the Council.	Completed
16 September 2014	9.3 Interim Audit Report	Our Auditors recommend that the general ledger adjustments be made (dated) at month end by general journal. The journal adjustments should be made as part of the reconciliation process, but before the reconciliation is finalized.	Agreed – processes to be changed and possibly additional staff training	Completed
16 September 2014	11. Committee Membership	To investigate inclusion of an additional community member onto the audit committee (6 th Member).	To be considered by the Committee and/or Council	Ongoing
3 February 2015	9.3. 2013/2014 Annual Financial Report	The Manager of Corporate Services will provide further detail on sick, annual and long service leave liabilities and the provision made for these liabilities.	To be completed at the next (May) audit committee meeting.	
3 February 2015	9.5. Risk Registers	The Committee enquired if the registers could include a column titled “Incidents” to give a practical focus to the risk registers.		

Item 9.1 was not considered by the Committee at this meeting.

9.2 ANNUAL FINANCIAL REPORT – 2013/2014

AUTHOR: Anthony Middleton – Manager Corporate Services
DATE: Tuesday, 10 March 2015
FILE NO: FM.AUD.2 & FM.FNR.1
ATTACHMENT: 9.2.1 Financial Report for the year ending 30th June 2014
9.2.2 Management Letter

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to:

- Consider the 2013/2014 Annual Financial Report (including Audit report) and make recommendation to the Council; and
- To consider the matters raised in the Auditors Management Letter.

BACKGROUND

Each local government is to prepare an annual report for each financial year. The report is a record of the Shire's activities for the financial year and is part of the accountability principles established for local government.

COMMENT

The annual financial report and auditors management letter is attached for the consideration of the Committee.

The points raised in the management letter will be added to item 9.1 in future Committee agenda's to ensure members can track progress on the actions taken.

CONSULTATION

Auditors.

STATUTORY REQUIREMENTS

Section 5.26 to 5.33; 5.53 & 5.54 - Local Government Act 1995
Regulation 51(2) of the Local Government (Financial Management) Regulations 1996

POLICY IMPLICATIONS

There are no policy implications for this report.

FINANCIAL IMPLICATIONS

This item reports on the financial position of the Shire as at 30 June 2014. The recommendation does not in itself have a financial implication.

STRATEGIC/CORPORATE IMPLICATIONS

Community Strategic Plan 2013-2023 Focus Area 1 - Being Well Governed

Corporate Business Plan 2013-2017

Strategy 1.1.2 Maintain a structured forward planning process in accordance with legislation and community aspirations

Strategy 1.1.4 Maintain robust systems and controls

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications for this report.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications for this report.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION

That:

1. It be recommended to the Council that the 2013/2014 Annual Financial Report, as attached be adopted; and
2. The matters raised in the Management Letter be noted and included in the Committee Status Report (item 9.1) of future audit committee agenda's.

This item was considered after item 8 but has been recorded in the order of the agenda.

COMMITTEE DECISION

A44/15 Moved Trethowan, seconded Cr Pedler that:

1. **It be recommended to the Council that the 2013/2014 Annual Financial Report, as attached, be adopted, subject to the transposition errors for Interest and Insurance Expenses for both the prior year and budget figures on page 8 being corrected; and**
2. **The matters raised in the Management Letter be noted and included in the Committee Status Report (item 9.1) of future audit committee agenda's.**

CARRIED 4/0

It was resolved that the Manager of Corporate Services is to try and arrange a meeting with the Auditor to occur at the next Audit Committee Meeting.

Item 9.5 of the agenda was considered next (after Item 9.2), however, has been recorded in the order of the agenda.

9.3 FINANCIAL MANAGEMENT REVIEW

AUTHOR: Anthony Middleton – Manager Corporate Services
DATE: Tuesday, 10 March 2015
FILE NO: FM.FNR.2
ATTACHMENT: 9.3 Financial Management Review – November/December 2014

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to consider the contents of review undertaken by UHY Haines Norton Chartered Accountants on the financial management systems and processes of the Shire of Kojonup, dated November/December 2014.

BACKGROUND

The Chief Executive Officer is to review the financial systems and procedures at least every four financial years. This review was considerably overdue and therefore UHY Haines Norton were engaged to undertake a thorough review.

COMMENT

A copy of the report is attached.

It is proposed to address each issue at future audit committee meetings as time permits, in addition to adding each point raised to the Committee Status Report (agenda item 9.1) to ensure a systematic and updated progress report on each item is presented to the Committee.

CONSULTATION

Audit Committee and Corporate Services staff.

STATUTORY REQUIREMENTS

Local Government (Financial Management) Regulation 5(2)(c) requires the Chief Executive Officer to:

‘undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 4 financial years) and report to the local government the results of those reviews.’

POLICY IMPLICATIONS

There are no policy implications for this report.

FINANCIAL IMPLICATIONS

This item reports on the financial systems and procedures in place within the organisation, to ensure good governance and accountability. The recommendation does not in itself have a financial implication.

STRATEGIC/CORPORATE IMPLICATIONS

Community Strategic Plan 2013-2023 Focus Area 1 - Being Well Governed

Corporate Business Plan 2013-2017

Strategy 1.1.2 Maintain a structured forward planning process in accordance with legislation and community aspirations

Strategy 1.1.4 Maintain robust systems and controls

RISK MANAGEMENT IMPLICATIONS

This item is a major control mechanism in managing the financial and procedural risks inherent in the daily running of any local government, by ensuring sound procedures and systems are in place.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications for this report.

VOTING REQUIREMENTS

Simple Majority

11:05am Mrs Heather Marland left the meeting.

This item was considered after item 9.4 but has been recorded in the order of the agenda.

COMMITTEE DECISION / OFFICER RECOMMENDATION

A47/15 Moved Cr Trethowan, seconded Cr Pedler that the report from UHY Haines Norton Chartered Accountants on the financial management systems and processes of the Shire of Kojonup, dated November/December 2014:

- 1. Be received;**
- 2. Be recommended to the Council for adoption; and**
- 3. The matters raised within the report be added to the Committee Status Report.**

CARRIED 4/0

Item 9.6 of the agenda was considered next (after Item 9.3), however, has been recorded in the order of the agenda.

9.4 BUSINESS CONTINUITY PLAN

AUTHOR: Heather Sheppard – Senior Project Officer
DATE: Wednesday, 18 February 2015
FILE NO: CM.PLN.1
ATTACHMENTS: [9.4.1 Business Continuity Management Policy](#)
[9.4.2 Business Continuity and Disaster Recovery Plan December 2014](#)

DECLARATION OF INTEREST

Nil

SUMMARY

S17 of the *Local Government (Audit) Regulations 1996* requires:

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –*
 - a. *Risk management; and*
 - b. *Internal control; and*
 - c. *Legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

BACKGROUND

Recent changes to the *Local Government Audit Regulations (1996)* require local government CEO's to carry out at least a biennial review of legislative compliance, internal control and risk management and present the results of the review to Council's audit committee. The audit committee is to consider the CEO's review and report the results of the review to Council.

While the actual review process to be undertaken by the CEO is not stipulated, some of the matters that would typically be reviewed when considering risk management, internal control and legislative compliance include:

- Reviewing whether the local government has an effective risk management system and that material operating risks to the local government are appropriately considered;
- Reviewing whether the local government has a current and effective business continuity plan (including disaster recovery) which is tested from time to time;
- Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk;
- Ascertaining whether fraud risks have been identified, analysed, evaluated, and that there is an appropriate treatment plan which has been implemented and monitored;
- Ensuring the internal controls and financial management systems are in place to mitigate any financial and reputational risk in line with the WA Local Government Accounting Manual; and
- Ensure compliance with the *Local Government Act 1995* and *Regulations*.

The Business Continuity Plan and Policy was presented to the Audit Committee in January 2015 with the following recommendations:

The Committee went through the plan and made the following comments:

- *Change “flood” reference to “flood/storm”.*
- *In the case of theft, add advice to secure area and not touch anything until police arrive.*
- *Springhaven Lodge residents’ who are not high care could be returned to families.*
- *Do adjoining care facilities have the capacity to house Springhaven Lodge residents?*
- *Check contents insurance amount (adequacy) for Springhaven Lodge.*
- *Back-up “tapes”??*
- *Some typographical errors need correcting.*
- *Risk Area – Personnel – Sudden Loss.....Add VROC assistance to Actions.*
- *Add this plan to every mobile device (Docs on Tap).*
- *Page 17 Person Responsible. “I believe” – who and contact details need entering.*

AUDIT COMMITTEE DECISION

A42/15 Moved Cr Trethowan, seconded Cr Benn that the Manager of Corporate Services is to update the plan and bring back to the Committee based on above feedback.

CARRIED 4/0

COMMENT

- The Risk Management Plan and Policy was adopted by Council on 16th September 2014 with a Risk Management Co-ordinator appointed to manage the ongoing Risk Management requirements. The Risk Registers will be monitored regularly and a report provided to Senior Management team every quarter.
- The Business Continuity Plan including Disaster Recovery has been presented to the Audit Committee and now updated in accordance with their recommendations and again presented to the Audit Committee.
- A complete review by external consultants, UHY Haines Norton, of the financial management systems and procedures will be commenced during the first week of November 2014. This report will be provided to the Audit Committee when it is finalised.
- The Compliance Audit Return is completed each year and is reviewed by the Audit committee and a report presented to council. The Return is then submitted to the Director General of the Department of Local Government and Communities by 31st March each year. This return covers a range of audit questions to be answered each year to ensure compliance by local governments.

CONSULTATION

Manager Corporate Services

STATUTORY REQUIREMENTS

Local Government Audit Regulations (1996)

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC/CORPORATE IMPLICATIONSCorporate Business Plan 2013-2017

1.1: Being Well Governed

1.1.4.1: Implement organisation wide risk management.

RISK MANAGEMENT IMPLICATIONSCompliance with S17 of the *Local Government Audit Regulations (1996)***ASSET MANAGEMENT IMPLICATIONS**

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION

That the Audit Committee receive the Business Continuity Management Policy and the Business Continuity and Disaster Recovery Plan December 2015 and endorse accordingly prior to being adopted by Council.

This item was considered after item 9.5 but has been recorded in the order of the agenda.

COMMITTEE DECISION

A46/15 Moved Cr Trethowan, seconded Cr Pedler that the Audit Committee receive the Business Continuity Management Policy and the Business Continuity and Disaster Recovery Plan December 2014 including the following changes:

- Typo changes made page 9, 12, 13 & 17,
- Contents Insurance Springhaven Lodge,
- Include on Docs-on-Tap,
- Springhaven Lodge register of relatives to be updated and available 6 monthly,

before endorsing accordingly prior to being adopted by Council.

CARRIED 4/0

10:51am Ms Heather Sheppard left the meeting.

Item 9.3 of the agenda was considered next (after Item 9.4), however, has been recorded in the order of the agenda.

9.5 COMPLIANCE AUDIT RETURN 2014

AUTHOR: Anthony Middleton – Manager Corporate Services
DATE: Sunday, 8 March 2015
FILE NO: CM.REP.1
ATTACHMENT: 9.5 Compliance Audit Return

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to recommend to the Council the adoption of the Compliance Audit Return for 2014.

BACKGROUND

Local Government (Audit) Regulation 14 requires a local government to carry out a compliance audit for each calendar year.

COMMENT

The completion of the Compliance Audit Return is mandatory for each local government. The return has been completed following a review of processes and documentation for each activity / area in which compliance is being assessed against the Local Government Act 1995 and its associated regulations. The return is to be adopted by the Council and submitted to the Department of Local Government and Communities by 31 March each year.

A recent change to Regulation 14 requires that the local government's Audit Committee now review the return and report the results of that review to the Council prior to adoption and submission to the Department.

CONSULTATION

Nil.

STATUTORY REQUIREMENTS

The Local Government Audit Regulations 1996, Regulation 14 states:

- “(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.”

POLICY IMPLICATIONS

There are no policy implications for this report.

FINANCIAL IMPLICATIONS

There are no financial implications for this report.

STRATEGIC/CORPORATE IMPLICATIONS

Community Strategic Plan 2013-2023 Focus Area 1 - Being Well Governed

Corporate Business Plan 2013-2017

Strategy 1.1.4 Maintain robust systems and controls

RISK MANAGEMENT IMPLICATIONS

Maximising compliance with legislation minimizes the risks to the organization of non-compliance and any associated penalties, damage to image or reputation that may occur.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications for this report.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION

That it be recommended to the Council that the Compliance Audit Return for 2014, as attached, be adopted.

This item was considered after item 9.2 but has been recorded in the order of the agenda.

COMMITTEE DECISION

A45/15 Moved Cr Pedler, seconded Cr Trethowan that it be recommended to the Council that the Compliance Audit Return for 2014, as attached, be adopted, subject to:

- **Question 6 (Finance) being changed to yes and additional comment being provided; and**
- **Additional comment being provided in question 7 (Finance).**

CARRIED 4/0

Item 9.4 of the agenda was considered next (after Item 9.5), however, has been recorded in the order of the agenda.

Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia
Department of Local Government and Communities

Kojonup - Compliance Audit Return 2014

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2014.	N/A		Anthony Middleton
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2014.	N/A		Anthony Middleton
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2014.	N/A		Anthony Middleton
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2014.	N/A		Anthony Middleton
5	s3.59(5)	Did the Council, during 2014, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Anthony Middleton

Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia
Department of Local Government and Communities

Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	N/A		Anthony Middleton
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	N/A		Anthony Middleton
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	N/A		Anthony Middleton
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	N/A		Anthony Middleton
5	s5.18	Has Council reviewed delegations to its committees in the 2013/2014 financial year.	N/A		Anthony Middleton
6	s5.42(1), 5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Anthony Middleton
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Anthony Middleton
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Anthony Middleton
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	No	The delegation register for delegations from the CEO to other staff was created for the first time in December 2014. However, the majority of this type of delegation are included in the Council to CEO delegation register.	Anthony Middleton
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		Anthony Middleton
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	No	Council delegations to the CEO - Yes. For delegations from the CEO to other staff - refer to answer of question 9 in this section.	Anthony Middleton
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2013/2014 financial year.	No	Council delegations to the CEO - Yes. For delegations from the CEO to other staff - refer to answer of question 9 in this section.	Anthony Middleton
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		Anthony Middleton
Disclosure of Interest					

Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia
Department of Local Government and Communities

No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	No	Item 14.2 - April 2014 Council Meeting Item 10.2 - October 2014 Council Meeting	Anthony Middleton
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	N/A		Anthony Middleton
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Anthony Middleton
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	N/A		Anthony Middleton
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes		Anthony Middleton
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2014.	Yes		Anthony Middleton
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2014.	Yes		Anthony Middleton
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Anthony Middleton
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Anthony Middleton
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Anthony Middleton
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Anthony Middleton
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Anthony Middleton

Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia
Department of Local Government and Communities

No	Reference	Question	Response	Comments	Respondent
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Anthony Middleton
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes		Anthony Middleton
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	Yes		Anthony Middleton
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Anthony Middleton

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	Yes		Anthony Middleton
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	Yes		Anthony Middleton

Elections

No	Reference	Question	Response	Comments	Respondent
1	Elect Reg 30G (1)	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates.	N/A		Anthony Middleton

Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		Anthony Middleton

Department of Local Government and Communities - Compliance Audit Return



Government of Western Australia
Department of Local Government and Communities

No	Reference	Question	Response	Comments	Respondent
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	N/A		Anthony Middleton
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	N/A	No auditor appointments occurred in 2014.	Anthony Middleton
4	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	N/A	No auditor appointments occurred in 2014.	Anthony Middleton
5	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	N/A	No auditor appointments occurred in 2014.	Anthony Middleton
6	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2014 received by the local government within 30 days of completion of the audit.	No	Audit conducted on-site 28-30 January 2015 and audit report received 6 March 2015.	Anthony Middleton
7	s7.9(1)	Was the Auditor's report for 2013/2014 received by the local government by 31 December 2014.	No	The audit was conducted on 28 - 30 January 2015.	Anthony Middleton
8	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	N/A	No action required	Anthony Middleton
9	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	N/A	No action required	Anthony Middleton
10	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A	No action required	Anthony Middleton
11	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Anthony Middleton
12	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Anthony Middleton
13	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Anthony Middleton
14	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		Anthony Middleton

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No	Reference	Question	Response	Comments	Respondent
15	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor,	Yes		Anthony Middleton
Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	N/A		Anthony Middleton
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	No	The Manager of Aged Care Services position was undertaken by a recruitment agency and no advertisement was placed.	Anthony Middleton
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	N/A		Anthony Middleton
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	N/A		Anthony Middleton
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	Yes	The Council was notified of the Manager of Aged Care Services appointment, however, no formal decision of acceptance or rejection was recorded in the minutes.	Anthony Middleton

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Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	N/A		Anthony Middleton
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes		Anthony Middleton
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		Anthony Middleton
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		Anthony Middleton
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	Yes		Anthony Middleton
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) (c).	Yes		Anthony Middleton
Tenders for Providing Goods and Services					
No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	No	Road building materials Purchase of passenger vehicles	Anthony Middleton
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	N/A		Anthony Middleton
3	F&G Reg 14(1)	Did the local government invite tenders via Statewide public notice.	Yes		Anthony Middleton
4	F&G Reg 14, 15 & 16	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		Anthony Middleton

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No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	N/A		Anthony Middleton
6	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	N/A		Anthony Middleton
7	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		Anthony Middleton
8	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		Anthony Middleton
9	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Anthony Middleton
10	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A		Anthony Middleton
11	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A		Anthony Middleton
12	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	N/A		Anthony Middleton
13	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A		Anthony Middleton
14	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	N/A		Anthony Middleton
15	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$100,000 or less.	Yes		Anthony Middleton

9.6 RISK REGISTERS**Attachment 9.6 – Springhaven, Office, Council & Depot Risk Registers**

The Risk Management Plan and associated risk registers was adopted by the Council on 16 September 2014. It is therefore appropriate that the Audit Committee will consider the major risks in each area, and progress made towards minimising them, each quarter. Areas of concern can then be reported to the Council, through the Committee.

The four risk registers are attached for the information and feedback of committee members.

The Committee resolved that one senior manager be invited to attend each audit committee to discuss the risk register in their area (1st item on the agenda).

11:26am Mrs Heather Marland re-joined the meeting.

10 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

11 NEW BUSINESS

(of an urgent nature, introduced by a decision of the meeting).

Nil

12 NEXT MEETING

The next ordinary meeting Tuesday, 5th May 2015 at 9:30am and invite Russell Harrison from Lincolns Accountants & Business Advisers.

13 CLOSURE

There being no further business to discuss, the Presiding Member, thanked the members for their attendance and declared the meeting closed at 11:28am.

14 ATTACHMENTS (SEPARATE)

Attachment 9.2.1	Financial Report for the year ending 30 th June 2014
Attachment 9.2.2	Management Letter
Attachment 9.3	Financial Management Review – November/December 2014
Attachment 9.4.1	Business Continuity Management Policy
Attachment 9.4.2	Business Continuity and Disaster Recovery Plan December 2014
Attachment 9.6	Springhaven, Office, Council & Depot Risk Registers

Presiding Member

Date