



AUDIT AND RISK MANAGEMENT COMMITTEE MEETING


MINUTES

SECTION 5.9(2)(a) LGA 1995

Committee Brief

1. *Provide guidance and assistance to the local government -*
 - a) *as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
 - b) *as to the development of a process to be used to select and appoint a person to be an auditor; and*
2. *May provide guidance and assistance to the local government as to -*
 - a) *matters to be audited; and*
 - b) *the scope of audits; and*
 - c) *its functions under Part 6 of the Act; and*
 - d) *the carrying out of its functions relating to other audits and other matters related to financial management; and*
3. *Is to review a report given to it by the CEO under Regulation 17(3) (the CEO's report) and is to -*
 - a) *report to the Council the results of that review; and*
 - b) *give a copy of the CEO's report to the Council.*

A meeting of the Audit and Risk Management Committee was held in the Committee Room, Lowood Road, Mount Barker WA 6324, at 4:30 pm Tuesday 26 March 2024.


Julian Murphy
CHIEF EXECUTIVE OFFICER

Committee Members

Cr L Handasyde, Cr A Fraser, Cr J Liebeck, Cr K Clements. Cr S Etherington (Deputy), Cr J Oldfield (Deputy), Cr W Sheard (Deputy) (Council 167/23)

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Membership

Cr L Handasyde

Cr A Fraser

Cr J Lieback

Cr K Clements

Cr S Etherington (Deputy)

Cr J Oldfield (Deputy)

Cr W Sheard (Deputy)

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

4:30 pm The Chief Executive Officer declared the meeting open.

2 ELECTION OF CHAIRPERSON

The Chief Executive Officer called for nominations for the position of Presiding Member.

Cr Len Handasyde nominated himself, in writing, for the position of Presiding Member.

There being no further nominations, the Chief Executive Officer declared Cr Handasyde elected unopposed to the position of Presiding Member.

Cr Handasyde assumed the chair.

3 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

Members Present

Cr L Handasyde (Presiding Member)

Cr A Fraser

Cr J Lieback

Cr K Clements

Observers

Cr S Etherington (Deputy)

Cr W Sheard (Deputy)

Cr J Oldfield (Deputy) (Arrived 4.31pm)

Staff

Mr Julian Murphy – Chief Executive Officer

Mr Anthony Middleton - Executive Officer Corporate and Community Services

Ms Jodi Masson – Manager Finance

Apologies

Nil

4 CONFIRMATION OF MINUTES

Moved Cr K Clements, seconded Cr A Fraser:

That the Minutes of the Ordinary meeting of the Audit and Risk Management Committee, held on 21 February 2023 as circulated, be taken as read and adopted as a correct record.

CARRIED

5 DISCLOSURE OF INTEREST

Part 5 Division 6 Local Government Act 1995

Nil

6 REPORTS OF COMMITTEE MEMBERS AND OFFICERS

6.1 COMPLIANCE AUDIT RETURN 2023

| | |
|-------------------------------|--|
| File Ref: | N63230 |
| Attachment: | <u>Compliance Audit Return 2023</u> |
| Responsible Officer: | Anthony Middleton Executive Manager – Corporate & Community |
| Author: | Anthony Middleton Executive Manager – Corporate & Community |
| Proposed Meeting Date: | 26 March 2024 |

PURPOSE

The purpose of this report is to consider the Compliance Audit Return for the calendar year 1 January to 31 December 2023.

BACKGROUND

A compliance audit is required to be completed by 31 March in each calendar year.

EXTERNAL CONSULTATION

Nil

STATUTORY ENVIRONMENT

The compliance audit is required pursuant to Section 7.13 of the Local Government Act 1995. The Local Government (Audit) Regulations 1996 includes the following:

Regulation 14 - Compliance audits by local governments

- '(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 15 – Certified copy of compliance audit return and other documents to be given to Departmental CEO

- (1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with—
- (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
 - (b) any additional information explaining or qualifying the compliance audit,
- is to be submitted to the Departmental CEO by 31 March next following the period to which the return relates.

- (2) In this regulation —
certified in relation to a compliance audit return means signed by —
- (a) the mayor or president; and
 - (b) the CEO.

POLICY IMPLICATIONS

Policy implications do not apply for this report and it is the opinion of the author that policy development is not required.

FINANCIAL IMPLICATIONS

There are no financial implications for this report.

BUDGET IMPLICATIONS

There are no budget implications for this report.

LEGAL IMPLICATIONS

There are no legal implications for this report.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications as no assets are being created or acquired.

STRATEGIC IMPLICATIONS

The Shire of Plantagenet Corporate Business Plan 2022/23 – 2025/26 provides:

At *Outcome 4 Performance & Leadership* the following Strategies:

Strategy 4.1.3:

‘A Shire that is open and transparent with its community.’

Accordingly, the recommended outcome for this report aligns with the Corporate Business Plan.

STRATEGIC RISK IMPLICATIONS

A key element of the Strategic Risk Register relates to ‘Failure to Fulfil Compliance Requirements (Statutory, Regulatory)’. This section of the register contains a number of key controls, one of them being the Compliance Audit Return. Currently, the overall control rating is assessed as adequate.

REGIONAL IMPLICATIONS

There are no regional implications for this report.

OFFICER COMMENT

The total number of questions in each section and the compliance with those questions is detailed in the following table. The Compliance Audit revealed

| Section | Questions | Compliance |
|---|-----------|------------|
| Commercial Enterprises by Local Governments | 5 | 5 |
| Delegation of Power/Duty | 13 | 13 |
| Disclosure of Interest | 21 | 20 |
| Disposal of Property | 2 | 2 |
| Elections | 3 | 3 |
| Finance | 7 | 6 |
| Integrated Planning & Reporting | 3 | 2 |
| Local Government Employees | 5 | 5 |
| Official Conduct | 4 | 4 |
| Optional Questions | 9 | 8 |
| Tenders for Providing Goods & Services | 22 | 22 |
| Total | 94 | 90 |

The completed Compliance Audit Return is attached to this report. The following comments are made in respect to the non-compliance:

1. Disclosure of Interest section, question 13:

The Gift Register on the Shire's website contains the entries of previous staff and elected members. These need to be removed in accordance with s5.89A(6) of the Local Government Act 1995;

2. Finance section, question 3:

The auditor's report for the financial year ended 30 June 2023 has not yet been received. Section 7.9(1) of the Act states that *'an auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to...'*

3. Integrated Planning & Reporting section, question 2"

A review of the Corporate Business Plan was not undertaken in 2023. Local Government (Administration) Regulations 1996, regulation 19DA (4) states that *'a local government is to review the current corporate business plan for its district every year'*; and

4. Optional Questions section, question 8:

The financial accounts were not submitted to the auditor by 30 September 2023, however, an extension of time was requested and granted.

This Compliance Audit Return will be considered by the Audit & Risk Committee prior to the Council Meeting and any recommendation from that Committee will be tabled at the meeting.

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr K Clements, Seconded Cr J Lieback:

That it be a recommendation to Council that:

The Council adopts the Compliance Audit Return for the calendar year 1 January to 31 December 2023, as proposed.

CARRIED

7 GENERAL BUSINESS

Nil

8 NEXT MEETING

To be advised.

9 CLOSURE OF MEETING

4:36 pm The Presiding Member declared the meeting closed.

CONFIRMED: PRESIDING MEMBER _____ DATE: ____/____/____