



AUDIT 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 Committee was held in the Committee Room, Lowood Road, Mount Barker WA 6324, at 9.30am Tuesday 4 March 2014.

Rob Stewart
CHIEF EXECUTIVE OFFICER

Committee Members

Cr K Clements, Cr L Handasyde, Cr J Moir and Cr C Pavlovich (Council 244/13)

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS	1
2	RECORD OF ATTENDANCE / APOLOGIES	1
3	CONFIRMATION OF MINUTES	1
4	DECLARATION OF MEMBERS' INTERESTS	1
5	REPORTS OF COMMITTEE MEMBERS AND OFFICERS	2
5.1	COMPLIANCE AUDIT RETURN 2013	2
5.2	APPOINTMENT, FUNCTION AND RESPONSIBILITIES OF AUDIT COMMITTEES	4
6	GENERAL BUSINESS / MATTERS ARISING	6
7	NEXT MEETING	6
8	MEETING CLOSURE	6

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

9.58am The Presiding Member declared the meeting open.

2 RECORD OF ATTENDANCE / APOLOGIES

Members Present

Cr K Clements (Presiding Member)
Cr L Handasyde
Cr J Moir
Cr C Pavlovich

Visitor

Cr J Oldfield

Staff

Rob Stewart - Chief Executive Officer
John Fathers - Deputy Chief Executive Officer

3 CONFIRMATION OF MINUTES

Minutes, as circulated, of the meeting of the Audit Committee held on 11 February 2014.

Moved Cr L Handasyde, seconded Cr J Moir:

That the Minutes of the Meeting of the Audit Committee, held on 11 February 2014 as circulated, be taken as read and adopted as a correct record.

CARRIED

4 DECLARATION OF MEMBERS' INTERESTS

Nil

5 REPORTS OF COMMITTEE MEMBERS AND OFFICERS

5.1 COMPLIANCE AUDIT RETURN 2013

File No:	N29235
Attachment:	Compliance Audit Return
Responsible Officer:	John Fathers Deputy Chief Executive Officer
Author:	Donna McDonald Senior Administration/Human Resources Officer
Proposed Meeting Date:	4 March 2014

PURPOSE

The purpose of this report is to enable the Council to fulfil its statutory obligations with regard to the Compliance Audit.

BACKGROUND

A Compliance Audit is required to be completed once in each calendar year.

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 sub regulations in Regulation 14:

- ‘(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.’*

After the Compliance Audit return has been presented to the Council, a certified copy of the return together with:

- (a) A copy of the relevant section of the minutes referred to in the regulations; and*
- (b) Any additional information explaining or qualifying the Compliance Audit is to be submitted to the Department of Local Government and Communities by 31 March 2014.*

FINANCIAL IMPLICATIONS

There are no financial implications for this report.

POLICY IMPLICATIONS

There are no policy implications for this report.

STRATEGIC IMPLICATIONS

The Shire of Plantagenet Strategic Community Plan 2013 – 2023 provides at Outcome 4.1 (Effective governance and leadership) the following Strategy:

‘Strategy 4.1.3 – Ensure the Council’s decision making process is effective and transparent.’

OFFICER COMMENT

The completed Compliance Audit Return is attached to the report. The 2013 Compliance Audit revealed no areas of non-compliance.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr J Moir, seconded Cr L Handasyde:

That it be a recommendation to the Council:

That the Compliance Audit Return for the calendar year 1 January 2013 to 31 December 2013 be adopted and submitted to the Department of Local Government and Communities.

CARRIED

5.2 APPOINTMENT, FUNCTION AND RESPONSIBILITIES OF AUDIT COMMITTEES

File No: N29235
Responsible Officer: Rob Stewart
Chief Executive Officer
Author: John Fathers
Deputy Chief Executive Officer
Proposed Meeting Date: 4 March 2014

PURPOSE

The purpose of this report is to consider a new operational guideline (No. 9) relating to Audit in Local Government, published by the Department of Local Government and Communities.

BACKGROUND

At the Audit Committee meeting held on 26 February 2013, the Chief Executive Officer advised that a new regulation (Section 17) of the Local Government (Audit) Regulations had been promulgated which requires a review of the appropriateness and effectiveness of systems and procedures in relation to risk management, internal control and legislative compliance at least once every two calendar years and a report to the Audit Committee the results of that review.

It was advised that a formal risk management framework is potentially a major issue to implement, and is much greater than the occupational health and safety system we have implemented.

The Committee considered that some research and advice from the Department of Local Government is required to clarify what the expectations are. A new operational guideline has been prepared by the Department which somewhat clarifies the requirements.

STATUTORY ENVIRONMENT

Local Government (Audit) regulations 1996. Section 17 of the Regulations states:

- ‘(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.’*

FINANCIAL IMPLICATIONS

There are no financial implications for this report.

POLICY IMPLICATIONS

There are no policy implications for this report.

STRATEGIC IMPLICATIONS

The Shire of Plantagenet Strategic Community Plan 2013 – 2023 provides at Outcome 4.1 (Effective governance and leadership) the following Strategy:

‘Strategy 4.1.3 – Ensure the Council’s decision making process is effective and transparent.’

OFFICER COMMENT

A copy of the new guideline is attached for information. Appendix 3 to the guideline covers the issues that should be considered for inclusion in the Chief Executive Officer’s review of risk management, internal control and legislative compliance.

This report and review process is to occur at least once in every two years, with the first review of the three areas to be completed by 31 December 2014.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr L Handasyde, seconded Cr J Moir:

That the report of the Chief Executive Officer relating to the Department of Local Government and Communities’ operational guideline (No. 9) relating to Audit in Local Government, be noted.

CARRIED

6 GENERAL BUSINESS / MATTERS ARISING

- Long Term Financial Plan
- Risk Management
- Internal Control
- Legislative Compliance

7 NEXT MEETING

1 April 2014

8 MEETING CLOSURE

10.20am The Presiding Member declared the meeting closed.

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