



SHIRE OF LAVERTON

AUDIT AND RISK COMMITTEE MEETING

MINUTES

**OF THE MEETING HELD IN
THE SHIRE COUNCIL CHAMBERS AND
ELECTRONICALLY AT 9 MACPHERSON PLACE,
LAVERTON, ON THURSDAY 2 APRIL 2020,
COMMENCING AT 4:33 PM**

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**MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING
HELD IN THE SHIRE OF LAVERTON COUNCIL CHAMBERS AND
ELECTRONICALLY, 9 MACPHERSON PLACE, LAVERTON ON
THURSDAY 2 APRIL 2020 AT 4:33PM**

1. DECLARATION OF OPENING

The Presiding Member, Cr Patrick Hill, declared the Committee Meeting open at 4:33pm.

2. RECORD OF ATTENDANCE

2.1 PRESENT

Cr P Hill	Member
Cr S Weldon	Member
Cr R Ryles	Member (via teleconference)
Cr R Prentice	Member (via teleconference)
Cr G Buckmaster	Member

Mr P Naylor	Chief Executive Officer
Mr P Marshall	Deputy Chief Executive Officer
Mr G Stephens	Executive Manager Technical Services

2.2 APOLOGIES

Cr R Weldon	Member
Cr J Carmody	Member

2.3 LEAVE OF ABSENCE

Nil

2.4 VISITORS

Nil

3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1 MINUTES OF AUDIT AND RISK COMMITTEE MEETING HELD 26 SEPTEMBER 2019 (FILE REF: 207)

ATTACHMENT

ARC020420-3.1.A Minutes of Audit and Risk Committee Meeting 26 September 2019

PROCEDURAL DECISION

MOVED: Cr S Weldon SECONDED: Cr G Buckmaster

That the Minutes of the Audit and Risk Committee Meeting (Attachment ARC020420-3.1.A) held on 26 September 2019, be confirmed as a true and accurate record of proceedings.

SIMPLE MAJORITY	<input checked="" type="checkbox"/>	VOTES FOR	<input type="checkbox"/> 5	VOTES AGAINST	<input type="checkbox"/> 0
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4. REPORTS OF COMMITTEE AND OFFICERS

4.1 CHIEF EXECUTIVE OFFICER

4.1.1 COMPLIANCE AUDIT RETURN (CAR) 2019 (FILE REF: 0088)

SUBMISSION TO:	Audit and Risk Committee Meeting of Council, 2 April 2020
DISCLOSURE OF INTEREST:	The author has no financial interest in this matter
OWNER/APPLICANT:	Not applicable
AUTHOR:	Phil Marshall, Deputy Chief Executive Officer
SENIOR OFFICER:	Peter Naylor, Chief Executive Officer
PREVIOUS MEETING REFERENCE:	Not Applicable

MATTER FOR CONSIDERATION

The the Audit and Risk Committee receive and recommend to Council they adoption of the CAR 2019

ATTACHMENTS

ARC020420.4.1.1.A Compliance Audit Return 2019

APPLICANT'S SUBMISSION

Not applicable.

BACKGROUND

Each year, Council is required to complete an annual compliance audit return (CAR) for the calendar year immediately preceding (1 January to 31 December) as published by

the Department for Local Government and Communities. The CAR is then to be reviewed by the Audit Committee and a report presented to Council prior to the adoption of the CAR and Risk.

This year, the CAR was again reviewed and completed by Moore Stephens, as part of the four year Shared Statutory Compliance Services agreement established through the Northern Goldfields Collaborative Group (NGCG). Tanya Browning, Manager Local Government Advisory from Moore Stephens attended the Shire offices from 3-4 February 2020, during which time the CAR was completed 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

The CAR is one of the tools that allow Council to monitor how the organisation is functioning in regards to compliance with the Local Government Act 1995 and provides the Audit and Risk 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 and Risk Committee to consider matters that may require further review within ongoing risk framework assessments and actions.

The Audit & Risk Committee reviewed the CAR at its meeting held on the 2 April 2020, and resolved to recommend the adoption of the report to the Council and that the Shire President and Chief Executive Officer be authorised to sign the Compliance Audit Return for submission to the Department of Local Government. Minutes of that meeting are attached to this report as well as the 2019 CAR.

Through the completion of the 2019 CAR, there were three instances of non-compliance noted, the first relating to review of delegations, the second relating to the review of financial management systems and the third relating to compliance with the tender register.

During the review, it was noted delegations to committees and delegations made under Division 4 Part 5 of the *Local Government Act 1995* had not been reviewed during the 2018/19 financial year. The review of delegations has now been prepared and was considered by Council at its ordinary meeting held on the 27 February 2020.

Systems are also now in place to provide shared statutory compliance services through the NGCG, in an effort to reduce the risk of future instances of non-compliance relating to these matters.

STATUTORY ENVIRONMENT

Local Government Act 1995

- Section 2.7(2) – Provides that Council is to oversee the allocation of local government finances and resources and to determine the local government policies.
- Section 3.1 – Provides that the general function of the local government is to provide for the good government of persons in its district.

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 with regard to 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 with regard to audits.

Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* requires the CEO to review the appropriateness and effectiveness of the local government's financial management systems and procedures every three years. This review has not been undertaken within the last three years and will be scheduled to be performed later this year through contracted consultants.

The *Local Government (Functions and General) Regulations 1996* set out the requirements for the information to be recorded within the tender register. During the review, it was noted the tender register did not contain the required information and was incomplete. The tender register is currently being updated to comply with the regulations.

Systems are also now in place to provide shared statutory compliance services through the NGCG, in an effort to reduce the risk of future instances of non-compliance relating to these matters.

POLICY IMPLICATIONS

Council has no policies in respect to this matter.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from the recommendation of this report. However the Cost is included in Council budget for the Northern Goldfields Compliance Group shared services arrangement of \$75,000.00 per annum. Account 2140452 refers

STRATEGIC IMPLICATIONS

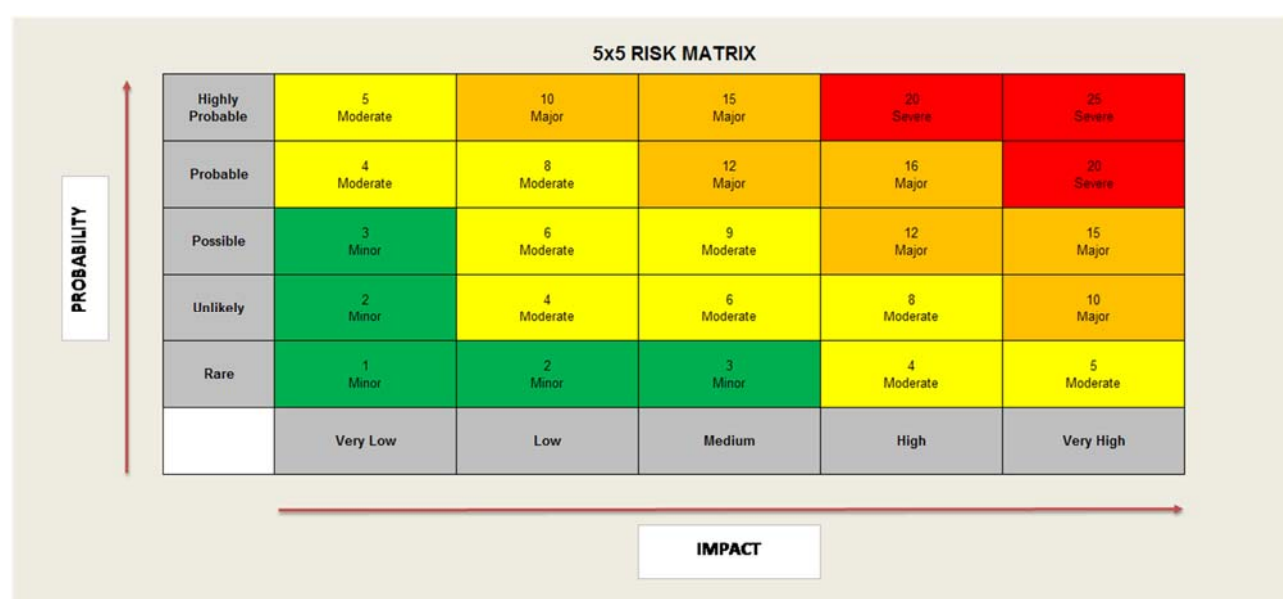
Objectives: A financially strong and knowledgeable Shire, leading an empowered community

Outcome 4.3 Improved planning

- 4.3.2 Seek high level of statutory compliance

RISK MANAGEMENT

This item has been evaluated against the Shire's Risk Management Strategy, Risk Assessment Matrix. The perceived level of risk is low.



CONSULTATION

- The CAR has been compiled By Moore Stephens in accordance with the Agreement
- Chief Executive Officer

COMMENT

This report is required to be reviewed by the Audit and Risk Committee before being considered by the Council and the recommendation reflects this.

VOTING REQUIREMENTS

Simple majority decision of Council required.

RESOLUTION

MOVED: Cr S Weldon SECONDED: Cr R Ryles

That the Audit and Risk Committee resolve to:

1. Recommend to Council the adoption of the 2019 Compliance Audit Return shown as Attachment ARC020420.4.1.1.A ; and
2. 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 Sport and Cultural Industries.

MAJORITY ☒ VOTES FOR ☐ 5 VOTES AGAINST ☐ 0

4.1.2 AUDIT CLOSING REPORT (FILE REF: 0088)

SUBMISSION TO: Audit and Risk Committee Meeting of Council,
2 April 2020

DISCLOSURE OF INTEREST: The author has no financial interest in this matter

OWNER/APPLICANT: Not applicable

AUTHOR: Phil Marshall, Deputy Chief Executive Officer

SENIOR OFFICER: Peter Naylor, Chief Executive Officer

PREVIOUS MEETING REFERENCE: Not Applicable

RESOLUTION

MOVED: Cr R Prentice SECONDED: Cr R Ryles

1. That the Audit and Risk Committee recommends to the Council the endorsement of the Audit Report compiled by RSM Australia Pty Ltd & Office of the Auditor General for the Shire of Laverton for the year ending 30 June 2019

MAJORITY ☒ VOTES FOR ☐ 5 VOTES AGAINST ☐ 0

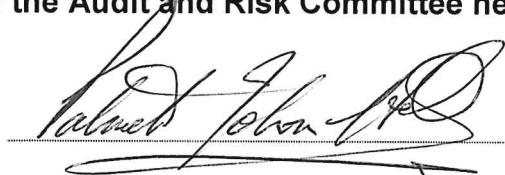
5. CLOSURE OF MEETING

The Presiding Person declared the meeting closed at 4:54 pm.

6. CERTIFICATION OF MINUTES

I, Patrick Hill, hereby certify that the Minutes of the Audit and Risk Committee Meeting held on 2 April 2020 are confirmed as a true and correct record, by resolution of the meeting of the Audit and Risk Committee held on 23 April 2020

SIGNED:



DATED:

23/4/2020