



SHIRE OF LAVERTON

AUDIT AND RISK COMMITTEE MEETING

MINUTES

**of the meeting held in
the Council Chambers of the Shire of Laverton
at 9 MacPherson Place, Laverton,
on Wednesday 24 April 2019,
commencing at 4:50 pm**

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ATTACHMENTS

ARC190424-3.1.A	Minutes of Audit and Risk Committee Meeting 28 February 2019
ARC190424-4.1.1.A	Representation Letter for the year ended 30 June 2018
ARC190424-4.1.1.B	Independent Audit Report for the year ending 30 June 2018
ARC190424-4.1.2.A	Shire of Laverton Annual Report for the year ended 30 June 2018

**MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING
HELD IN THE SHIRE COUNCIL CHAMBERS,
9 MACPHERSON PLACE, LAVERTON ON
WEDNESDAY 24 APRIL 2019 AT 4:50PM**

1. DECLARATION OF OPENING

The Presiding Person, Cr Patrick Hill, declared the meeting open at 04:50 pm.

2. RECORD OF ATTENDANCE

2.1 PRESENT

Cr P Hill	Member
Cr S Weldon	Member
Cr D Ross	Member
Cr R Ryles	Member
Cr R Prentice	Member (via telephone from 04:52pm)
Mr L Vidovich	Acting Chief Executive Officer

2.2 APOLOGIES

Cr R Weldon	Member
Mr P Naylor	Chief Executive Officer
Mr P Marshall	Deputy Chief Executive Officer

2.3 LEAVE OF ABSENCE

Nil

2.4 VISITORS

Nil

2.5 APPROVAL FOR REMOTE COUNCILLOR ATTENDANCE VIA TELEPHONE (FILE REF: 0793)

SUBMISSION TO:	Audit and Risk Committee Meeting, 24 April 2019
DISCLOSURE OF INTEREST:	The author has no financial interest in this matter
OWNER/APPLICANT:	Not applicable
AUTHOR:	Tiffany Farlow, Executive Assistant to the CEO
SENIOR OFFICER:	Les Vidovich, Acting Chief Executive Officer
PREVIOUS MEETING REFERENCE:	Not applicable

MATTER FOR CONSIDERATION

To approve the participation in this meeting of Cr Robin Prentice via telephone dial-in from Mandurah, WA.

ATTACHMENTS

Nil

APPLICANT'S SUBMISSION

Not applicable

BACKGROUND

From time to time, Councillors can find themselves unable to attend Committee Meetings in person, but may request permission of that Committee to participate remotely via telephone or video link.

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.

Section 5.25(ba) - Provides for regulations being able to make provision for the holding of council or committee meetings by telephone, video conference or other electronic means.

Local Government (Administration) Regulations 1996

Regulation 14A – Defines the requirements necessary for approval of remote attendance at a meeting of Council.

POLICY IMPLICATIONS

Council Policy 04.09 Remote Attendance at Meetings covers the requirements for a Committee to approve remote attendance at a Committee meeting if requested.

FINANCIAL IMPLICATIONS

The recommendation of this report has no financial implications for the Committee.

STRATEGIC IMPLICATIONS

The recommendation of this report has no strategic implications for Council.

CONSULTATION

Nil

COMMENT

Following recent unplanned surgery, Cr R Prentice is unable to be in Laverton to take part in this Meeting of the Audit and Risk Committee and wishes to take part remotely via teleconference as provided for in legislation and the Shire's adopted policy.

VOTING REQUIREMENTS

Absolute majority decision of the Committee required.

ARC190424.01 COMMITTEE DECISION/OFFICER RECOMMENDATION

MOVED: Cr R Ryles SECONDED: Cr S Weldon

That the Committee:

1. Approve Cr R Prentice's Mandurah residence as a 'suitable' place from which to conduct instantaneous communication with each other person present at this meeting, as it is located in a town site or residential area and is a residential dwelling, in accordance with Shire Policy 04.09; and
2. Approve that Cr R Prentice be taken to be present at this meeting for the duration of the time in which she is in instantaneous communication with each other person present at this meeting, in accordance with Shire Policy 04.09.

ABSOLUTE MAJORITY	<input checked="" type="checkbox"/>	VOTES FOR	<input type="checkbox"/> 4	VOTES AGAINST	<input type="checkbox"/> 0
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04:52pm Cr R Prentice joined the meeting via telephone.

3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1	MINUTES OF AUDIT AND RISK COMMITTEE MEETING HELD 28 FEBRUARY 2019 (FILE REF: 0207)
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ATTACHMENT

ARC190424-3.1.A Minutes of Audit and Risk Committee Meeting 28 February 2019

ARC190424.02 PROCEDURAL DECISION

MOVED: Cr S Weldon SECONDED: Cr D Ross

That the Minutes of the Audit and Risk Committee Meeting (Attachment ARC190424-3.1.A) held on 28 February 2019, be confirmed as a true and accurate record of proceedings.

SIMPLE MAJORITY VOTES FOR 5 VOTES AGAINST 0

4. REPORTS OF COMMITTEE AND OFFICERS

4.1	DEPUTY CHIEF EXECUTIVE OFFICER
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4.1.1	AUDIT REPORTS FOR THE YEAR ENDING 30 JUNE 2018 (FILE REF: 1229)
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SUBMISSION TO:	Audit and Risk Committee Meeting, 24 April 2019
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

That the Audit and Risk Committee receive and consider the following documents:

- Representation Letter
- Independent Audit Report for the year ending 30 June 2018 – contained within the Annual Report shown as Attachment ARC190424-4.1.2.A under item 4.1.2.

ATTACHMENTS

ARC190424-4.1.1.A	Representation Letter for the year ended 30 June 2018
ARC190424-4.1.1.B	Independent Audit Report for the year ending 30 June 2018

APPLICANT'S SUBMISSION

Not applicable.

BACKGROUND

In accordance with section 7.9 of the *Local Government Act 1995*, the audit was conducted by the Shire's appointed Auditor, Billy-Joe Thomas of Anderson, Munroe and Wylie.

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.
- Section 7.9 – **Audit to be conducted**
- (1) 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 —
 - (a) the mayor or president; and
 - (b) the CEO of the local government; and
 - (c) the Minister.
 - (2) Without limiting the generality of subsection (1), where the auditor considers that —
 - (a) there is any error or deficiency in an account or financial report submitted for audit; or
 - (b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or
 - (c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.
 - (3) The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —
 - (a) prepare a report thereon; and
 - (b) forward a copy of that report to the Minister,and that direction has effect according to its terms.
 - (4) If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government.

Section 7.12A – Duties of local government with respect to audits

- (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out the auditor’s other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government must —
 - (aa) examine an audit report received by the local government; and
 - (a) determine if any matters raised by the audit report, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those matters.
- (4) A local government must —
 - (a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
 - (b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.
- (5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government’s official website.

Local Government (Audit) Regulations 1996

Regulation 16 – Functions of audit committee

An audit committee has the following functions —

- (a) to guide and assist the local government in carrying out —
 - (i) its functions under Part 6 of the Act; and
 - (ii) its functions relating to other audits and other matters related to financial management;
- (b) to guide and assist the local government in carrying out the local government’s functions in relation to audits conducted under Part 7 of the Act;
- (c) to review a report given to it by the CEO under regulation 17(3), (the *CEO’s report*) and is to —
 - (i) report to the council the results of that review; and

- (ii) give a copy of the CEO's report to the council;
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- (f) to oversee the implementation of any action that the local government —
 - (i) is required to take by section 7.12A(3); and
 - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
 - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
 - (iv) has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
- (g) to perform any other function conferred on the audit committee by these regulations or another written law.

POLICY IMPLICATIONS

Council has no policies in respect to this matter.

FINANCIAL IMPLICATIONS

The recommendation of this report has no financial implications for Council.

STRATEGIC IMPLICATIONS

Civic Leadership Objective - A financially strong and knowledgeable Shire, leading an empowered community

Outcome 4.3 Improved planning

4.3.1 Continue to review and improve organisational plans

4.3.2 Seek high level of statutory compliance

CONSULTATION

Chief Executive officer
Anderson, Munroe and Wylie – Auditor Mr Billy-Joe Thomas
Office of Auditor General

COMMENT

The purpose of the Representation Letter can be taken two ways, however, the administration believes that it is a tool to improve the standards of compliance and financial management for the Shire of Laverton and any items will be addressed and reported back through scheduled Audit and Risk Committee meetings.

VOTING REQUIREMENTS

Simple majority of the Committee.

ARC190424.03 COMMITTEE DECISION/OFFICER RECOMMENDATION

MOVED: Cr S Weldon SECONDED: Cr R Prentice

That the Audit and Risk Committee recommends to the Council that the Annual Representation Letter and the Independent Auditor's Report for the year ending 30 June 2018 as prepared by Auditor, Billy-Joe Thomas of Anderson Munroe and Wylie, be accepted in accordance with the *Local Government Act 1995*.

SIMPLE MAJORITY	<input checked="" type="checkbox"/>	VOTES FOR	<input type="checkbox"/> 5	VOTES AGAINST	<input type="checkbox"/> 0
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4.1.2 ANNUAL REPORT FOR THE YEAR ENDING 30 JUNE 2018 (FILE REF: 1229)
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SUBMISSION TO:	Audit and Risk Committee Meeting, 24 April 2019
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

That the Audit and Risk Committee receive and consider the Annual Report for the year ending 30 June 2018.

ATTACHMENTS

ARC190424-4.1.2.A Shire of Laverton Annual Report for the year ended 30 June 2018

APPLICANT'S SUBMISSION

Not applicable.

BACKGROUND

The Audit Report for the 2017/18 Annual Financial Statements were received from our Auditors on 14 April 2019. The Annual Report is to be accepted by the Shire of Laverton no later than two months after the Auditor's Report becomes available in accordance with the *Local Government Act 1995*, section 5.27(2) refers.

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.
- Section 5.27 – **Electors' general meetings**
- (1) A general meeting of the electors of a district is to be held once every financial year.
 - (2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.
- Section 5.53 – **Annual reports**
- Provides that the general function of the local government is to provide for the good government of persons in its district.
- (1) The local government is to prepare an annual report for each financial year.
 - (2) The annual report is to contain —
 - (a) a report from the mayor or president; and
 - (b) a report from the CEO; and
 - (c) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and
 - (d) the financial report for the financial year; and
 - (e) such information as may be prescribed in relation to the payments made to employees; and
 - (f) the auditor's report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and

- (ha) a matter on which a report must be made under section 29(2) of the *Disability Services Act 1993*; and
- (hb) details of entries made under section 5.121 during the financial year in the register of complaints, including —
 - (i) the number of complaints recorded in the register of complaints; and
 - (ii) how the recorded complaints were dealt with; and
 - (iii) any other details that the regulations may require;

and

- (i) such other information as may be prescribed.

Section 5.54 – **Acceptance of annual reports**

- (1) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.

** Absolute majority required.*

- (2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

[Section 5.54 amended by No. 49 of 2004 s. 49.]

Section 5.55 – **Notice of annual reports**

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

POLICY IMPLICATIONS

Council has no policies in respect to this matter.

FINANCIAL IMPLICATIONS

The recommendation of this report has no financial implications for Council.

STRATEGIC IMPLICATIONS

Civic Leadership Objective - A financially strong and knowledgeable Shire, leading an empowered community

Outcome 4.3 Improved planning

4.3.1 Continue to review and improve organisational plans

4.3.2 Seek high level of statutory compliance

CONSULTATION

Chief Executive Officer
Anderson, Munroe and Wylie – Auditor Mr Billy-Joe Thomas

COMMENT

The purpose of the Annual Report and acceptance is to meet statutory reporting requirements and to set a date for the Annual Electors' Meeting to be within 56 days of the 24 April 2019, and the intended date of 23 May 2019 is well within this timeline.

VOTING REQUIREMENTS

Absolute majority decision of the Committee required for Recommendation 1 and simple majority for Recommendation 2.

ARC190424.04 COMMITTEE DECISION/OFFICER RECOMMENDATION 1

MOVED: Cr D Ross SECONDED: Cr R Prentice

That the Audit and Risk Committee by an absolute majority, in accordance with section 5.54 of the *Local Government Act 1995*, adopts the Annual Report for the year ending 30 June 2018 shown as Attachment ARC190424-4.1.2.A.

ABSOLUTE MAJORITY	<input checked="" type="checkbox"/>	VOTES FOR	<input type="checkbox"/> 5	VOTES AGAINST	<input type="checkbox"/> 0
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ARC190424.05 COMMITTEE DECISION/OFFICER RECOMMENDATION 2

MOVED: Cr S Weldon SECONDED: Cr D Ross

That the Audit and Risk Committee set the Electors' General Meeting in accordance with section 5.27 of the *Local Government Act 1995* to be held on Thursday 23 May 2019 at 4.00pm in the Council Chambers to present the Annual Report for the year ending 30 June 2018.

SIMPLE MAJORITY	<input checked="" type="checkbox"/>	VOTES FOR	<input type="checkbox"/> 5	VOTES AGAINST	<input type="checkbox"/> 0
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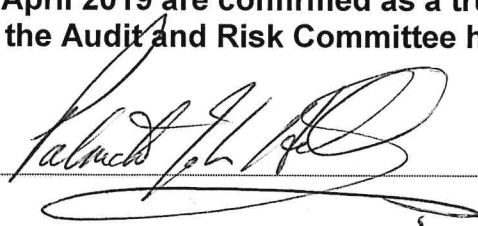
5. CLOSURE OF MEETING

The Presiding Person declared the meeting closed at 5:07 pm.

6. CERTIFICATION OF MINUTES

I, Patrick Hill, hereby certify that the Minutes of the Audit and Risk Committee Meeting held on 24 April 2019 are confirmed as a true and correct record, by resolution of the meeting of the Audit and Risk Committee held on 25 July 2019.

SIGNED:



DATED:

25 July 2019
