



SHIRE OF
MERREDIN
INNOVATING THE WHEATBELT

MINUTES

Audit Committee Meeting

Held in Council Chambers
Corner King & Barrack Street's, Merredin
Tuesday 20 March 2018



Common Acronyms Used in this Document

WEROC	Wheatbelt East Regional Organisation of Councils
GECZ	Great Eastern Country Zone
WALGA	Western Australian Local Government Association
CEACA	Central East Aged Care Alliance
CEO	Chief Executive Officer
DCEO	Deputy CEO
EMDS	Executive Manager of Development Services
EMES	Executive Manager of Engineering Services
EMCS	Executive Manager of Corporate Services
EA	Executive Assistant to CEO
LPS	Local Planning Scheme
LGIS	Local Government Insurance Services
SRP	Strategic Resource Plan
CBP	Corporate Business Plan
CSP	Community Strategic Plan
MRCLC	Merredin Regional Community and Leisure Centre
CWVC	Central Wheatbelt Visitors Centre
MoU	Memorandum of Understanding

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Shire of Merredin
Audit Committee Meeting
Tuesday 20 March 2018



1. Official Opening

The President welcomed all those in attendance and declared the meeting open at 11.00am.

2. Record of Attendance / Apologies and Leave of Absence

Councillors:

Cr KA Hooper	President
Cr BJ Anderson	Member
Cr JR Flockart	Member
Cr PR Patroni	Member
Cr RM Crees	Observer
Cr MD Willis	Observer

Staff:

G Powell	CEO
C Brown	EMCS
V Green	EA to CEO

Members of the Public: Nil

Apologies: Nil

Approved Leave of Absence: Nil

3. Public Question Time

Nil

4. Disclosure of Interest

Nil

5. Confirmation of Minutes of the Previous Meeting

- 5.1 Audit Committee Meeting held on 19 December 2017
[Attachment 5.1A](#)

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation / Resolution

Moved: Cr Patroni

Seconded: Cr Flockart

82128 That the minutes of the Audit Committee Meeting held on 19 December 2017 be confirmed as a true and accurate record of proceedings.

CARRIED 4/0

6. Officer's Reports – Corporate Services

6.1 2017 Compliance Audit Return

<h2>Corporate Services</h2>		 SHIRE OF MERREDIN INNOVATING THE WHEATBELT
Responsible Officer:	Greg Powell, CEO	
Author:	Vanessa Green, EA to CEO	
Legislation:	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>	
File Reference:	GR/17/19	
Disclosure of Interest:	Nil	
Attachments:	Attachment 6.1A – Compliance Audit Return	

Purpose of Report

Executive Decision

Legislative Requirement

Background

Each year every local government is required to carry out a compliance audit in relation to the period 1 January to 31 December against the requirements of the Compliance Audit Return (CAR).

After the CAR has been reviewed by the Audit Committee and presented to Council, a copy certified by the President and CEO, along with the relevant section of the minutes and any additional information explaining or qualifying the CAR, is to be submitted to the Department of Local Government, Sport and Cultural Industries (DLGSCI) by 31 March.

Comment

The CAR is one of the tools available to Council in its governance monitoring role. The CAR also forms part of the DLGSCI's monitoring program. The 2017 CAR once again places emphasis on the need for Council to be aware of and acknowledge instances of non-compliance or where full compliance was not achieved. In addition, the CAR requires Council to endorse details of remedial action either taken or proposed to prevent future like occurrences.

The 2017 CAR has been completed in-house and has not identified any areas of non-compliance.

The 2017 CAR demonstrates the Shire's ongoing commitment to statutory compliance and adequate response to non-compliance throughout the organisation.

Policy Implications

Nil

Statutory Implications

The CAR is required pursuant to Section 7.13(i) of the *Local Government Act 1995* and Regulation 14 of the *Local Government (Audit) Regulations 1996*.

Strategic Implications

➤ Strategic Community Plan

Vision Element: Developing
Strategic Goal: The population and economic base is expanding sustainably
Key Priority: Governance

➤ Corporate Business Plan

Strategy: SP.D4.1 – Implement accountable and good governance
Action #: 1
Action: Ensure policies, procedures and practices are effective, transparent and aligned with program delivery
Directorate: Corporate and Financial Services
Timeline: Ongoing

Sustainability Implications

➤ Strategic Resource Plan

Nil

➤ Workforce Plan

Directorate: Nil
Activity: Nil
Current Staff: Nil
Focus Area: Nil
Strategy Code: Nil
Strategy: Nil
Implications: Nil

Risk Implications

Council would be contravening the *Local Government Act 1995* and *Local Government (Audit) Regulations 1996* if this item was not presented to the Audit Committee for recommendation to Council.

The objective of the CAR is about identifying risks to the organisation where non-compliant activities may have taken place enabling processes and procedures to be developed or reviewed and amended, if required.

Financial Implications

Nil

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation / Resolution

Moved: Cr Anderson

Seconded: Cr Flockart

82129 That the Audit Committee:

1. receives the 2017 Compliance Audit Return; and
2. recommends to Council that it adopt the 2017 Compliance Audit Return and it be submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2018.

CARRIED 4/o

6.2 Local Government Auditing Reforms

<h2 style="margin: 0;">Corporate Services</h2> 	
<p>Responsible Officer:</p> <p>Author:</p> <p>Legislation:</p> <p>File Reference:</p> <p>Disclosure of Interest:</p> <p>Attachments:</p>	<p>Charlie Brown, EMCS</p> <p>Vanessa Green, EA to CEO</p> <p><i>Local Government Act 1995; Local Government (Audit) Regulations 1996; Local Government (Financial Management) Regulations 1996</i></p> <p>FM/2/1</p> <p>Nil</p> <p>Attachment 6.2A – Local Government (Audit) and (Financial) Regulations 1996 (with tracked changes) Attachment 6.2B – Auditor’s Comment Memo</p>

Purpose of Report

- Executive Decision
 Legislative Requirement

Background

On 24 August 2017 amendments to the *Local Government Act 1995* (the Act) were passed by State Parliament enabling the Auditor General to audit local government finances and performance. The Act received Royal Assent on 1 September 2017.

To enable local governments to familiarise themselves with the changes to the legislation and its implications, the Department of Local Government, Sport and Cultural Industries (DLGSCI) prepared a guide to inform local governments and auditors about the recent reforms to the conduct of local government audits. The Guide was presented to the Audit Committee and Council at its December 2017 meetings.

The DLGSCI is seeking feedback from local governments on the proposed amendments to the legislation, with the proposed amendments, shown in ‘mark-up’ included as the Attachment. Council may wish to provide comment on the proposed amendments.

Comment

The proposed legislative amendments explain what activities are to be undertaken by local governments and Audit Committees. However, how these amendments are to be implemented, or what processes and procedures local governments and Audit Committees are to follow in order to comply with the proposed amendments is not clear, and has not been provided by the DLGSCI.

Comment on the proposed amendments was sought from Council's Auditors, Butler Settineri and these are included as an attachment, with staff comments shown in blue.

Policy Implications

Nil

Statutory Implications

Amendments to the legislation as listed in the Attachment.

Strategic Implications

➤ Strategic Community Plan

Vision Element: Developing
Strategic Goal: The population and economic base is expanding sustainably
Key Priority: Governance

➤ Corporate Business Plan

Strategy: SP.D4.4 – Practice prudent management of financial resources
Action #: 2
Action: Continue to provide prudent financial controls and compliance systems
Directorate: Corporate Services
Timeline: Ongoing

Sustainability Implications

➤ Strategic Resource Plan

Nil

➤ Workforce Plan

Directorate: Nil
Activity: Nil
Current Staff: Nil
Focus Area: Nil
Strategy Code: Nil
Strategy: Nil
Implications: Nil

Risk Implications

Nil at this time.

Financial Implications

Not known at this time, however it is anticipated that the costs for conducting Council's financial audit will increase. As mentioned above, the State Government will be responsible for the costs of conducting the performance audits.

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation / Resolution

Moved: Cr Flockart

Seconded: Cr Patroni

82130 That:

1. the information on the changes to the *Local Government Act 1995, Local Government (Audit) Regulations 1996 and Local Government (Financial Management) Regulations 1996* in relation to the Auditor General conducting local government financial and performance audits and the change in the role of the Audit Committee, be noted; and
2. this matter be considered again once more information is available from either the Department of Local Government, Sport and Cultural Industries or the Office of the Auditor General.

CARRIED 4/0

7. Closure

There being no further business the President declared the meeting closed at 11.21am.