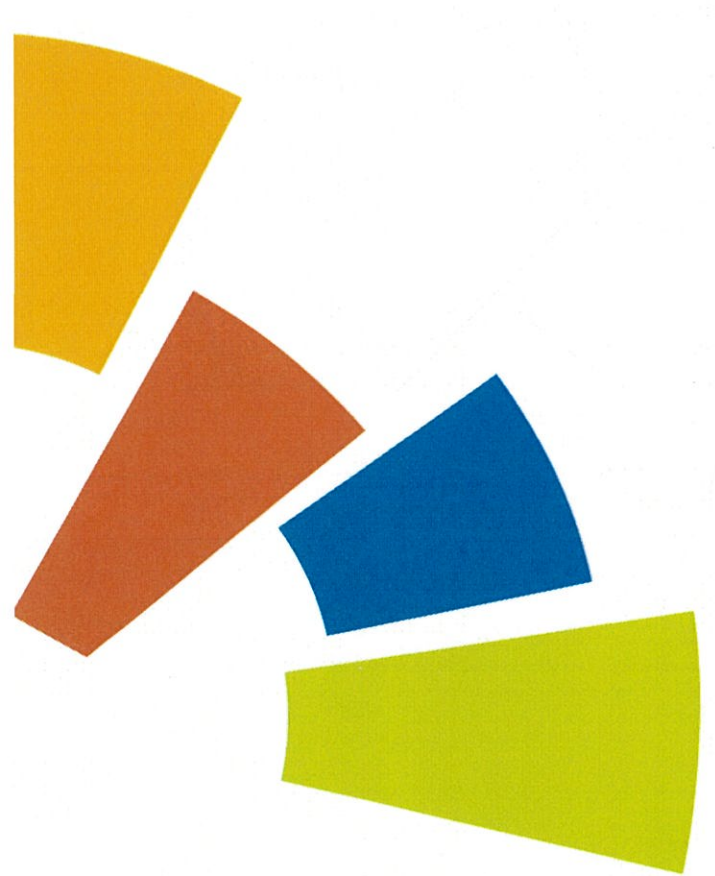




# MINUTES

## Audit Committee Meeting

Held in Council Chambers  
Corner King & Barrack Street's, Merredin  
Tuesday 17 March 2020  
Commencing 1.00pm



# Notice of Meeting



Dear President and Councillors,

The next meeting of the Audit Committee of the Shire of Merredin will be held on Tuesday 17 March 2020 in the Council Chambers, Corner King & Barrack Streets, Merredin. The format will be:

1.00pm	Audit Committee Meeting
2.00pm	Briefing Session
4.00pm	Council Meeting

MARK DACOMBE  
TEMPORARY CHIEF EXECUTIVE OFFICER  
13 March 2020

## DISCLAIMER

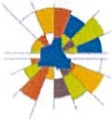
### PLEASE READ THE FOLLOWING IMPORTANT DISCLAIMER BEFORE PROCEEDING:

Statements or decisions made at this meeting should not be relied or acted on by an applicant or any other person until they have received written notification from the Shire. Notice of all approvals, including planning and building approvals, will be given to applicants in writing. The Shire of Merredin expressly disclaims liability for any loss or damages suffered by a person who relies or acts on statements or decisions made at a Council or Committee meeting before receiving written notification from the Shire.

The advice and information contained herein is given by and to Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

It should be noted that the Attachment hyperlinks will not be functional from this document when sourced from the Shire of Merredin's website. Attachment copies can be obtained by contacting Melissa Ivanetz on 08 9041 1611 or [ea@merredin.wa.gov.au](mailto:ea@merredin.wa.gov.au).

<b>Common Acronyms Used in this Document</b>	
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

<b>Shire of Merredin</b> <b>Audit Committee Meeting</b> <b>1.00pm Tuesday 17 March 2020</b>		 <b>SHIRE OF MERREDIN</b> INNOVATING THE WHEATBELT
<b>1.</b>	<b>Official Opening</b>	
<b>2.</b>	<b>Record of Attendance / Apologies and Leave of Absence</b>	
	<b>Councillors:</b>  Cr JR Flockart                      President Cr MD Willis Cr LN Boehme Cr PR Patroni  <b>Staff:</b>  M Dacombe                      T/CEO A Prnich                      DCEO C Brown                      EMCS K Hall                      MCO  <b>Members of the Public:</b>  <b>Apologies:</b>  <b>Approved Leave of Absence:</b>	
<b>3.</b>	<b>Public Question Time</b>	
	Members of the public are invited to present questions about matters affecting the Shire of Merredin and its residents.	
<b>4.</b>	<b>Disclosure of Interest</b>	
<b>5.</b>	<b>Confirmation of Minutes of the Previous Meeting</b>	
5.1	<a href="#"><u>Audit Committee Meeting held on 17 September 2019</u></a>	
<b>6.</b>	<b>Officer's Reports – Corporate Services</b>	
6.1	<a href="#"><u>2019 Compliance Audit Return</u></a>	
<b>7.</b>	<b>Closure</b>	

**5. Confirmation of Minutes of the Previous Meeting**

5.1 Audit Committee Meeting held on 17 September 2019

[Attachment 5.1A](#)

**Voting Requirements**



Simple Majority



Absolute Majority

**Officer's Recommendation / Resolution**

Moved: Cr


Seconded: Cr

**00000** That the minutes of the Audit Committee Meeting held on 17 September 2019 be confirmed as a true and accurate record of proceedings.

CARRIED 0/0

**6. Officer's Reports – Corporate Services**

**6.1 2019 Compliance Audit Return**

<h2>Corporate Services</h2>		 SHIRE OF <b>MERREDIN</b> INNOVATING THE WHEATBELT
<b>Responsible Officer:</b>	Mark Dacombe, T/CEO	
<b>Author:</b>	Mark Dacombe, T/CEO	
<b>Legislation:</b>	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>	
<b>File Reference:</b>	GR/17/19	
<b>Disclosure of Interest:</b>	Nil	
<b>Attachments:</b>	<a href="#"><u>Attachment 6.1A</u></a> – Compliance Audit Return <a href="#"><u>Attachment 6.1B</u></a> – Confidential Notes to the Review of the CAR	

**Purpose of Report**

Executive Decision

Legislative Requirement

**Background**

In accordance with Regulation 14 of the Local Government (Audit) Regulations 1996, 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.

The compliance programs of a local government are a strong indication of attitude towards meeting legislative requirements. The Audit Committee's role includes the requirement to review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal controls and legislative compliance.

Additional assurance

In October 2019 the Council resolved by way of Minute 82474:

**That Council authorises the Acting Chief Executive Officer to engage Local Government Consultant Gary Martin to undertake a preliminary governance health assessment of general compliance of the organisation and the appropriateness and effectiveness of the procedures of the Shire.**

The then Acting Chief Executive Officer engaged Mr Martin, accordingly, including to independently conduct the review work for the 2019 CAR for the purpose of identifying whether any more structured governance review may be desirable.

Mr Martin's notes are attached as a confidential document. It is anticipated that these notes will form part of the public record once considered by the Audit Committee.

#### 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 CAR enables the Council to monitor the level of compliance achieved and to take corrective action if required or proposed to prevent future like occurrences.

The 2019 CAR contains the following compliance categories:

1. Commercial Enterprises by Local Governments;
2. Delegation of Power/Duty;
3. Disclosure of Interest;
4. Disposal of Property;
5. Elections;
6. Finance;
7. Integrated Planning and Reporting;
8. Local Government Employees;
9. Official Conduct;
10. Optional;
11. Tenders for Providing Goods and Services.

Mr Martin conducted the field work for his assignment on location during December 2019 and on 20<sup>th</sup> and 23 January 2020. A copy of his confidential report in the form of: "Notes to the Review of the Compliance Audit Return Shire of Merredin 2019", is attached.

The period examined by the CAR is 1 January to 31 December and the completed return is required to be:

1. reviewed by the Audit Committee;
2. considered and adopted by the Council;
3. certified by the President and Chief Executive Officer following Council adoption; and
4. submitted together with a copy of the Council Minutes to the Department of Local Government, Sport and Cultural Industries by 31 March 2020.

The CAR provides the tool for the Council to monitor legislative compliance by examining a range of prescribed subjects under Regulation 13 of the *Local Government (Audit) Regulations 1996* in detail.

While it is not required by legislation independent preparation of the CAR report improves "confidence and rigour around the process", as noted by the Department of Local Government, Sport and Cultural Industries.

There are two items of non-compliance. Mr Martin's notes to the CAR report provide useful information to support the ongoing process of continuous improvement in our level of compliance.

The first item of non-compliance relates to the content of the public notice advising of the sale of residential property. This is noted for future reference.

Regulation 5(2)(c) Local Government (Financial Management) Regulations

This is the second item of non-compliance. These Regulations require the CEO to review the appropriateness and effectiveness of the local government's financial management systems and procedures within the three years prior to 31 December 2019. The last review was in 2016. This will be an external review and is budgeted for, and will be completed in, the current financial year.

Regulation 17 Local Government (Audit) Regulations

Regulation 17 requires the CEO to review the appropriateness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance within the three years prior to 31 December 2019. A comprehensive review was conducted in house and reported to the Council in December 2018. It is suggested that at the time the Regulation 5 review is conducted the work include a level of independent testing of the Regulation 17 work. While there is absolutely no suggestion at all that the work carried out in 2018 was inadequate, a level of external testing will complete a strong due diligence framework for the new CEO coming on board.

**Policy Implications**

Nil

**Statutory Implications**

Section 7.13(1)(i) of the *Local Government Act 1995* states:

**“7.13. Regulations as to audits**

- (1) *Regulations may make provision as follows —*
  - (i) *requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are —*
    - (i) *of a financial nature or not; or*
    - (ii) *under this Act or another written law.”*

Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996* states:

**“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*



➤ **Corporate Business Plan**

Key Action: 4.1.1 – Continue to update the Integrated Planning Framework, meet statutory requirements of the Local Government Act and regulations and regulatory obligations required under other regulations

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**

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 noncompliant activities may have taken place enabling processes and procedures to be developed or reviewed and amended, if required.

In terms of managing any risks the undertaking of the CAR review by an external party assists in ensuring that any areas of non-compliance are identified and addressed.

**Financial Implications**

Nil

**Voting Requirements**

Simple Majority

Absolute Majority

(c) recorded in the minutes of the meeting at which it is adopted.

**"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."

**Strategic Implications**

➤ **Strategic Community Plan**

Zone:	Zone 4 – Communication and Leadership
Zone Statement:	Merredin Council engages with its community and leads by example
Key Priority:	4.1 – Ensuring all planning, reporting and resourcing is in accordance with best practice, compliance and statutory requirements

### Officer's Recommendation / Resolution

Moved: Cr

Seconded: Cr

**00000** That the Audit Committee recommends to the Council:

1. That it receives the 2019 Compliance Audit Return;
2. That it adopts the 2019 Audit Return for the period 1 January 2019 to 31 December 2019 as contained in Attachment
3. that it authorises the Shire President and Chief Executive Officer to sign the joint certification and submit the completed 2019 Compliance Audit Return, and any additional information explaining or quantifying the compliance audit, to the Department of Local Government, Sport and Cultural Industries by 31 March 2020; and
4. that it notes the two areas of non-compliance and the actions being taken by the Chief Executive Officer to address these areas.

CARRIED 0/0

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# NOTES TO THE REVIEW OF THE COMPLIANCE AUDIT RETURN SHIRE OF MERREDIN 2019

## **Disclosure.**

*For the purposes of s5.70 I disclose that I am a Local Government Consultant involved with a wide range of local governments in the State and with associated industry issues. I am not aware of any specific matter that may create an interest that would require a financial or impartiality interest disclosure to the Council.*

## **Background**

The Shire engaged me to conduct an independent preliminary review of the Shire's management including the Compliance Audit Return for 2019 for the purpose of identifying whether any more structured governance review may be beneficial. The CAR review encompassed a wide range of Shire activity and was carried out on-site between the 20<sup>TH</sup> and 23<sup>th</sup> January 2020. The conduct of the review was affected by the unavailability of key senior officers and governance employees, the recent loss of corporate knowledge, and lack of access to the Attain information system. The CAR and this report reflect the information available at the time of this report and it is acknowledged that a record or different response may exist.

An important objective of the Compliance Return process is to assist local governments to enhance or develop their internal control processes to ensure compliance with statutory requirements and improve operational management control by using "best practice" procedures. Importantly, the compliance review provides the Acting CEO with an independent overview of the status of his internal management processes, and the Council with an overview of the state of the Shire's administration.

The review involved the CAR, records of the Shire and information and advice from relevant Shire employees (where available) and consisted of an examination, on a test basis, of evidence supporting the status of compliance. The process included a comprehensive audit test check of significant items such as the primary and annual return registers, financial interest disclosures, and other registers. Other items in the Return were the subject of examination based upon a sample check of relevant records and/or discussion with relevant officers to ascertain compliance. I have accepted the Officer response in cases where documentary records are not readily available and for items where the response is "Not Applicable".

The review procedures undertaken enabled the determination of a reasonable opinion, whether in all material respects, compliance, or partial compliance was achieved and consistent based upon the records and information presented.

The CAR is an electronic document on the Department of Local Government and Communities Smart hub (DLGC) website. Access to the Shire's CAR was unavailable. The Shire is responsible for the completion and submission of the final statutory Compliance Return for 2019. The completed CAR needs to be submitted to the Audit Committee before consideration by the Council. It is also relevant that the CEO is responsible for the final preparation and submission of the CAR, and the Council itself is required to provide additional scrutiny, including the essential element of local first-hand knowledge of some matters, prior to its adoption as the accepted Return.

The compliance review process provides both the CEO and the Council with an additional element of accountability through an independent check on internal management systems, procedures and record keeping and this demonstrates the Shire's emphasis on improving its good governance, compliance, and best practice through voluntary exposure to external scrutiny. The Acting CEO and Shire staff endeavoured to provide all necessary assistance and explanations required during the review within the constraints that existed.

# NOTES TO THE REVIEW OF THE COMPLIANCE AUDIT RETURN SHIRE OF MERREDIN 2019

## REVIEW OUTCOME

The standard of compliance is good. It is apparent that the Shire has developed a strong culture of awareness of compliance requirements and has introduced the Attain Compliance Management system. To avoid future confusion, the Acting CEO needs to consider and clearly specify whether the hard copy registers or the electronic registers are the statutory version. Public access to these registers may be a consideration, and not all registers could be readily produced during the course of the review.

There were 2 items of non-compliance noted in the total 104 items included in the Compliance Return, or an achievement rate of 98%.

The matters noted below reflect inconsistent or incomplete compliance and human error, and not any systemic failure. These matters do not adversely affect the overall compliance outcome.

It is important to note that the actual compliance audit process is a detached, retrospective examination of minute, multifaceted, and ambiguous statutory detail specified by the *Local Government Act 1995* and associated regulations. Significantly, the CAR excludes the actual working environment and pressures of the day-by-day operational circumstances, and other community priorities that exist in the pragmatic management of the wide range of functions and issues experienced in a large rural local government such as the Shire.

The overall compliance requirement to observe "all written law" places an onerous responsibility on the CEO of a rural local government with limited support structures.

The level of compliance achieved is a significant indicator in respect of the standard of management of the Shire.

The Shire has recently experienced a loss of key employees including a longstanding CEO, and two senior employees have or will be leaving the Shire. The preliminary review was instigated to identify whether a wider governance review (and its scope) would be beneficial to the Shire and provide a due diligence platform for a new incoming CEO.

The notes and advisory recommendations below are for the Acting CEO's management consideration.

### **1. Delegations of Power/Duty**

Compliance with the requirement to keep a written record of the exercise of a delegation was enhanced by the Attain system and the record of the exercise of delegated powers is reported monthly.

Examples were noted of memorandum of delegations to employees and of record of a delegation being exercised. The Council has not delegated any power or duty to any committee.

### **2. Primary and Annual Returns**

A comprehensive review was undertaken of the various registers required by the Act, but this was influenced by the existence of both hard copy and electronic "Registers".

- One elected member lodged his annual return with no reference to any real property.

# NOTES TO THE REVIEW OF THE COMPLIANCE AUDIT RETURN SHIRE OF MERREDIN 2019

It was noted that the Attain system provides for an automated lodgement date which provides a secure record of when a return is lodged. It was also noted that the Attain system provided an electronic signature. The legality of this was checked with Attain and found to be in accordance with the provisions of the *Electronic Transactions Act 2011*.

### **3. Disclosure of Financial Interests**

A comprehensive review was conducted of the disclosures of financial and impartiality interests at meetings and it appears that the Council has a sound understanding of the obligations to disclose and the process.

It was noted that a Councillor disclosed a Proximity Interest but staying in the meeting and voting on the matter. A proximity interest is a prima facie financial interest, however inquiries found that in fact the interest was an impartiality interest and not a proximity interest.

### **4. Register of Financial Interests**

The physical register recording the disclosures of financial interests at meetings required by s5.88 was in a two ringed binder containing the register and the written notices of disclosures made at meetings.

The register substantially meets the requirements Adm Reg 28.

The Shire website provides a link to a "Declarations Register" but no further information was sighted and enquires found that the development of an electronic disclosure registers through the Attain system was in process.

The disclosures of financial interests recorded in the minutes was cross referenced to the Register of Financial Interests.

### **5. Register of Gifts**

The Register of Gifts is managed through the Attain system.

The Shire website contains a link to "Gifts and Travel Contributions" and says that amendments to the *Local Government Act 1995* and subsidiary legislation requires local government to disclose information on Councillors and staff in regard to gifts and travel contributions. Rather than declaring gifts and travel contributions in an annual return, Councillors and designated employees are now required to declare gifts and travel contributions within 10 days of receipt. The Chief Executive Officer is required to make this information available on the local government's official website.

The website includes : To view a copy of Shire of Merredin 'Gifts & Travel Register' click [here](#). Records of disclosures by elected members were sighted.

### **6. Disposal of Property**

The Shire disposed of property at Lot 80 Priestley Street Merredin.

- Item 6. The Local Public Notice did not include the name of the party involved in the disposition or the market value. The notice instead referred to the offer value of \$285,000.

# NOTES TO THE REVIEW OF THE COMPLIANCE AUDIT RETURN SHIRE OF MERREDIN 2019

## 7. Elections

- Evidence was provided that the CEO had established an "Electoral Gift Register" as required by Elect. Reg 30G for the 2019 election.
- It appears that no electoral gift disclosures had been made in 2019.

## 8. Optional Questions – Financial Management Review

- Item 1. It appears that the last FMR 5 review was conducted in 2016. The Shire proposes to conduct a review during 2019/2020.

A review required by Audit Reg. 17 was conducted in 2018.

## 9. Official Conduct

Following the resignation of the CEO and the appointment of an Acting CEO, it is recommended that the Shire designate either the CEO or a senior employee as its Complaints Officer as required by s5.120.

## 10. Finance

Several questions related to the appointment of the Shire Auditor and contractual arrangements. These matters appear to be irrelevant now due to the recent legislative changes with the Auditor General now responsible for the appointment of the Shire's Auditor.

## 11. Tenders

The Shire tender process and record keeping appears to be comprehensive and sound. Extensive use is made of the WALGA E-quote system which significantly reduces the administrative task associated with purchasing.

It was noted that the "Awarding Tender" part of this form had not been completed in respect the name of the successful tenderer or the amount of the successful tender.

It was also noted that this form contains a "Record Management Checklist.", but this was incomplete.

**It is recommended** that the CEO ensure that the development of an electronic Tender Register complies with the requirements of F&G Reg 17 and that a more comprehensive "Tender Checklist" be completed by a designated officer, and that this be submitted to the CEO certifying that each tender process has been completed. The register form may require reformatting to make sufficient room for recording several tenders being received.

## 12. Minutes

The statutory requirements associated with the minutes of Council and Committee meetings do not form part of the CAR process. However, it was necessary to peruse the minutes for 2019 as part of the CAR information collection and the minutes found to be well presented and compliant.



# NOTES TO THE REVIEW OF THE COMPLIANCE AUDIT RETURN SHIRE OF MERREDIN 2019

## 13. CEACA Project

During December 2019, at the request of the (then) Acting CEO a brief review was conducted of the Shire land component of the CEACA project and its management by the Shire. The review was again affected by the lack of key personnel and access to all relevant records.

The review considered an overview of the chronology of the project from the early involvement of the Shire in obtaining a management order with power to lease over the old School site and the early concept of the CEACA project in 2014 and the Council's decision making.

The Shire of Merredin became the "banker" for the project on behalf of the other involved local governments and entered into the FAA agreements with the State. A significant aspect of the project involved the various land parcels in the member Shires. In the case of Merredin this related to the old School site on Reserve 13876 and later involved the exercise of portion of Reserve 13876 for sale in fee simple and one portion being for the "Aged Care and Community purposes" and the other portion still subject to a management order with the Shire.

The CEACA project has been mainly managed by the Central East Aged Care Alliance which has been the oversight body representing the member Shires, and Merredin has been represented on this body. The activities of the CEACA were regularly reported to the Council through the minutes of the various meetings and the reports of its delegates. It is also noted that in 2017 the Council was involved in the decision-making regarding amendments to the Local Planning Scheme and Local Planning Strategy to allow the Merredin project to proceed.

Reference was found in 2018 that the Department of Planning (DPHL) had agreed to transfer ownership of Crown Land to CEACA for the project, including land within the Shire of Merredin.

Throughout the course of the progress of the Merredin project, no reference was noted of any Council decision to convert the School site land to Freehold, or to transfer that land to CEACA. Instead, it appears as if this was managed administratively.

An email dated 13 July 2017 from an employee of the Shire, likely to be acting at the direction of the CEO, to the DPHL advised that it was the Shire preference that the land be transferred freehold to CEACA Inc, and if not, to the Shire. The Shire would maintain the Management Order for the balance of the site.

This email appears to be the basis for the land to be transferred to CEACA, and in Freehold. In normal circumstances that action would appear to have significant financial implications and transfer of value from the Shire to another party.

The significant issue is that transfer does not appear to have been authorised by any specific Council decision.

However, as mentioned earlier, there appears to be little doubt that the Council was aware and supportive of the general thrust of the project, and that the completed project is beneficial to the community.

It would also appear that DPHL accepted the email advice as the authority to dispose of Shire land to another party without any requirement for the Council's express approval.

## NOTES TO THE REVIEW OF THE COMPLIANCE AUDIT RETURN SHIRE OF MERREDIN 2019

It is relevant that these events are some years ago and the Merredin project seems to be completed. The purpose of this report is to highlight the Council's responsibility and oversight of finances and management in a manner that confirms its role as the governing body of the Shire.

The Merredin project appears successfully completed and as there are no known community or other concerns, there appears to be no sound reason for any wider review of this land matter. The overall CEACA project will still require acquittal.

### 14. General

The Shire management is currently subject to a significant change of key personnel including the CEO position. Following the sudden resignation of the CEO in November 2019, there have been two temporary internal Acting CEO's followed by the appointment of an external Acting CEO. The recruitment of a new CEO is underway.

One senior employee has also resigned and departed to take up another position and another has resigned and will depart in March 2020. These resignations do not appear to be a result of any significant internal issue but simply a coincidence in respect of the timing.

Despite these changes and some temporary affects during the changeover period, the Shire continues to function in a reasonable manner. It is expected that will continue and improve as the Acting CEO settles into the role and asserts his own management, including recruitment.

The CAR process has also confirmed that the Shire is basically operating in a sound manner and that the issues identified do not reflect any systemic problem. It is likely that the status of compliance is better than reflected in the CAR Return, and that further development and use of the Attain system will improve compliance and management.

For these reasons the requirement for a wider Governance Review seems unnecessary, unless the Council has any specific objective for such a review. Regarding any due diligence for a new permanent CEO, it is most likely that the management of the Shire will change and improve during the period of management by the Acting CEO. It is also possible that a wider Governance Review would adversely affect the management of the Shire during this transitional period.

The October 2016 Corruption and Crime Commission "*Report on a matter of Governance at the Shire of Dowerin*" included the following:

#### ***"Independent review of compliance audit reports***

*Mr Jolly stated that whilst not required by the legislation, Mr Jolly would favour independent preparation of a local government's mandatory annual compliance audit report. Mr Jolly noted that independent verification would improve confidence and rigour around the process. Mr Jolly gave evidence that the scope of the compliance audit return has been substantially reduced and significantly streamlined. The cost to a local government to have their compliance audit report independently verified would be unlikely to send even a mendicant local government 'broke'."*

NOTES TO THE REVIEW OF THE COMPLIANCE AUDIT RETURN  
SHIRE OF MERREDIN  
2019

The Council can take some comfort in the fact that its 2019 CAR has been independently checked in respect of its statutory obligations and objective of achieving best practice.

Gary Martin

Local Government Consultant

19 February 2020

### **CEACA Land Transaction – supplementary information**

I have now ascertained that the parcel of land bordered by the four streets and used as an operational primary school was appropriately vested in the Education Department for the purpose of the school. On the decommissioning of the school the Council gained ownership of the buildings only at no or little cost. The land remained a reserve with its purpose being changed from school to community purposes and aged care with the management order being vested in Council. At no time did freehold title to the land issue to Council.

Once the CEACA project commenced the land was surveyed and subdivided into two lots. The one on which the old school buildings are located remained a reserve. The planning/subdivision process was approved by the Council as I understand it. The other lot was transferred to CEACA by the State Government. I'm advised that the Council did not participate in these negotiations. There were no financial implications for Council as it never owned the land.

I will check the current reserve status of the school site.