



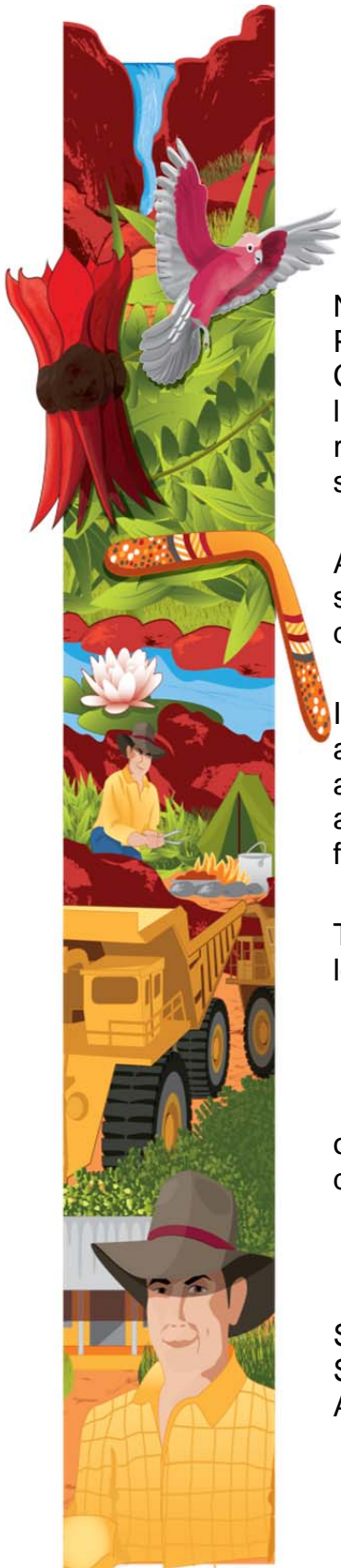
SHIRE OF EAST PILBARA

MINUTES

AUDIT COMMITTEE MEETING

NOTICE IS HEREBY GIVEN that an
Audit Committee Meeting of the Council will be held,
in the Meeting Room, Newman
8:00 am, Thursday, **22nd February, 2018**

Sian Appleton
ACTING CHIEF EXECUTIVE OFFICER



DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of East Pilbara for any act, omission or statement or intimation occurring during Council or Committee Meetings. The Shire of East Pilbara disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee Meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee Meeting does so at that person's or legal entity's own risk.

In particular and without derogating any planning application or application of a licence, any statement or intimation of approval made by any member or Officer of the Shire of East Pilbara during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of East Pilbara.

The Shire of East Pilbara warns that anyone who has any application lodged with the Shire of East Pilbara must obtain and should only rely on

WRITTEN CONFIRMATION

of the outcome of the application and any conditions attaching to the decision made by the Shire of East Pilbara in respect of the application.

Signed: _____
Sian Appleton
Acting Chief Executive Officer

AUDIT COMMITTEE

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1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

2 RECORD OF ATTENDANCES/APOLOGIES/LEAVE OF ABSENCE

2.1 ATTENDANCES

Councillors

Gerry Parsons
Craig Hoyer

Officers

Sian Appleton

2.2 APOLOGIES

Anita Grace
Jeton Ahmedi
Lynne Craigie
Anthony Middleton

2.3 LEAVE OF ABSENCE

Nil

3 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil

4 PUBLIC QUESTION TIME

Nil

5 PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

6 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7 CONFIRMATION OF MINUTES OF PREVIOUS COMMITTEE MEETING

7.1 CONFIRMATION OF MINUTES

OFFICER'S RECOMMENDATION:

THAT the minutes of the Audit Committee Meeting held at Newman on 30th November 2017, be confirmed as a true and correct record of proceedings.

Motion Held Over until next meeting

8 MEMBERS' REPORTS

8.1 ITEMS FOR RECOMMENDATION

Nil

9 OFFICER'S REPORTS**9.1 COMPLIANCE AUDIT REPORT 2017**

File Ref: LEG-1-11
Responsible Officer: Ms Sian Appleton
Deputy Chief Executive Officer
Author: Mrs Lisa Davis
Manager Corporate Services
Location/Address: N/A
Name of Applicant: N/A
Author Disclosure of Interest: Nil

REPORT PURPOSE

To seek Council's comment on and receivable of the Local Government Compliance Audit Return ("CAR") for the period 1 January 2017 to 31 December 2017.

BACKGROUND

Council must complete an annual audit of compliance with statutory requirements

The Compliance Audit Return is a checklist of compliance with statutory obligations relating to the provision of services by, and the management of, a local government.

The *Local Government Act 1995* requires that each local government is to carry out a compliance audit for the period 1 January to 31 December each year, against the requirements included in the CAR for the year.

After the completion of the CAR the following should occur:

- (a) the Audit Committee is to review the CAR;
- (b) the CAR is to then be presented to a subsequent meeting of Council;
- (c) The CAR is to be adopted by the Council before 31 March;
- (d) the adoption is to be recorded in the minutes of the meeting at which it is adopted; and
- (e) a certified copy of the return, along with the relevant section of the minutes and any additional information explaining or qualifying the compliance audit, is to be submitted to the Department of Local Government by 31 March.

COMMENTS/OPTIONS/DISCUSSIONS

Over previous years this Council has produced the report by using either an independent consultant or doing the report in house. On this occasion the Compliance Audit has been completed in house by the newly appointed Manager Corporate Services.

The structure of the CAR was revised in 2011 when the Department decided to include only the areas of compliance that they consider to be of high risk.

This format has been implemented since then and the CAR now has ten sections increasing from nine last year. It now includes a Integrated Planning and Reporting Section which is a voluntary section of the report.

Area questions relate to	No. of questions	Yes Answers	No Answers	Not Applicable
Commercial Enterprises	5			5
Delegation of Power/Duty	13	8		5
Disclosure of Interest	16	16		
Disposal of Property	2	1		1
Elections	1	1		
Finance	14	9		5
Integrated Planning & Reporting	7	5	2	
Local Government Employees	5	1		4
Official Conduct	6	5		1
Tenders for Providing Goods and Services	25	17		8
Total	94	63	2	29

There has been two incidence of a “No” answer in the Integrated Planning and Reporting Section which relates to the adoption of the Corporate Business Plan and Strategic Community Plan, both of these items will be presented to Council on the 19th of April 2018.

Other than this, compliance has been reached on all other questions.

STATUTORY IMPLICATIONS/REQUIREMENTS

Part 7 - Audit (Division 4 - General) 7.13. Regulations as to audits (pg 274)

- 1 Regulations may make provision –
 - (i) Requiring local governments to carry out...an audit of compliance as prescribed.

Regulation 13 of the *Local Government (Audit) Regulations* prescribes the item to be subject to an audit.

Regulation 14 of the *Local Government (Audit) Regulations* states that a compliance audit shall be prepared and lays out the form and manner of its preparation

Regulation 15 of the *Local Government (Audit) Regulations* deals with the return of the compliance audit to the Department of Local Government after its presentation to the Audit Committee and Council.

POLICY IMPLICATIONS

Nil

STRATEGIC COMMUNITY PLAN**Goal 1 – Civic Leadership – Planned Actions**

The Shire of East Pilbara seeks to deliver high quality corporate governance and demonstrate accountability to its constituents. All decisions are informed by community engagement – leading to the effective allocation of the Shire's resources – that deliver optimum benefits to the community.

- 1.1 Efficient and effective local government
 - 1.1.1 *Ethical, accountable and transparent decision-making*

FINANCIAL IMPLICATIONS

No financial resource impact.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION

MOVED: Cr Craig Hoyer

SECONDED: Cr Gerry Parson

THAT Council adopt the Compliance Audit Return for the Calendar year 1 January 2017 to 31 December 2017.

CARRIED
RECORD OF VOTE: 2 - 0

To be actioned by Ms Sian Appleton, Deputy Chief Executive Officer

9.2 ORGANISATIONAL RISK REPORT

File Ref: LEG-1-11
Responsible Officer: Ms Sian Appleton
Deputy Chief Executive Officer
Author: Mrs Kylie Bergmann
Coordinator Governance
Location/Address: N/A
Name of Applicant: N/A
Author Disclosure of Interest: Nil

REPORT PURPOSE

To report on the identified high and extreme strategic and operational risks.

BACKGROUND

Pursuant to Regulation 17 of the *Local Government (Audit) Regulations 1996*, the CEO is to review the Shire's systems and procedures in relation to risk management, internal control and legislative compliance, at least every 2 years.

In July 2016, the Shire engaged Moore Stephens to undertake this review.

One of the improvements suggested by Moore Stephens is that the Audit Committee receive quarterly reports of identified high and extreme strategic and operational risks.

COMMENTS/OPTIONS/DISCUSSIONS

Please see **attached** copy of the Organisational Risk Register which outlines the identified high and extreme risks.

You can see what controls we have put in place to control the risk, and improvements we can still make to further reduce the risk.

STATUTORY IMPLICATIONS/REQUIREMENTS

Regulation 17 of the *Local Government (Audit) Regulations 1996*.

POLICY IMPLICATIONS

Risk Management Policy
Risk Management Strategy
Risk Management Procedures

STRATEGIC COMMUNITY PLAN**Goal 1 – Civic Leadership – Planned Actions**

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- 1.1 Efficient and effective local government
- 1.1.1 *Ethical, accountable and transparent decision-making*

FINANCIAL IMPLICATIONS

No financial resource impact.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION

MOVED: Cr Craig Hoyer

SECONDED: Cr Gerry Parson

THAT the Audit Committee receive the Organisational Risk Report for the quarter ending 31st January 2018.

CARRIED
RECORD OF VOTE: 2 - 0

To be actioned by Ms Sian Appleton, Deputy Chief Executive Officer

10 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

**11 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY A
DECISION OF COMMITTEE**

Nil

12 CONFIDENTIAL MATTERS BEHIND CLOSED DOORS

Nil

13 GENERAL BUSINESS

Nil

14 DATE OF NEXT MEETING

14 June 2018

15 CLOSURE

8.20