



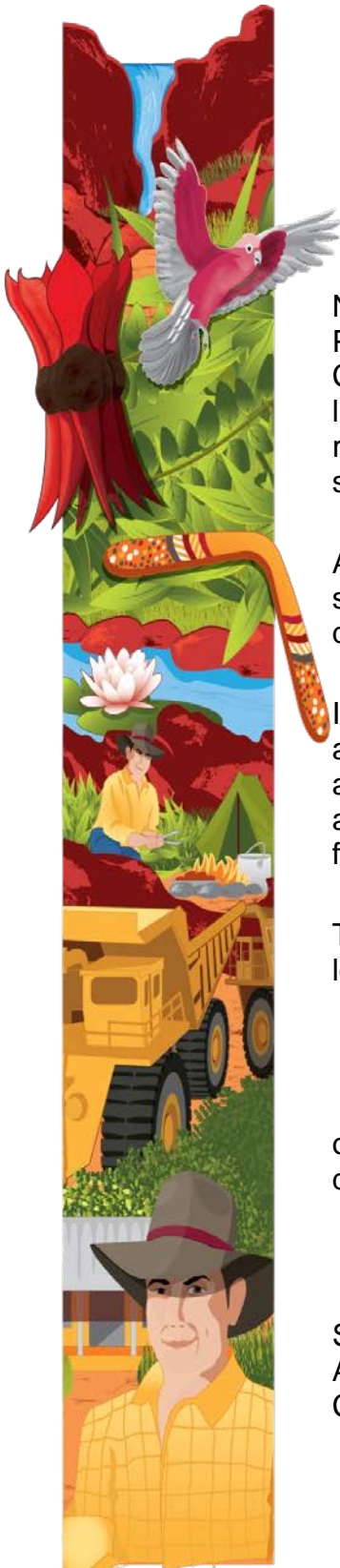
SHIRE OF EAST PILBARA

AGENDA

AUDIT COMMITTEE

NOTICE IS HEREBY GIVEN that an
Audit Committee Meeting of the Council will be held,
in the Meeting Room, Newman
8:00 am, Thursday, 23rd February, **2016**

Allen Cooper
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: _____
Allen Cooper
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

Anita Grace
John Jakobson
Gerry Parsons

Officers

Sian Appleton

2.2 APOLOGIES

Councillors

Craig Hoyer
Shane Carter
Jeton (Jay) Ahmedi

2.3 LEAVE OF ABSENCE

- 3 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE**
- 4 PUBLIC QUESTION TIME**
- 5 PETITIONS/DEPUTATIONS/PRESENTATIONS**
- 6 APPLICATIONS FOR LEAVE OF ABSENCE**
- 7 CONFIRMATION OF MINUTES OF PREVIOUS COMMITTEE MEETING**
- 7.1 CONFIRMATION OF MINUTES**

OFFICER'S RECOMMENDATION:

[Minutes 24th November 2016](#)

THAT the minutes of the Audit Committee Meeting held at Newman on the 24th November 2016, be confirmed as a true and correct record of proceedings.

8 MEMBERS' REPORTS

8.1 ITEMS FOR RECOMMENDATION'

9 OFFICERS' REPORTS

9.1.1 COMPLIANCE AUDIT RETURN 2016

File Ref:	LEG-1-11
Attachments:	Compliance Audit Return Completed.pdf Compliance Audit Return Report 23 January 2016
Responsible Officer's	Sian Appleton Deputy Chief Executive Officer
Author:	Sian Appleton Deputy Chief Executive Officer
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 2016 to 31 December 2016.

BACKGROUND

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 by an external consultant, Mr Andrew Burchfield.

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

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 nine sections making a total of eighty seven questions to be answered.

2016 CAR Section Name	Yes Answers	No Answers	Not Applicable Answers	Total Answers
Commercial Enterprises by Local Governments	0	0	5	5
Delegation of Power/Duty	8	0	5	13
Disclosure of Interest	14	0	2	16
Disposal of Property	0	0	2	2
Elections	0	0	1	1
Finance	10	0	4	14
Local Government Employees	0	0	5	5
Official Conduct	5	0	1	6
Tenders for providing Goods and Services	13	0	12	25
Total	50	0	37	87

The 87 questions in the 2016 CAR are identical to the questions in the 2015 CAR. A comparison of the “No” answers in these CARs are as follows:

CAR Section Name	2015 “No” Answers	2016 “No” Answers	Increase or (Reduction) in 2016
Commercial Enterprises by Local Governments	0	0	0
Delegation of Power/Duty	0	0	0
Disclosure of Interest	0	0	0
Disposal of Property	0	0	0
Elections	0	0	0
Finance	1	0	(1)
Local Government Employees	0	0	0
Official Conduct	0	0	0
Tenders for providing Goods and Services	0	0	0
Total	1	0	(1)

The review identified no instances of non-compliance with the 87 individual requirements of the 2016 CAR.

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*
Responsible officer: DCEO
Timing: As appropriate

RISK MANAGEMENT CONSIDERATIONS

The Compliance Audit Return focusses on the areas that the Department Of Local Government consider to be High Risk.

FINANCIAL IMPLICATIONS

No financial resource impact.

VOTING REQUIREMENTS

Simple.

OFFICER'S RECOMMENDATION

THAT Council adopt the Compliance Audit Return for the Calendar year 1 January 2016 to 31 December 2016.

9.1.2 FINANCIAL STATEMENTS - JANUARY 2017

Attachments:

Responsible Officer:	Ms Sian Appleton Deputy Chief Executive Officer
Author:	Ms Sian Appleton Deputy Chief Executive Officer
Proposed Meeting Date:	23 February 2017
Location/Address:	N/A
Name of Applicant:	N/A
Author Disclosure of Interest:	Nil

REPORT PURPOSE

To provide the Audit Committee with a monthly financial statement on the operations of Council.

BACKGROUND

The attached thirteen page report details the financial activities of the Council for the period 1st July 2016 to 31st January 2017 of the 2016/2017 financial year.

There are 4 sections of the monthly report:

1. An operating statement comparing income and expenditure to the adopted budget for each function of Council.
2. A more detailed schedule which breaks the operating statement down into the various operational sections and departments of Council.
3. A schedule detailing all expenditure for the year to date for individual capital items.
4. A statement of cash flows.

COMMENTS/OPTIONS/DISCUSSIONS

The Deputy Chief Executive Officer will provide an overview and explanation as required of how to interpret the financial statements at the meeting.

STATUTORY IMPLICATIONS/REQUIREMENTS

Part 6 - Financial Management (Division 3 - Reporting on activities and finance)
6.4. Financial report (pg 211)

Regulation 34(1) of the Local Government (Financial Management) Regulations states that:

“A local Government is to prepare each month a statement of financial activity reporting on the sources and applications of funds, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail –

- a) annual budget estimates”*
- b) budget estimates to the end of the month to which the statement relates;*
- c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;*
- d) material variances between the comparable amounts referred to in paragraphs (a) and (c); and*
- e) the net current assets at the end of the month to which the statement relates.*

POLICY IMPLICATIONS

Complies with Council's Accounting Policies as per the current Policy Manual.

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
 - 1.1.2 Continued strong financial management
- Responsible officer: DCEO
Timing: 1 year*

RISK MANAGEMENT CONSIDERATIONS

The submission of monthly financial statements is a legislative requirement under the Local Government Act 1995. No compliance would result in a breach of Council's legislative responsibility.

FINANCIAL IMPLICATIONS

No financial resource impact.

VOTING REQUIREMENTS

Absolute.

OFFICER'S RECOMMENDATION

THAT the Audit Committee recommends to Council the adoption of the January financial statements.

- 10 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**
- 11 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY A
 DECISION OF COMMITTEE**
- 12 CONFIDENTIAL MATTERS BEHIND CLOSED DOORS**
- 13 GENERAL BUSINESS**
- 14 DATE OF NEXT MEETING**

 8th June 2017.
- 15 CLOSURE**