



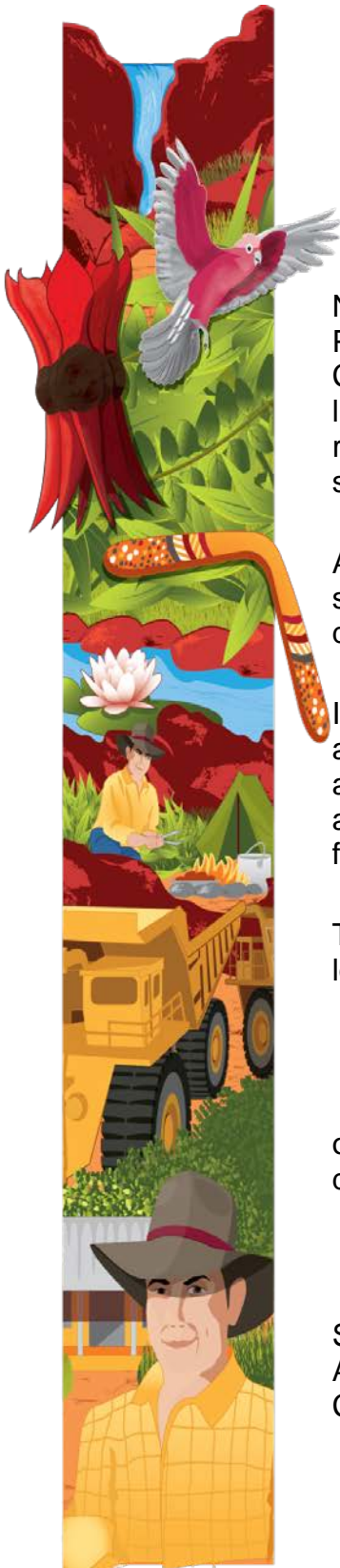
**SHIRE OF EAST PILBARA**

# **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, 24<sup>th</sup> November, **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

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**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
      - Shane Carter
      - Jay Ahmedi
    - Officers**
      - Andries Gertenbach
      - Sian Appleton
  - 2.2 APOLOGIES
    - Councillors**
      - Craig Hoyer
      - Gerry Parsons
  - 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 8<sup>th</sup> September 2016](#)

THAT the minutes of the Audit Committee Meeting held at Newman on the 8th September 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 AUDIT MANAGEMENT REPORT 2016

<b>File Ref:</b>	<b>FIN-21-1</b>
<b>Attachments:</b>	<a href="#">2016 Management Report East Pilbara.pdf</a>
<b>Responsible Officer:</b>	<b>Ms Sian Appleton</b> <b>Deputy Chief Executive Officer</b>
<b>Author:</b>	<b>Mr Andries Gertenbach</b> <b>Manager Corporate Services</b>
<b>Location/Address:</b>	<b>N/A</b>
<b>Name of Applicant:</b>	<b>N/A</b>
<b>Author Disclosure of Interest:</b>	<b>Nil</b>

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### REPORT PURPOSE

That Council review the contents of the Audit Management Letter and that the letter is received.

### BACKGROUND

The Auditors are required under the Local Government Audit Regulations to report certain compliance matters in their audit report. Other matters which arise during the course of their audit that they wish to bring to Council's attention are raised in the management report.

### COMMENTS/OPTIONS/DISCUSSIONS

The Auditors have singled out Ratios in their Management Report as follows:

“Ratios provide useful information when compared to industry and internal benchmarks and assist in identifying new trends. By providing this overview, we aim to improve the understanding of the trends and how they interact.

This is beneficial for the allocation of scarce resources and planning for the future. Information relating to the statutory ratios disclosed in the financial report is summarised in the table below and our commentary is provided on the following pages.

	Target Ratio <sup>1</sup>	Actual		Shire's Adjusted Ratios				Shire's 4 Year Average		
		2016	2016	2015	2014	2013	2012	5 Year	Regional	State
Current Ratio	≥ 1	<b>2.98</b>	<b>2.98</b>	1.19*	1.75*	1.69	1.53	↑	1.09	2.29
Asset Sustainability Ratio	≥ 1.1	<b>0.62</b>	<b>0.62</b>	1.03	0.55	0.70	N/A	↓	0.88	1.23
Debt Service	≥ 10	<b>6.13</b>	<b>7.68*</b>	6.70*	11.79*	11.27*	10.18	↓	4.92	14.01
Operating Surplus	≥ 0.15	<b>(0.20)</b>	<b>(0.13)*</b>	(0.07)*	0.07*	0.10*	0.07	↓	(0.10)	(0.02)
Own Source Revenue Coverage	≥ 0.9	<b>0.76</b>	<b>0.76</b>	0.96	0.91	0.88	0.766	↓	0.76	0.68
Asset Consumption Ratio	≥ 0.75	<b>0.94</b>	<b>0.94</b>	0.59	0.94	0.67	N/A	↑	0.69	1.16
Asset Renewal	≥ 1.05	<b>1.00</b>	<b>1.00</b>	1.00	1.00	1.00	N/A	□	1.00	1.00

1. Target ratios per Department of Local Government and Communities (DLGC) Guidelines except the Debt Service Ratio which is a target devised by Moore Stephens (and based on experience). For information, DLGC Guidelines indicate a target Debt Service Cover Ratio of 5.
2. The 5-year trend compares the adjusted 2016 ratio to the average of the adjusted ratios for the last 5 years (except for the Asset Consumption and Asset Renewal Funding Ratios which are a 4-year trend).
3. The average in relation to the Regional and State comparisons is a 4 year average of 2012, 2013, 2014 and 2015.

\*Adjusted for "one-off" timing/ non-cash items.

### Adjustments relating to 2016

Two of the 2016 ratios disclosed above are distorted by the early receipt of half of the allocation of the 2015-2016 Financial Assistance Grant (FAGs) on 30 June 2015. The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$2,453,866.

This item is considered "one-off" timing in nature and was adjusted when calculating the ratios in the above table (as shown by "\*\*") as were relevant comparative year ratios (which had been affected by similar "one-off" items).

### Regional and State 4 Year Averages

Regional and State 4 year averages have not been adjusted for "one-off" items even though these items may have been applicable in prior years as they are based on the statutory ratios which have been reported in published financial reports. However, they still provide a useful reference point as they are indicative of a trend.

## **Commentary on Specific Ratios**

### **Asset Sustainability Ratio**

The Asset Sustainability ratio expresses capital expenditure on renewal and replacement of existing assets as a percentage of depreciation costs. This ratio is used to identify any potential decline or improvement in asset conditions. A percentage of less than 100% on an ongoing basis indicates assets may be deteriorating at a greater rate than spending on renewal or replacement.

This ratio has significantly decreased in the current year and is below both the Regional and State 4 year averages.

Analysis of the Shire's Statement of Comprehensive Income indicates the main reason for the deterioration of the ratio in the current year to be a significant increase in the amount of depreciation expense. Total depreciation increased from \$12,945,362 in 2015 to \$16,057,252 in 2016. This increase in depreciation is attributable to the revaluation of infrastructure assets conducted during the year ended 30 June 2015 which resulted in a significantly higher depreciable asset base especially roads. One possible cause relates to the Remaining Useful Life (RUL) assessments performed on individual assets. They may not have been comprehensive enough to adjust to more realistic conditions which would have resulted in a lower depreciation expense.

Whilst the approach to conditions was considered conservative, we suggest this be reviewed as it provides an unrealistic distortion to the ratios represented. To help ensure the depreciation charged for the year is a true reflection of the Infrastructure value in the years preceding the next revaluation, management should implement a plan to review condition and RUL assessments in the short to medium term. We will continue to monitor this in future years.

Interpretation of this ratio should also be considered together with the Asset Consumption Ratio (above target at 0.94) and the Asset Renewal Funding Ratio (slightly below target at 1.00).

### **Operating Surplus Ratio**

The Operating Surplus Ratio represents the percentage by which the operating surplus (or deficit) differs from the Shire's own source revenue which includes rates and operating grants.

This ratio has also decreased significantly in the current year and is below both the Regional and State 4 year averages.

The increase in the depreciation expense discussed in the comments on the Asset Sustainability ratio above is the main reason for the deterioration of this ratio. If depreciation was at similar levels to the year ended 30 June 2015, then this ratio would have been more in the vicinity of a positive result.

Whilst this is by no means categorical (it is ultimately dependent on what the final depreciation expense is), it does provide some insight and explanation as to the importance of updating condition and RUL assessments as soon as possible.

## **Summary**

The Shire's ratio position, after adjustment for FAGs and factoring in the depreciation anomaly detailed above, appears reasonably consistent with prior years.

Whilst some ratios are below the accepted industry benchmark, lower ratios may be expected and acceptable in the short term, provided other measures/strategies are maximised. This is particularly so given the rationale above, and the relative strength of the other ratios and the Shire's balance sheet.

Notwithstanding this, a number of the ratios do appear to be trending downwards over the longer term and this should be considered moving forward.

We would like to take this opportunity to stress one off assessments of ratios at a particular point in time can only provide a snapshot of the financial position and operating situation of the Shire. As is the case with all ratios and indicators, their interpretation is much improved if they are calculated as an average over time with the relevant trends being considered.

We will continue to monitor the financial position and ratios in future financial years and suggest it is prudent for Council and management to do so also as they strive to manage the scarce resources of the Shire."

## **STATUTORY IMPLICATIONS/REQUIREMENTS**

Part 7 - Audit (Division 3 - Conduct of audit) 7.9. Audit to be conducted (pg 271)

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

## **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*

##### *1.1.2 Continued strong financial management*

*Responsible officer: DCEO*

*Timing: 1 year*



**RISK MANAGEMENT CONSIDERATIONS**

The annual audit assists the Shire to identify issues that may pose a risk and manage those risks

**FINANCIAL IMPLICATIONS**

No financial resource impact.

**VOTING REQUIREMENTS**

Simple.

**OFFICER'S RECOMMENDATION**

**THAT Council review the Audit Management Report as presented and receive the Management Report for the Year Ended 30 June 2016.**

### 9.1.2 AUDITED ANNUAL FINANCIAL STATEMENTS 2015/16

<b>File Ref:</b>	<b>FIN-22-2</b>
<b>Attachments:</b>	<a href="#">Annual Financial Statements 2015 16 pdf</a>
<b>Responsible Officer:</b>	<b>Ms Sian Appleton</b> <b>Deputy Chief Executive Officer</b>
<b>Author:</b>	<b>Mr Andries Gertenbach</b> <b>Manager Corporate Services</b>
<b>Proposed Meeting Date:</b>	<b>24 November 2016</b>
<b>Location/Address:</b>	<b>N/A</b>
<b>Name of Applicant:</b>	<b>N/A</b>
<b>Author Disclosure of Interest:</b>	<b>Nil</b>

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### REPORT PURPOSE

For Council to review the Annual Financial Statements for the year ended 30 June 2016 and accept the Audited Annual Financial Statements for the year ended 30 June 2016 as presented.

### BACKGROUND

For the Audit Committee to review the audited Annual Financial Statements for the year ended 30 June 2016 and to recommend to Council that the information is received.

This is the first year that the Shire has used Moore Stephens to conduct the Financial Audit.

### COMMENTS/OPTIONS/DISCUSSIONS

Moore Stephens have a very different format for reporting their audit findings in that they include items which normally form part of the management report and not the Audit Opinion. In effect the Audit Opinion is as follows which indicates an unqualified report

#### Audit Opinion

“In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
  - b) Except as detailed above, no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
  - c) In relation to the Supplementary Ratio Information presented at page 73 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest it is not:
    - i) reasonably calculated; and
    - ii) based on verifiable information.
-

- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit. “

The information below has, in the past, been included in the Management Letter but this year it is included it in the Audit Report:

**“REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

During the course of the audit we became aware of the following instances where the Council did not comply with the Local Government Act (as amended) 1995 and Local Government (Financial Management) Regulations 1996 (as amended):

**Fees and Charges**

Local public notices were not given for a number of fees and charges imposed after budget adoption as required by Section 6.19 of the Act.

**Separate Bank Account**

A separate account was not maintained with a bank or other financial institution for banking of trust fund as required by Financial Management Regulation 8(1)(b) & (2).

**Investment of Money**

Some investments were not held with authorised institutions as required by Local Government (Financial Management) Regulation 19C(2)(a).

**Annual Budget**

A copy of the annual budget for the year ended 30 June 2016 was not submitted to the Department of Local Government and Communities within 30 days of its adoption as required by Financial Management Regulation 33.

**Budget Review**

A copy of the adopted budget review was not forwarded to the Department of Local Government and Communities within 30 days of adoption as required by Financial Management Regulation 33A(4).

**Statement of Financial Activity**

- The monthly Statement of Financial Activity for January 2016 was not prepared and presented to Council as required by Financial Management Regulation 34(1); and
- Material variances between year to date actual amounts and budget estimates for capital expenditure items were not explained in the monthly Statement of Financial Activity as required by Financial Management Regulation 34(2)(b).

**Differential General Rates**

With respect to differential rates imposed for 2015/2016,

- A brief statement of objects/reasons for imposing the differential rates was not included in the annual statutory budget and the rate notice or information accompanying as required by Financial Management Regulation 23(a)(i) and 56(4)(a)(i);
- The reasons the rates differed from those set forth in the public notice were not included in the annual statutory budget and the rate notice or information accompanying as required by Financial Management Regulation 23(b)(ii) and 56(4)(b); and
- The details of those set forth in the public notice were not included in the annual statutory budget as required by Financial Management Regulation 23(b)(i).”

All of the matters which are mentioned above have been or are in the throes of being dealt with by the administration to ensure that the same issues will not occur again in the next audit.

Fees and charges – there is procedure to ensure all fees & charges raised after the budget are advertised

Separate Bank Account – The process to open a Trust Bank Account has been commenced.

Investment of Money – The money which was invested with Shadforth Financial Group (not a Financial Institution) was transferred into a Bankwest Term Deposit.

Annual Budget – was sent to the Department one day late and a process has now been implemented to ensure delivery to the Department well within the timeline.

Budget Review – as per the Annual Budget above

Statement of Financial Activity – in future a report will be done for January every year and presented to Council at the next Ordinary Council meeting and a process is now in place whereby all the variances of capital items are also reported on.

Differential General Rates – All of the concerns raised above were included in the Budget documentation for 2016/17.

### **STATUTORY IMPLICATIONS/REQUIREMENTS**

The relevant sections of the Local Government Act 1995 are:

#### 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;
  - (b) the CEO of the local government; and
  - (c) the Minister

#### 7.12A. Duties of local government with respect to audits

- (3) A local government is to examine the report of the auditor prepared under section 7.9 (1), and any report prepared under section 7.9 (3) forwarded to it, and is to –
  - (a) determine if any matters raised by the report, or reports, 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 is to
  - (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and
  - (b) forward a copy of that report to the Minister, by the end of the next financial year, or 6 months after the last report prepared under 7.9 is received by the local government, whichever is the latest time.

### **POLICY IMPLICATIONS**

Nil

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**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*

**1.1.2 Continued strong financial management**

*Responsible officer: DCEO*

*Timing: 1 year*

**RISK MANAGEMENT CONSIDERATIONS**

The findings of the Auditors have been acted on to manage the risk to the Shire.

**FINANCIAL IMPLICATIONS**

No financial resource impact.

**VOTING REQUIREMENTS**

Absolute.

**OFFICER'S RECOMMENDATION**

**THAT Council accept the Audited Annual Financial Statements for the year ending 30 June 2016 as presented.**

### 9.1.3 PROPOSED AUDIT COMMITTEE MEETING DATE 2017

<b>File Ref:</b>	<b>FIN-21-2</b>
<b>Responsible Officer:</b>	<b>Ms Sian Appleton Deputy Chief Executive Officer</b>
<b>Author:</b>	<b>Mr Andries Gertenbach Manager Corporate Services</b>
<b>Proposed Meeting Date:</b>	<b>24 November 2016</b>
<b>Location/Address:</b>	<b>N/A</b>
<b>Name of Applicant:</b>	<b>N/A</b>
<b>Author Disclosure of Interest:</b>	<b>Nil</b>

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### REPORT PURPOSE

For Council to set the meeting dates of the Audit Committee meetings for the 2017 year.

### BACKGROUND

Council is required under the Local Government Act, once a year, to set and advertise Committee meeting dates, times and venue for the next twelve months.

### COMMENTS/OPTIONS/DISCUSSIONS

Four meetings have been scheduled to allow the Audit Committee to perform its main tasks and advise council accordingly. These tasks include the annual meeting with the auditor, the review of the current budget, the review of the budget for the next financial year and the review of the auditor's report and recommendation on that report to Council prior to the Annual Electors meeting.

### STATUTORY IMPLICATIONS/REQUIREMENTS

Part 5 - Administration (Division 2 - Council meetings, committees and their meetings and electors' meetings) (Subdivision 3 - Matters affecting council and committee meetings) 5.25. Regulations about council and committee meetings and committees (pg 143)

*(1) Without limiting the generality of section 9.59, regulations may make provision in relation to –*

*(g) the giving of public notice of the date and agenda for council or committee meetings;*

#### Local Government (Administration) Regulations 1996

*12. Public notice of council or committee meetings – s5.25(1)(g)*

*(1) At least once each year a local government is to give local public notice of the dates on which and the time and place at which –*

*(a) the ordinary council meetings; and*

*(b) the committee meetings that are required under the Act to be open to members of the public or that are proposed to be open to members of the public, are to be held in the next 12 months.*

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## **POLICY IMPLICATIONS**

### **1.3 COUNCIL MEETINGS – DATES AND TIMES**

The Policy Council Meetings – Dates and Times states in part:

“Committee meetings will be held subject to resolution of Council from time to time in respect to title, responsibilities, dates and times, and such authorisations of committees are to be included in Council’s Delegations 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**

##### **1.1.1 Ethical, accountable and transparent decision-making**

*Responsible officer: DCEO*

*Timing: As appropriate*

##### **1.1.2 Continued strong financial management**

*Responsible officer: DCEO*

*Timing: 1 year*

## **RISK MANAGEMENT CONSIDERATIONS**

Meetings of the Audit Committee will assist in monitoring of risk to the organisation.

## **FINANCIAL IMPLICATIONS**

Resource requirements are in accordance with existing budgetary allocation.

## **VOTING REQUIREMENTS**

Simple.

**OFFICER'S RECOMMENDATION**

**THAT Council adopt the dates for the 2017 audit committee meetings over the next twelve months as listed below and advertise in accordance with the Local Government (Administration) Regulations.**

<b>MEETING DATE</b>	<b>WEEK</b>	<b>COMMENCEMENT TIME</b>	<b>VENUE</b>
<b>23<sup>rd</sup> February 2017</b>	<b>4<sup>th</sup> Thursday</b>	<b>8:00am</b>	<b>Newman</b>
<b>8<sup>th</sup> June 2017</b>	<b>2<sup>nd</sup> Thursday</b>	<b>8:00am</b>	<b>Newman</b>
<b>7<sup>th</sup> September 2017</b>	<b>1<sup>st</sup> Thursday</b>	<b>8:00am</b>	<b>Newman</b>
<b>23<sup>rd</sup> November 2017</b>	<b>4<sup>th</sup> Thursday</b>	<b>8:00am</b>	<b>Newman</b>



#### 9.1.4 RISK MANAGEMENT REPORT

<b>File Ref:</b>	<b>LEG-19-1</b>
<b>Attachments:</b>	<a href="#">Risk Improvement Plan Report Nov 2016</a>
<b>Responsible Officer:</b>	<b>Ms Sian Appleton</b> <b>Deputy Chief Executive Officer</b>
<b>Author:</b>	<b>Mr Andries Gertenbach</b> <b>Manager Corporate Services</b>
<b>Proposed Meeting Date:</b>	<b>24 November 2016</b>
<b>Location/Address:</b>	<b>N/A</b>
<b>Name of Applicant:</b>	<b>N/A</b>
<b>Author Disclosure of Interest:</b>	<b>Nil</b>

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#### REPORT PURPOSE

To review the actions undertaken and receive the Risk Improvement Plan as presented.

#### BACKGROUND

Council endorsed the Risk Improvement Plan at the September 2016 meeting and since then some of the actions contained therein have been undertaken.

#### COMMENTS/OPTIONS/DISCUSSIONS

A total of forty four actions were identified for improvements to risk as a result of the review undertaken. To date of these sixteen have been completed, seventeen are on schedule, five are under review and six have not been attended to as yet.

This is the first of these reports that will be brought to the Committee and it is proposed to expand the scope of this as further risks are identified and dealt with.

#### STATUTORY IMPLICATIONS/REQUIREMENTS

Local Government (Audit Regulations) 1996 Regulations 16 and 17

16. *Audit committee, functions of*

*An audit committee —*

- (a) is to provide guidance and assistance to the local government —*
    - (i) as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
    - (ii) as to the development of a process to be used to select and appoint a person to be an auditor;*
  - and*
  - (b) may provide guidance and assistance to the local government as to —*
    - (i) matters to be audited; and*
    - (ii) the scope of audits; and*
    - (iii) its functions under Part 6 of the Act; and*
    - (iv) the carrying out of its functions relating to other audits and other matters related to financial management; and*
-

- (c) *is 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.*

**17. CEO to review certain systems and procedures**

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*
  - (a) *risk management; and*
  - (b) *internal control; and*
  - (c) *legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

**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*
  - 1.1.3 *Effective business management*  
*Responsible officer: DCEO*  
*Timing: 1-3 years*

**RISK MANAGEMENT CONSIDERATIONS**

This report relates to risk items that have been identified and actions taken to improve them.

**FINANCIAL IMPLICATIONS**

Resource requirements are in accordance with existing budgetary allocation.

**VOTING REQUIREMENTS**

Simple.

**OFFICER'S RECOMMENDATION**

**THAT Council review the actions taken and receive the Risk Improvement Plan Report as presented.**

- 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**  
  
As per 24/11/2016 agenda item 9.1.3 Resolution.
- 15 CLOSURE**