



AGENDA

Audit Committee Meeting

Tuesday, 17 March 2020

Commencing at 5.00pm

**Munglinup Community Centre,
Munglinup**

SHIRE OF RAVENSTHORPE

Agenda for the Audit Committee Meeting to be held in the Munglinup Community Centre, Ravensthorpe on Tuesday 17 March 2020 – commencing at 5.00pm.

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1. Declaration of Opening / Announcements of Visitors

The Presiding Member to declare the meeting open.

2. Attendance / Apologies

COUNCILLOR'S: Cr Keith Dunlop (Shire President)
Cr Ian Goldfinch
Cr Thomas Major
Cr Mark Mudie
Cr Ken Norman
Cr Graham Richardson

STAFF: Gavin Pollock (Chief Executive Officer)
Les Mainwaring (Director Corporate and Community Services)
Graham Steel (Director Technical Services)
Kim Bransby (Acting Executive Assistant)

APOLOGIES: Cr Julianne Belli (Deputy Shire President)

ON LEAVE OF ABSENCE: Nil.

ABSENT:

MEMBER OF THE PUBLIC:

3. Confirmation of Meeting Previous Minutes

3.1 Audit Committee Minutes – 10 December 2020

Statutory Environment:

Section 5.22 of the *Local Government Act* provides that minutes of all meeting to be kept and submitted to the next ordinary meeting of the council or the committee, as the case requires, for confirmation.

Voting Requirements:

Simple Majority.

Recommendation:

That the Minutes of the Audit Committee Meeting held in the Council Chambers, Ravensthorpe on 10 December 2019 be confirmed true and correct.

Moved: _____ Seconded: _____

4. Compliance Audit Return – 2019

File Reference:	GR AU1
Location:	Not Applicable
Applicant:	Not Applicable
Author:	Director Corporate and Community Services
Authorising Officer:	Chief Executive Officer
Date:	10 March 2020
Disclosure of Interest:	Nil
Attachments:	Ravensthorpe Compliance Audit Return 2019 (Attachment Grey)
Previous Reference:	Nil

Summary:

This report seeks Audit Committee endorsement that recommends the adoption of the Local Government Compliance Audit Return for the period 1 January 2019 to 31 December 2019.

Background:

Section 7.13(i) of the *Local Government Act 1995* requires that each local government completes a Compliance Audit Return for each calendar year for the period 1 January to 31 December.

The document is provided by the Department of Local Government, Sport and Cultural Industries (DLGSCI) in a prescribed manner and is designed to be a tool of self-assessment by local governments allowing identification of areas where compliance has been met or is not applicable for that particular year. It also provides guidance for improvement in instances of non-compliance.

Comment:

The Compliance Audit Return for 2019 includes 104 compliance questions (95 last year), which requires Yes or No answers, however where an item has not occurred during the calendar year a response of not applicable (N/A) is provided. The areas of compliance this year have focused on commercial enterprises by local governments, delegation of powers, disclosures of interest, disposal of property, elections, finance, integrated planning and reporting, employees, official conduct optional questions and tenders for providing goods and services.

The 2019 return has been completed in good faith to the best of available records and the knowledge of senior officers.

Instances of non-compliance have been detailed below with comments;

1. Has the local government adopted a Corporate Business Plan (In progress 2020).
2. Has the local government reviewed the Corporate Business Plan in the 2018-2019 Financial Year (In progress 2020).
3. Has the local government adopted a Strategic Community Plan (In progress 2020).
4. Has the local government reviewed the current Strategic Community Plan (In progress 2020).
5. Has the local government developed an Assets Management Plan that covers all asset classes (In progress 2020).
6. Has the local government developed a Long Term Financial Plan (In progress 2020).
7. Has the local government developed a Workforce Plan (In progress 2020).
8. Did the CEO review the appropriateness and effectiveness of the local governments financial management systems and procedures in accordance with *Local Government (Financial Management) Regulation 5 (2) (c)* within 3 years prior to 31 December 2019 (Planned for 2020 given the disruption of 2019).

9. Did the CEO review the appropriateness and effectiveness of the local government’s systems and procedures in relation to risk management, internal control and legislative compliance in accordance with local government (Audit) Regulation 17 within three years prior to 31 December 2019 (Planned for 2020 given disruption of 2019).
10. Did the local government submit to its auditor by 30 September 2019 the balanced accounts and annual financial report for the year ending 30 June 2019 (Approved extension to 25 October 2019).

After the Compliance Audit return has been presented to Council, a certified copy of the return, signed by President and Chief Executive Officer, along with the relevant section of the minutes and any additional information detailing the contents of the return are to be submitted to the DLGSCI by 31 March of each year.

Consultation:

Chief Executive Officer.

Statutory Environment:

Section 7.13 *Local Government Act 1995*

Regulations 14 & 15 *Local Government (Audit) Regulations 1996*.

Policy Implications:

Nil.

Financial Implications:

Nil.

Strategic Implications:

Nil.

Sustainability Implications:

Environmental:

There are no significant Environmental items for consideration.

Economic:

There are no significant Economic items for consideration.

Social:

There are no significant Social items for consideration.

Risk Implications:

Risk	Low (2)
Risk Likelihood (based on history and with existing controls)	Low (2)
Risk Impact / Consequence	Low (2)
Risk Rating (Prior to Treatment or Control)	Low (2)
Principal Risk Theme	Low (2)
Risk Action Plan (Controls or Treatment Proposed)	Low (2)

Risk Matrix:

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating of 2 has been determined for this item. Any items with a risk rating over 10 (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating over 17 will require a specific risk treatment plan to be developed.

Voting Requirements:

Simple Majority.

Recommendation:

The Audit Committee recommend that Council:

Adopt the Compliance Audit Return 2019 for the period 1 January 2019 to 31 December 2019 and it be forwarded to the Department of Local Government, Sport and Cultural Industries after being certified by the Shire President and Chief Executive Officer.

Moved: _____ Seconded: _____

5. Closure of Meeting

The Presiding Member to declare the meeting closed.