

# SHIRE OF JERRAMUNGUP



## MINUTES

### MEETING OF AUDIT COMMITTEE

**15<sup>th</sup> MARCH 2017**

**MINUTES FOR MEETING OF AUDIT COMMITTEE HELD IN THE COUNCIL CHAMBERS, JERRAMUNGUP ON WEDNESDAY 15<sup>th</sup> MARCH 2017 COMMENCING AT 12:00pm.**

**MINUTES**

**1. OPEN AND WELCOME**

The President declared the meeting open at 12:27pm

**2. RECORD OF ATTENDANCE**

Cr R Lester	President
Cr J Iffla	Deputy President
Cr B Trevaskis	Member
Cr W Bailey	Member
Cr J Leenhouders	Member
Cr R Parsons	Member
Mr B Bailey	Chief Executive Officer
Mrs C Solomon	Deputy Chief Executive Officer

**3. APOLOGIES**

Cr C Daniel                      Member

**4. PUBLIC QUESTION TIME**

Nil

**5. CONFIRMATION OF MINUTES**

That the minutes of the Audit Committee Meeting held 20<sup>th</sup> April 2016 be received.

**Moved Cr Bailey / Seconded Cr Iffla**

**That the minutes of the Audit Committee Meeting held 20<sup>th</sup> April 2016 be received.**

**Carried 6-0**

**6. ITEMS FOR AUDIT COMMITTEE RESOLUTION**

6.1 Compliance Audit Return 2016

6.2 Chief Executive's Review of Risk Management, Internal Control and Legislative Compliance

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<b>SUBMISSION TO:</b>	<b>Administration</b>
<b>AGENDA REFERENCE:</b>	6.1
<b>SUBJECT:</b>	Compliance Audit Return 2016
<b>LOCATION/ADDRESS:</b>	Shire of Jerramungup
<b>NAME OF APPLICANT:</b>	Shire of Jerramungup
<b>FILE REFERENCE:</b>	
<b>AUTHOR:</b>	Charmaine Solomon
<b>DISCLOSURE OF ANY INTEREST:</b>	Nil
<b>DATE OF REPORT:</b>	7 <sup>th</sup> March 2017

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## **SUMMARY**

This agenda item discusses the compliance audit return for 2016. The recommendation is to recommend the adoption of the compliance return by Council.

## **ATTACHMENT**

Attachment 6.1 - Compliance Audit Return 2016

## **BACKGROUND**

The compliance return is a statutory requirement which Council is to complete each year evaluating areas of compliance with the Local Government Act 1995 and relevant regulations. The compliance period ranges from 1 January 2016 to 31 December 2016.

## **CONSULTATION**

Executive Officers

## **COMMENT**

In carrying out the compliance return for 2016 there were no areas of non-compliance identified.

## **STATUTORY REQUIREMENTS**

### **Local Government Audit Regulations 1996**

#### **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

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

**STRATEGIC IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

Nil

**POLICY IMPLICATIONS**

Nil

**VOTING REQUIREMENTS**

Simple Majority

**RECOMMENDATION**

That the Audit Committee recommend that Council adopt the Compliance Audit Return for 2016.

**Moved Cr Trevaskis / Seconded Cr Leenhouders**

**That the Audit Committee recommend that Council adopt the Compliance Audit Return for 2016.**

**Carried 6-0**

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<b>SUBMISSION TO:</b>	<b>Administration</b>
<b>AGENDA REFERENCE:</b>	6.2
<b>SUBJECT:</b>	Chief Executive's Review of Risk Management, Internal Control and Legislative Compliance
<b>LOCATION/ADDRESS:</b>	
<b>NAME OF APPLICANT:</b>	N/A
<b>AUTHOR:</b>	Brent Bailey
<b>DISCLOSURE OF ANY INTEREST:</b>	Nil
<b>DATE OF REPORT:</b>	1 <sup>st</sup> March 2017

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## **SUMMARY**

This item addresses the requirement for the Audit Committee to receive the Chief Executive Officer's biennial review of the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal controls and legislative compliance.

## **ATTACHMENT**

Attachment 6.2 - Risk Management Profile and Reporting Tool

## **BACKGROUND**

Regulation 17 of the Local Government (Audit) Regulations 1996 requires the Chief Executive Officer to undertake a review of the appropriateness and effectiveness of the City's systems and procedures in relation to risk management, internal controls and legislative compliance at least once every two years. The outcome of that review is required to be reported to the Audit Committee.

## **CONSULTATION**

Executive Officers

## **COMMENT**

The Department of Local Government and Communities' Local Government Guideline No 9 - Audit in Local Government (Guideline) describes the issues that should be considered when undertaking a review of systems and procedures in relation to risk management, internal controls and legislative compliance. The Chief Executive Officer's review of systems and procedures has considered each of the issues detailed in the Guideline. The outcome of the review is provided in the attachment.

The review has concluded that the Shire has sound and effective systems and procedures in place in relation to risk management, internal controls and legislative compliance. Importantly, the review found that staff are regularly reviewing systems and procedures to make improvements and the report attached details where work is currently occurring to strengthen and improve the Shire's approach to risk management, internal controls and legislative compliance.

In addition to the review of risk covered by this report the Shire's auditor will be undertaking a Financial Management Review at the next interim audit to provide an external assessment of the Shire's systems and processes.

### **STATUTORY REQUIREMENTS**

Local Government (Audit) Regulations 1996 states;

"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."

### **STRATEGIC IMPLICATIONS**

**Aspiration 2.5 - Civic Leadership** To provide strong civic leadership and governance systems that are open and transparent and ethical.

**Objective 2.5.2** - Maintain a highly accountable and transparent governance network and decision making process

### **FINANCIAL IMPLICATIONS**

Nil

### **WORKFORCE IMPLICATIONS**

Nil

### **POLICY IMPLICATIONS**

Nil.

### **VOTING REQUIREMENTS**

Simple Majority.

## **RECOMMENDATION**

That the Audit Committee resolves to recommend that Council receives the Chief Executive Officer's biennial review of the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal controls, and legislative compliance as detailed in Attachment 6.2.

### **Moved Cr Iffla / Seconded Cr Bailey**

**That the Audit Committee resolves to recommend that Council receives the Chief Executive Officer's biennial review of the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal controls, and legislative compliance as detailed in Attachment 6.2.**

**Carried 6-0**

7. **GENERAL BUSINESS**

Nil

8. **CLOSURE**

The President declared the meeting closed at 12:34pm.