



# Agenda

## Audit Committee Meeting

19 March 2024

### Notice of Meeting

Notice is hereby given that the next Audit Committee Meeting of the Shire of Exmouth will be held on 19 March 2024, in the Bundegi Board Room, Ningaloo Centre, 2 Truscott Crescent, Exmouth commencing at 3.30 pm.

A handwritten signature in black ink, appearing to be 'Ben Lewis', written in a cursive style.

Ben Lewis  
CHIEF EXECUTIVE OFFICER

## Disclaimer

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The advice and information contained herein are given by and to the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to the Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

Please note that this agenda contains recommendations which have not yet been adopted by Council.

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**SNAPSHOT**

# Strategic Community Plan 2023-2033



**Your Choice. Our Future.**

**VISION**

A globally recognised community of guardians for our unique environment and culture as we pursue innovations for sustainable growth.

**GOALS**

The goals are organised in five strategic pillars: Social, Natural Environment, Built Environment, Economy, and Governance and Leadership.

## SOCIAL

Nurture a friendly, safe and inclusive community spirit.

- Improve local community and visitor experiences.
- Ensure a full suite of services to meet the needs of families and individuals at all ages and stages of life.
- Build community cohesion and connectedness.



## GOVERNANCE & LEADERSHIP

Foster open, transparent & accountable leadership, working collaboratively & in partnership with our community & stakeholders.

- Forward-thinking leadership for efficient & sustainable operations.
- Continued focus on transparent, accountable leadership & community & stakeholder engagement.
- Council & administration plan & lead with good governance.



## ECONOMY

Enhance a robust, resilient & diversified economy that champions innovation.

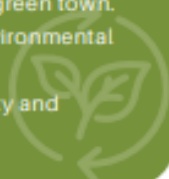
- Increase opportunities for smart and sustainable business ideas.
- Establish Exmouth as a vibrant, welcoming and environmentally aware destination.
- Promote Exmouth as a thriving economy based on its regional strength as a global environmental hotspot.



## NATURAL ENVIRONMENT

Embrace natural sensitivities and promote positive change.

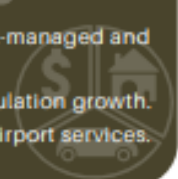
- Establish Exmouth as a clean and green town.
- Prepare Exmouth for changing environmental conditions.
- Increase awareness of sustainability and environmental issues.



## BUILT ENVIRONMENT

Enable sustainable development and infrastructure that meets the needs of the community, visitors and industry.

- Infrastructure and assets are well-managed and maintained.
- Plan and cater for increased population growth.
- Revitalisation and expansion of airport services.



## Disclosure of Interest Form

(Elected Members/Committee Members/Employees/Contractors)  
Local Government Act 1995 (Section 5.65, 5.70, 5.71 & 5.71(B))

To: Chief Executive Officer

Name [Click here to enter text.](#)

Elected Member     Committee Member     Employee     Contractor

Ordinary Council Meeting held on [Click here to enter text.](#)

Special Council Meeting held on [Click here to enter text.](#)

Committee Meeting held on [Click here to enter text.](#)

Other [Click here to enter text.](#)

Report No [Click here to enter text.](#)

Report Title [Click here to enter text.](#)

Type of Interest (\*see overleaf for further information)

Proximity     Financial     Impartiality

Nature of Interest

[Click here to enter text.](#)

Extent of Interest (if intending to seek Council approval to be involved with debate and/or vote)

[Click here to enter text.](#)

Signed: \_\_\_\_\_ Date: [Click here to enter text.](#)

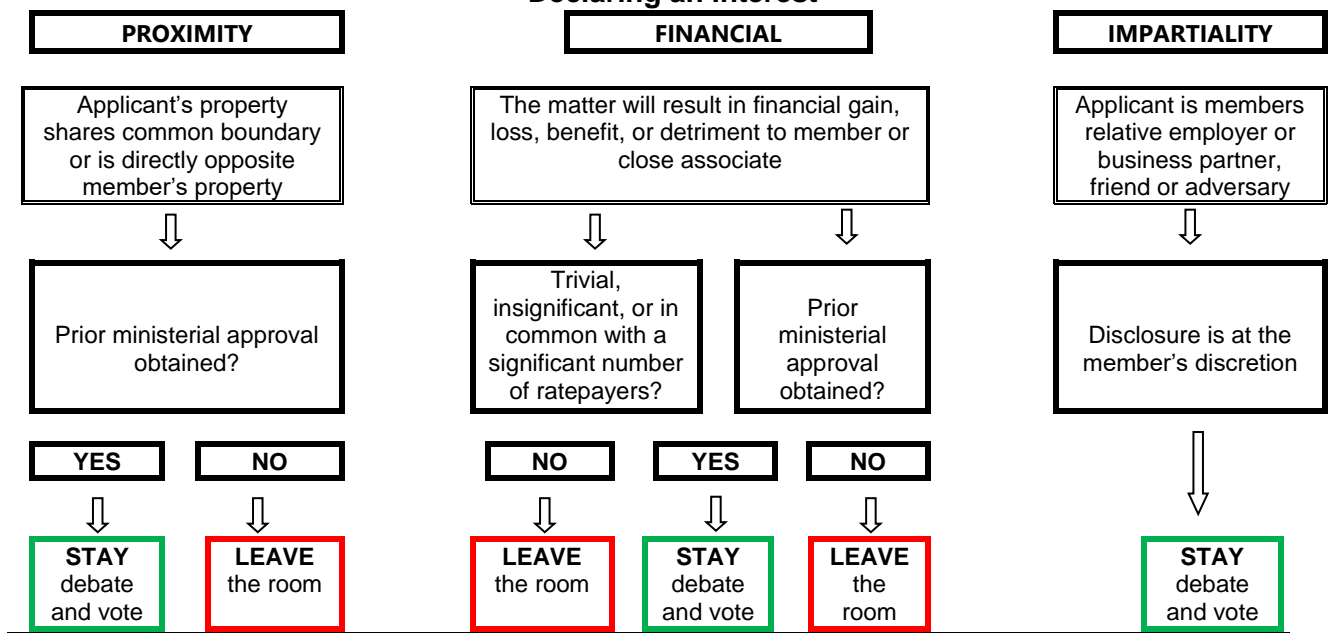
- **Note 1** - Elected Members/ Committee Members/Employees refer to the Disclosure of Interest Declaration card when disclosure is being read out at Council or Committee Meeting.
- **Note 2:** For Ordinary meetings of the Council, elected members and employees are requested to submit this completed form to the Chief Executive Officer prior to the meeting. Where this is not practicable, disclosure(s) must be given to the Chief Executive Officer prior to the matter being discussed.
- **Note 3:** Employees or Contractors disclosing an interest in any matter apart from at meetings, where there is a conflict of interest including disclosures required by s5.71 are required to submit this form to the CEO as soon as practicable.

CEO: \_\_\_\_\_ Signed: \_\_\_\_\_ Date: \_\_\_\_\_

### OFFICE USE ONLY

Particulars recorded in Minutes     Particulars recorded in Register

**\* Declaring an Interest**



**Local Government Act 1995 – Extract**

**s.5.60A - Financial Interest**

A person has a financial interest in a matter if it is reasonable to expect that the matter will, if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person.

**s.5.60B – Proximity Interest**

A person has a proximity interest in a matter if the matter concerns —

- (a) a proposed change to a planning scheme affecting land that adjoins the person's land; or
- (b) a proposed change to the zoning or use of land that adjoins the person's land; or
- (c) a proposed development (as defined in section 5.63(5)) of land that adjoins the person's land.

**5.65 - Members' interests in matters to be discussed at meetings to be disclosed.**

(1) A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest:

(a) in a written notice given to the CEO before the meeting; or (b) at the meeting immediately before the matter is discussed. (Penalties apply).

(2) It is a defence to a prosecution under this section if the member proves that he or she did not know: (a) that he or she had an interest in the matter; or (b) that the matter in which he or she had an interest would be discussed at the meeting.

(3) This section does not apply to a person who is a member of a committee referred to in section 5.9(2)(f).

**5.70 - Employees to disclose interests relating to advice or reports.**

(1) In this section: 'employee' includes a person who, under a contract for services with the local government, provides advice or a report on a matter.

(2) An employee who has an interest in any matter in respect of which the employee is providing advice or a report directly to the council or a committee must disclose the nature of the interest when giving the advice or report.

(3) An employee who discloses an interest under this section must if required to do so by the council or committee, as the case may be, disclose the extent of the interest. (Penalties apply).

**5.71 - Employees to disclose interests relating to delegated functions.**

If, under Division 4, an employee has been delegated a power or duty relating to a matter and the employee has an interest in the matter, the employee must not exercise the power or discharge the duty and:

- (a) in the case of the CEO, must disclose to the mayor or president the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter; and (b) in the case of any other employee, must disclose to the CEO the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter. (Penalties apply)

**5.71A. - CEOs to disclose interests relating to gifts in connection with advice or reports**

(1) A CEO who has an interest relating to a gift in a matter in respect of which the CEO proposes to provide advice or a report, directly or indirectly, to the council or a committee must disclose the nature of the interest in a written notice given to the council.

(2) A CEO who makes a disclosure under subsection (1) must not provide the advice or report unless the CEO is allowed to do so under section 5.71B(2) or (6).

(3) A CEO who has an interest relating to a gift in a matter in respect of which another employee is providing advice or a report directly to the council or a committee must disclose the nature of the interest when the advice or report is provided.

**Local Government (Administration) Regulations 1996 – Extract** - In this clause and in accordance with Regulation 19AA "Interest" means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.

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**1. Declaration of Opening and Announcements**

**2. Attendance, Apologies and Approved Leave of Absence**

Councillor D (David) Gillespie	Chairperson
Councillor J (Jackie) Brooks	Deputy Chairpersons
Councillor T (Todd) Bennett	

Mr Ben Lewis	Chief Executive Officer
Mr Robert Koelbel	Manager Finance

**3. Response to Previous Public Questions Taken on Notice**

N/A

**4. Public Question Time**

N/A

**5. Declarations of Interest**

**6. Applications for Leave of Absence**

N/A

**7. Confirmation of Minutes of Previous Meetings**

That the Minutes and associated attachments of the Audit Committee Meeting of the Shire of Exmouth held on 12 December 2023 be confirmed as a true and correct record of proceedings.

**8. Announcements/ Reports of Elected Members**

N/A

**9. Announcements by the Presiding Person without Discussion**

N/A

**10. Petitions/ Deputation/Presentations/ Submissions**

N/A

**11. Matters Arising from Committees of Council**

N/A

## 12. Reports of Officers

### 12.1.1 2023 COMPLIANCE AUDIT RETURN

File Reference	FM.AD.0
Reporting Officer	Coordinator Governance
Responsible Officer	Chief Executive Officer
Date of Report	28 February 2024
Applicant/Proponent	Nil
Disclosure of Interest	Nil
Attachment(s)	1. Compliance Audit Return

#### Purpose

1. That the Audit Committee review the Compliance Audit Return (CAR) for the calendar year 1 January 2023 to 31 December 2023 and refer onto Council for endorsement, prior to lodging with the Department of Local Government, Sport and Cultural Industry (the Department).

#### Background

2. In accordance with Regulation 14 of the *Local Government (Audit) Regulations 1996* the Shire is required to carry out a compliance audit for the period 1 January to 31 December each year and prepare a compliance audit return in a form approved by the Minister.
3. The 2023 compliance audit deals with the period 1 January 2023 to 31 December 2023 and focuses on those areas considered high risk in accordance with the *Local Government Act 1995* and associated regulations.
4. The regulations require that the CAR is to be:
  - presented at a meeting of the Audit Committee;
  - presented to Council at an Ordinary Council Meeting;
  - adopted by the Council; and
  - the adoption recorded in the minutes of the meeting at which it is adopted.
5. The regulations require that once adopted by Council, the return is to be certified by both the Shire President and Chief Executive Officer, and submitted, along with the relevant section of the minutes and any additional information to the Department by 31 March.

#### Comment

6. The 2023 CAR was undertaken in house and responses were received from the responsible officers.
7. To ensure a thorough audit has been undertaken, and where applicable the Shire has evidenced each of its responses by citing reference to relevant internal and external documents.
8. The table below provides a summary of the audit categories which represents 98% compliance (of those questions applicable to Shire of Exmouth) with the statutory requirements of the *Local Government Act 1995* and subsidiary legislation.



9.

Category	No. of Questions	Compliant	Not compliant	Not Applicable
Commercial Enterprises by Local Government	5	-	-	5
Delegation of Power/Duty	13	9	-	4
Disclosure of Interest	21	16		5
Disposal of Property	2	-	-	2
Elections	3	1	-	2
Finance	7	4	-	3
Integrated Planning and Reporting	3	3	-	-
Local Government Employees	5	-	-	5
Official Conduct	4	4	-	-
Optional Questions	9	8	1*	-
Tenders for providing Goods & Services	22	10	-	12
	<b>94</b>	55	1	38

10. One non-compliance was identified under the Optional Questions category as detailed below:

- *\*Question 8, s6.4(3) – By 30 September 2023, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2023?*

The approved draft financial report (already signed) for the 2022/23 financial year was submitted on 29 September 2023.

During the audit, it was identified that the latest updated template from the Department wasn't been used (missed additional asset disclosure around previous revaluation dates and depreciation determinations); missing disclosures were added and provided on 14 November 2023, which has then been deemed as the date of receipt for the financial statements

### Consultation

11. Chief Executive Officer
12. Coordinator Governance
13. Manager Finance
14. Procurement Officer
15. Information Management Officer

### Statutory Environment

16. *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 sub regulation (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.

15. Certified copy of compliance audit return and other documents to be given to Departmental CEO

(1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —

- (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
- (b) any additional information explaining or qualifying the compliance audit, is to be submitted to the Departmental CEO by 31 March next following the period to which the return relates.

**Policy Implications**

17. Nil

**Financial Implications**

18. Nil

**Risk Management**

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Performance (operational) – Failure to accept the report will result in no effective change to the operational practices	Possible	Minor	Moderate	Accept the report and implement the recommendations
Reputational – Council is perceived to be non-compliant with legislation	Possible	Moderate	Moderate	Implement strategies to ensure statutory compliance

**Risk Matrix**

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

**Alternate Options**

19. Nil

**Strategic Alignment**

This item is relevant to the Council’s approved Strategic Community Plan and Corporate Business Plan 2023 – 2033.

Governance & Leadership	<p><b>Foster open, transparent &amp; accountable leadership, working collaboratively and in partnership with our community and stakeholders</b></p> <p>5.1 Forward-thinking leadership for efficient and sustainable operations</p> <p>5.2 Continued focus on transparent, accountable leadership and community stakeholder engagement</p> <p>5.3 Council and administration plan and lead with good governance</p>
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## **Voting Requirements**

20. Simple Majority

<b>Officers Recommendation</b>	<b>Item 12.1.1</b>
That the Audit Committee recommends that Council resolve to:	
1. Adopt the statutory 2023 Compliance Audit Return for the Shire of Exmouth for the period 1 January 2023 to 31 December 2023; and	
2. Authorise the Chief Executive Officer to submit the return of the Department of Local Government, Sport and Cultural Industries by 31 March 2024.	

## 12.1.2 COUNCIL POLICY REVIEW - CS011 DEBT RECOVERY PROCESSES

File Reference	CM.PO.14
Reporting Officer	Manager Finance
Responsible Officer	Chief Executive Officer
Date of Report	11 March 2024
Applicant/Proponent	Nil
Disclosure of Interest	Nil
Attachment(s)	1. CS011 Debt Recovery Processes Policy

### Purpose

1. That the Audit Committee considers the reviewed CS011 Debt Recovery Processes Policy for adoption as per Attachment 1 to Council.

### Background

2. Council policy set governing principles and guide the direction of the organisation to align with community values and aspirations. These policies have a strategic, external focus and align with the mission, vision, and strategic direction of the Shire.
3. An annual review (financial year) of all Council policies is undertaken to adhere to the Shire of Exmouth Compliance Calendar, which is the basis of the Compliance Audit Return submitted to the Department of Local Government, Sport and Cultural Industries annually.
4. The Local Government Act 1995 empowers Council in the determination of policy under s2.7 Role of Council - "(2) (b) determine the local government's policies."
5. In December 2023 the Council Policy manual underwent a desktop review which identified minor updates to position titles, Act and legislation references and grammatical and formatting.

### Comment

6. This recent review of CS011 Debt Recovery Processes Policy was a desktop review which identified minor updates to timeframes and formatting.
7. The following updates were identified:

#### CS011 Debt Recovery Processes Policy

Amend timeframe(s) for final notice period of sundry debtors to align with current system capabilities.

Specify legal action for sundry debtors under the guidance of Council's debt collection service provider and recoverable cost incurred in undertaking legal action.

### Consultation

8. Chief Executive Officer
9. Manager Finance

### Statutory Environment

10. *Local Government Act 1995 s.2.7(2)(b)*

2.7. Role of council

(1) The council —

- (a) governs the local government’s affairs; and
- (b) is responsible for the performance of the local government’s functions.

(2) Without limiting subsection (1), the council is to —

- (a) oversee the allocation of the local government’s finances and resources; and
- (b) determine the local government’s policies.

**Policy Implications**

11. If the officer’s recommendation is approved by the Audit Committee, current policy CS011 will be recommended to Council for replacement.

**Financial Implications**

12. Nil

**Risk Management**

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Failure to accept the report will result in no effective change to the operational practices	Possible	Minor	Moderate	Accept the report and implement the recommendations

Risk Matrix

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

**Alternate Options**

13. The Audit Committee may consider declining the recommendation provided by the reporting officer.

**Strategic Alignment**

This item is relevant to the Council’s approved Strategic Community Plan and Corporate Business Plan 2023 – 2033.

Governance & Leadership	<p><b>Foster open, transparent &amp; accountable leadership, working collaboratively and in partnership with our community and stakeholders</b></p> <p>5.1 Forward-thinking leadership for efficient and sustainable operations</p> <p>5.2 Continued focus on transparent, accountable leadership and community stakeholder engagement</p> <p>5.3 Council and administration plan and lead with good governance</p>
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**Voting Requirements**

14. Simple Majority

<b>Officers Recommendation</b>	<b>Item 12.1.2</b>
<p>That the Audit Committee recommends that Council:</p> <p>1. Revokes the existing Council Policy CS011 Debt Recovery Processes – 14 December 2023 in its entirety; and</p>	

2. Approves the desktop review of the Council CS011 Debt Recovery Processes – 11 March 2024 as per Attachment 1 to this report.

**13. Elected Members Motions of which Previous Notice has Been Given**

N/A

**14. New Business of an Urgent nature introduced by Decision of Meeting**

N/A

**15. Matters to be considered Behind Closed Doors**

N/A

**16. Closure of Meeting**