

Shire of Exmouth

AUDIT COMMITTEE MEETING

AGENDA



17 March 2022

NOTICE OF MEETING

Notice is hereby given that the

Shire of Exmouth
Audit Committee Meeting
will be held on
17 March 2022
Commencing at 4.00 pm
In the Bundegi Board Room, Ningaloo Centre,
2Truscott Crescent, Exmouth

Ben Lewis
Chief Executive Officer

Disclaimer

The advice and information contained herein is 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 this agenda contains recommendations which have not yet been adopted by Council.

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Shire of Exmouth

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Disclosure of Interest Form

(Elected Members/Committee Members/Employees/Contractors)

Local Government Act 1995 (Section 5.65, 5.70 & 5.71)

To: Chief Executive Officer

- Ordinary Council Meeting held on _____
- Special Council Meeting held on _____
- Committee Meeting held on _____
- Other _____

Report No _____

Report Title _____

Name _____

- Elected Member
- Committee
- Employee
- Contractor

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

- Proximity
- Financial
- Impartiality

Nature of Interest

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

Name: _____ Signed: _____ Date: _____

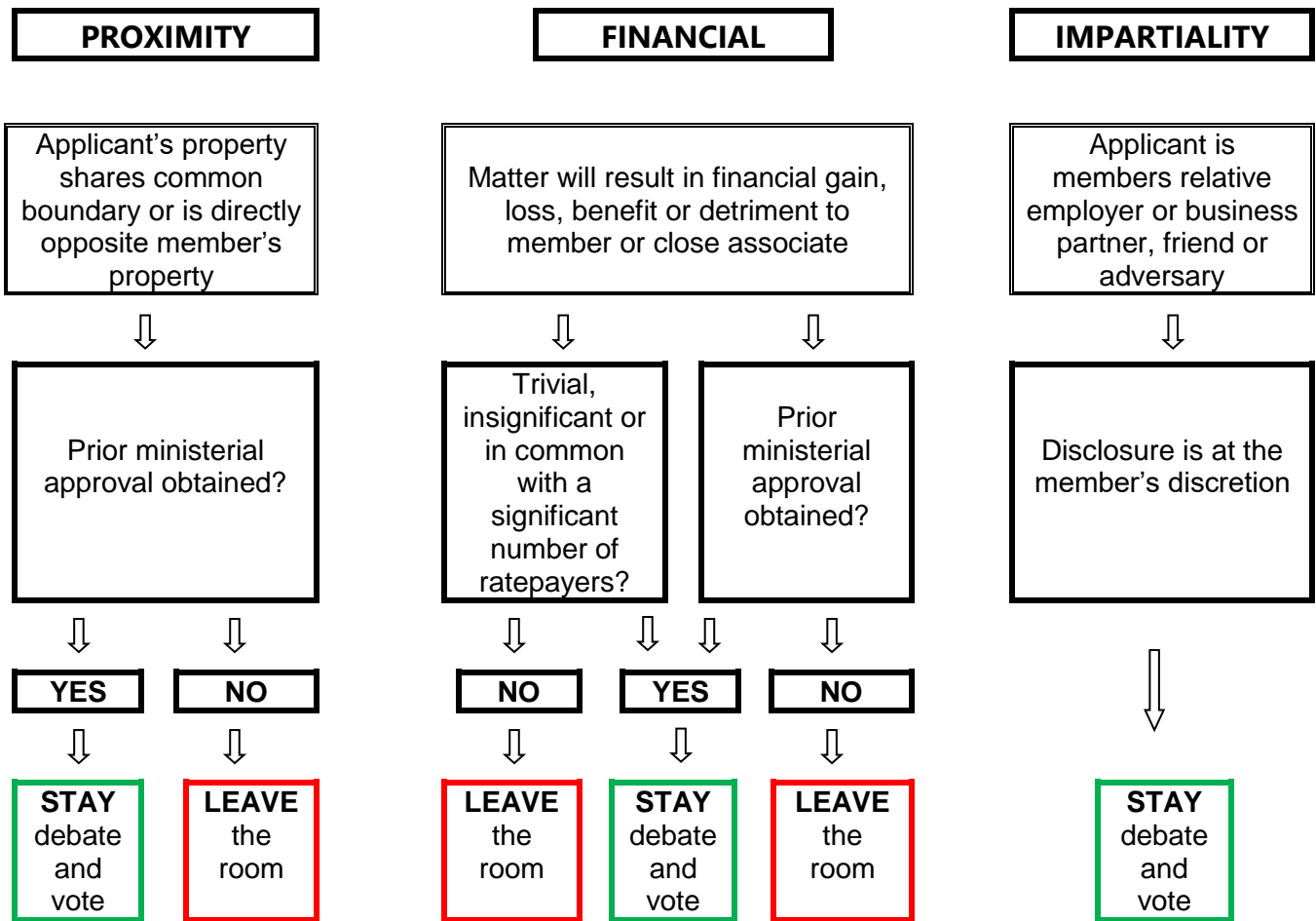
Note 1: For Ordinary meetings of Council, elected members and employees are requested to submit this completed form to the Chief Executive Officer prior to the meeting. Where this is not practicable, disclosure(s) must be given to the Chief Executive Officer prior to the matter being discussed.

Note 2: 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.

OFFICE USE ONLY

CEO: _____ Signed: _____ Date: _____

*** Declaring an Interest**



Local Government Act 1995 - Extract

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)

'Local Government (Administration) Regulations 1996 – Extract

In this clause and in accordance with Regulation 34C of the Local Government (Administration) Regulations 1996:

"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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AGENDA

Our Vision To be a prosperous and sustainable community living in harmony with our natural environment.

Our Purpose To responsibly provide governance for the whole community in the best interest of current and future generations.

Our Strategic Objectives

- Diversify and grow our economy in a manner that provides year round employment opportunities
- To protect and value our unique natural and built environment as we grow our economy.
- To be a vibrant, passionate and safe community valuing our natural environment and unique heritage
- To provide open transparent, accountable leadership working in collaboration with our community.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member declared the meeting open at XX

The Presiding Member acknowledged the aboriginal people both past and present, as the traditional custodians of the land on which we meet.

2. RECORD OF ATTENDANCE AND APOLOGIES

Councillor M (Mark) Lucas	Chairperson
Councillor D (David) Gillespie	Deputy Chairperson
Councillor J (Jackie) Brooks	
Mr Ben Lewis	Chief Executive Officer
Mr Gollie Coetzee	Executive Manager Corporate Services
Ms Michelle Head	Minute Taker

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

N/A

4. DECLARATIONS OF INTEREST

5. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

That the Minutes of the Ordinary Meeting of the Shire of Exmouth held on the 2 December 2021 be confirmed as a true and correct record of proceedings.

6. ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

Nil

7. PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS

Nil

8. REPORTS OF OFFICERS

8.1 2021 COMPLIANCE AUDIT RETURN

File Reference:	FM.AD.1
Reporting Officer:	Executive Secretary
Responsible Officer:	Chief Executive Officer
Date of Report:	15 March 2021
Applicant/Proponent:	Department of Local Government, Sport and Cultural Industries
Disclosure of Interest:	Nil
Attachment(s):	1. 2021 Compliance Audit Return 2. Summary of Matters Noted

PURPOSE

1. That the Audit Committee reviews the Compliance Audit Return (CAR) for the calendar year 1 January 2021 to 31 December 2021.

BACKGROUND

2. Each year the Department of Local Government, Sport and Cultural Industries (the Department) requires Councils to conduct an annual assessment of their compliance with key components of the Local Government Act 1995 (the Act) and associated Regulations.
3. The 2021 CAR is to be provided to the Department by 31 March 2022.
4. 89 questions are contained within the 2021 CAR plus an additional 9 Optional Questions. A copy of the reviewed CAR is available in Attachment 1.
5. On an annual basis respective Western Australia Local Governments are required under legislation to complete an annual Compliance Audit Return that largely represents a self-audit of the Shires compliance.
6. Each Local Government must complete a CAR for the period 1 January to 31 December against the checklist of statutory compliance issues included in the 2020 return.
7. Once completed, 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.

8. After the CAR has been presented to the Council at the March Ordinary Council Meeting, a certified copy of the Return along with the relevant section of the minutes and any additional information is to be submitted to the Director General, Department of Local Government, Sport, and Cultural Industries by 31 March 2022.

COMMENT

9. The Shire of Exmouth engaged Moore Australia to provide the services in relation to the 2021 CAR.
10. To ensure a thorough audit has been undertaken, Moore Australia requested various forms of evidence relating to the various topics of the CAR and were provided with references to relevant internal and external documents.
11. The table below provides a summary of the audit categories which represents 92.86% compliance (of those questions relevant to Shire of Exmouth) with the statutory requirements of the *Local Government Act 1995* and subsidiary legislation.

Category	Questions	Compliant	Matters Noted	Not Applicable
Commercial Enterprises by Local Government	5	-	-	5
Delegation of Power/Duty	13	13	-	-
Disclosure of Interest	25	18	2	5
Disposal of Property	2	-	-	2
Elections	3	3	-	-
Finance	7	6	-	1
Integrated Planning and Reporting	3	3	-	-
Local Government Employees	6	4	-	2
Official Conduct	3	3	-	-
Optional Questions	9	7	1	1
Tenders for providing Goods & Services	22	6	4	12
	98	63	7	28

12. Moore Australia completed their assessment and provided the Shire with a summary of matters noted as per attachment 2.
13. Staff is currently working through the summary of matters and will be making a recommendation on improvements and will continue to update the Audit Committee with progress.

CONSULTATION

17. Moore Australia
18. Staff

STATUTORY ENVIRONMENT

20. Pursuant to Regulations 14 & 15 of the *Local Government (Audit) Regulations 1996* requires the 2021 Compliance Audit Return is to be completed and returned by 31 March 2022.

POLICY IMPLICATIONS

21. Nil

FINANCIAL IMPLICATIONS

22. Nil

STRATEGIC IMPLICATIONS

23. This item is relevant to the Councils approved Strategic Community Plan 2030 and Corporate Business Plan 2018-2022

- Leadership: To provide open transparent, accountable leadership working in collaboration with our community.
- 4.1 To provide proactive, collaborative and transparent leadership
 - 4.2 A local government that is respected and accountable.
 - 4.3 To be a champion for our community

VOTING REQUIREMENTS

24. Simple Majority

OFFICERS RECOMMENDATION

ITEM 8.1

That the Audit Committee recommend that Council resolve to:

1. Adopt the statutory Compliance Audit Return for the Shire of Exmouth for the period 1 January 2021 to 31 December 2021.
2. Authorise the Chief Executive Officer to submit the return to the Department of Local Government, Sport and Cultural Industries by 31 March 2022.

8.2 REVIEW OF FINANCIAL MANAGEMENT, RISK MANAGEMENT, LEGISLATIVE COMPLIANCE, AND INTERNAL CONTROLS

File Reference:	FM.AD.1
Reporting Officer:	Executive Manager Corporate Services
Responsible Officer:	Executive Manager Corporate Services
Date of Report:	8 March 2022
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	1. Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls (Confidential)

PURPOSE

1. That the Audit Committee receives the Review of Financial Management, Risk Management, Legislative Compliance, and Internal Controls.

BACKGROUND

2. In accordance with regulation 17 of the Local Government (Audit) Regulation 1996 the CEO is to review the appropriateness and effectiveness of local governments systems in relation to risk management, internal control and legislative compliance not less than once every three years and report the results to the audit committee.
3. In accordance with regulation 5 of the *Local Government (Financial Management) Regulation 1996* the CEO is to undertake reviews of the appropriateness of the financial management systems and procedures not less than once every three years and report the results of the review.
4. The Shire of Exmouth engaged Moore Australia to provide the services in relation to the requirements of Regulation 17 of the *Local Government (Audit) Regulation 1996* and Regulation 5 of the *Local Government (Financial Management) Regulation 1996*.

COMMENT

5. Moore Australia completed their assessment and provided us with their findings in March 2022 as per attachment 1.
6. Staff is currently working through these findings and will be making a recommendation on improvements and will continue to update the Audit Committee with progress.

CONSULTATION

7. Moore Australia
8. Staff

STATUTORY ENVIRONMENT

9. Local Government (Audit) Regulation 1996, Regulation 17:
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 sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review no less than once every three (3) financial years.*
 3. *The CEO is to report to the audit committee the results of that review.*
10. Local Government (Financial Management) Regulation 1996, Regulation 5(2)(c):
The CEO is to –
- (c) *undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.*

POLICY IMPLICATIONS

11. Nil

FINANCIAL IMPLICATIONS

12. Nil

RISK MANAGEMENT

13. Insert identified risks implications

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Legislative compliance	Possible	Moderate	Medium	Perform review of council’s financial management, risk management, legislative compliance and internal controls.

ALTERNATE OPTIONS

14. Nil

STRATEGIC ALIGNMENT

15. This item is relevant to the Councils approved Strategic Community Plan 2030 and Corporate Business Plan 2018-2022

- Leadership: To provide open transparent, accountable leadership working in collaboration with our community.
- 4.1 To provide proactive, collaborative and transparent leadership
 - 4.2 A local government that is respected and accountable.
 - 4.3 To be a champion for our community

VOTING REQUIREMENTS

16. Simple Majority

OFFICER'S RECOMMENDATION

ITEM 8.2

That the Audit Committee:

1. Receives the Review of Financial Management, Risk Management, Legislative Compliance, and Internal Controls.
2. Require staff to provide recommendations and updates on progress for the findings identified in the review.

9. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

10. CLOSURE OF MEETING