



Minutes

Audit Committee

2 March 2023

Confirmation of Minutes

I hereby certify that the Minutes and Attachments of the Audit Committee Meeting held on 2 March 2023 are a true and accurate record of the proceedings contained therein.



Presiding Officer

12/03/23

Date

Disclaimer

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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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

Natural Environment

Embrace natural sensitivities and promote positive change

Built Environment

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

Economy

Enhance a robust, resilient and diversified economy that champions innovation

Governance and Leadership

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

1. Declaration of Opening and Announcements

The Presiding member declared the meeting open at 3.30 pm.

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

2. Attendance, Apologies and Approved Leave of Absence

Councillor M (Mark) Lucas Chairperson
Councillor J (Jackie) Brooks Deputy Chairperson
Councillor D (David) Gillespie

Mr Ben Lewis Chief Executive Officer
Mr Gollie Coetsee Executive Manager Corporate Services

3. Response to Previous Public Questions Taken on Notice

Nil

4. Declarations of Interest

Nil

5. Confirmation of Minutes of Previous Meetings

That the Minutes and associated attachment of the Audit Committee Meeting of the Shire of Exmouth held on 15 December 2022 be confirmed as a true and correct record of proceedings.

COUNCIL RESOLUTION	ITEM 5
Res No: 01-0323	
MOVED: Cr Brooks	
SECONDED: Cr Gillespie	
That the Minutes and associated attachment of the Ordinary Council Meeting of the Shire of Exmouth held on 15 December 2022 be confirmed as a true and correct record of proceedings.	
CARRIED 3/0	

6. Announcements by the Presiding person without discussion

Nil

7. Petitions/ Deputation/Presentations/ Submissions

Nil

8. Reports of Officers

8.1 2022 COMPLIANCE AUDIT RETURN

File Reference	FM.AD.0
Reporting Officer	Executive Secretary
Responsible Officer	Chief Executive Officer
Date of Report	28 February 2023
Applicant/Proponent	Nil
Disclosure of Interest	Nil
Attachment(s)	1. Compliance Audit Return Working document

Purpose

1. That the Audit Committee review the Compliance Audit Return (CAR) for the calendar year 1 January 2022 to 31 December 2022 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 return in a form determined by the Department.
3. The 2022 CAR deals with the period 1 January 2022 to 31 December 2022 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. 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 2023.

Comment

6. The 2022 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 96.42% compliance (of those questions applicable to Shire of Exmouth) with the statutory requirements of the *Local Government Act 1995* and subsidiary legislation.

Category	Questions	Compliant	Not compliant	Not Applicable
Commercial Enterprises by Local Government	5	-	-	5
Delegation of Power/Duty	13	7	2	4
Disclosure of Interest	21	17		4
Disposal of Property	2	-	-	2
Elections	3	1	-	2
Finance	7	6	-	1
Integrated Planning and Reporting	3	3	-	-
Local Government Employees	5	-	-	5
Official Conduct	4	-	-	4
Optional Questions	9	9	-	-
Tenders for providing Goods & Services	22	8	-	14
	94	54	2	38

9. Two non-compliances were identified under the Delegation of Power/Duty section in the 2022 CAR:
- Question 5, s5.18 - Has Council review delegations to its committees in the 2021/2022 financial year? and
 - Question 12, s.5.46(2) -Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2021/2022 financial year?
10. Due to timing of the annual review of the Delegation Register there was no review during the 2021/2022 financial year. An annual review was completed and adopted by absolute majority on the 24 June 2021 and 24 November 2022; just prior to and after the financial year in question.

Consultation

11. Chief Executive Officer
12. Executive Manager Corporate Services
13. Procurement Officer
14. Information Management Officer

Statutory Environment

15. 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

16. Nil

Financial Implications

17. 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	Low	Accept the report and implement the recommendations
Reputational – Council is perceived to be non-complaint with legislation	Possible	Moderate	Low	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

18. Nil

Strategic Alignment

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

Governance & Leadership	<p>Foster open, transparent & accountable leadership, working collaboratively and in partnership with our community and stakeholders</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

OFFICER RECOMMENDATION

ITEM 8.1

That the Audit Committee recommends that Council resolve to:

1. Adopt the statutory 2022 Compliance Audit Return for the Shire of Exmouth for the period 1 January 2022 to 31 December 2022; and
2. Authorise the Chief Executive Officer to submit the return of the Department of local Government, Sport and Cultural Industries by 31 March 2023.

AUDIT COMMITTEE RESOLUTION

ITEM 8.1

Res No: 02-0223

MOVED: Cr Gillespie

SECONDED: Cr Brooks

That the Audit Committee recommends that Council resolve to:

1. **Adopt the statutory 2022 Compliance Audit Return for the Shire of Exmouth for the period 1 January 2022 to 31 December 2022; and**
2. **Authorise the Chief Executive Officer to submit the return of the Department of local Government, Sport and Cultural Industries by 31 March 2023.**

CARRIED 3/0

9. Elected Members Motions of which previous Notice has Been Given

Nil

10. New Business of an Urgent nature introduced by Decision of Meeting

Nil

11. Matters to be considered Behind Closed Doors

Nil

12. Closure of meeting

The meeting was closed at 3.38 pm.