



## **Shire of Wandering**

# **Audit Committee Meeting 21 March 2019**

### **NOTICE OF MEETING**

Dear Elected Member

The Audit Committee Meeting of the Shire of Wandering will be held on Thursday 21 March 2019 in the Council Chambers, 22 Watts Street, Wandering commencing at 2.30pm.

Amanda O'Halloran  
Chief Executive Officer  
14 March 2019

# Agenda

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# Audit Committee Meeting

## Agenda

**1. DECLARATION OF OPENING**

**2. RECORD OF ATTENDANCE**

**2.1 Present:**

Cr B Whitely	President
Cr C Ferguson	Deputy President
Cr J Price	
Cr M Watts	
Cr G Parsons	
Cr I Turton	

**Staff:**

Ms A O'Halloran	Chief Executive Officer
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**2.2 Apologies**

**2.3 Approved Leave of Absence**

**3. ANNOUNCEMENT OF VISITORS**

Nil

**4. DECLARATION BY MEMBERS**

That Councillors have given due consideration to all matters contained in the Agenda presently before the meeting

**5. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

5.1 MINUTES OF THE AUDIT COMMITTEE MEETING – 15 FEBRUARY 2018

**ATTACHMENT 5.1**

**6. TERMS OF REFERENCE**

Under the Local Government Act 1995 (LGA), Local Governments are required to appoint an Audit Committee (section 7.1A of the Local Government Act 1995).

An Audit Committee is to provide guidance and assistance to the Local Government - as to the carrying out of its functions in relation to audits conducted under Part 7 of the LGA and as to the

AGENDA FOR THE AUDIT COMMITTEE MEETING TO BE HELD 21 MARCH 2019

development of a process to be used to select and appoint a person to be an auditor and may provide guidance and assistance to the Local Government as to – matters to be audited, the scope of audits, its functions under part 6 of the Act and the carrying out of its functions relating to other audits and other matters related to financial management (clause 16 Local Government (Audit) regulations 1996).

Meeting cycle: At least once a year to recommend adoption of the Annual Financial Statements and Report.

**7. AGENDA ITEMS**

**7.1 LOCAL GOVERNMENT COMPLIANCE AUDIT RETURN 2018**

**FILE REFERENCE:** 1.1.26

**PROPOSERS:** Nil

**DISCLOSURE OF INTEREST:** Nil

**DATE:** 14 March 2019

**PREVIOUSLY BEFORE COUNCIL:** Nil

**AUTHORS NAME & POSITION:** Amanda O'Halloran  
Chief Executive Officer

**NATURE OF COUNCIL'S ROLE IN THE MATTER:**

- Advocacy When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- Executive The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
- Legislative Includes adopting local laws, local planning schemes and policies.
- Review When Council reviews decisions made by Officers.
- Quasi-judicial When Council determines an application/matter that directly affects a person's rights and interests. The judicial character arises from the obligation to abide by the principles of natural justice e.g. local planning applications, building permits, other permits/licences (e.g. under Health Act, Dog Act or local laws) and other decisions that may be appealable to the State Administrative Tribunal (SAT).

#### **PURPOSE OF THE REPORT**

It is a requirement that each local Government is to carry out a Compliance Audit Return annually. The Compliance Audit Return for the 2018 year is presented for Council's endorsement.

#### **BACKGROUND**

The 2018 Local Government Compliance Audit Return for the period 1 January 2018 to the 31 December 2018 is attached.

The Compliance Audit Return is to assist Council in monitoring its organisational functions. Council is required to note any areas of non-compliance and endorse remedial action.

The Audit is a standard document provided by the Department of Local Government and is the same audit that every local government is required to complete. The Department considers from a large range of issues it can audit, which ones will be specific to the year in question (i.e. each year the audit questions can change).

This year there were ninety five (95) questions over nine (9) different governance areas.

#### **COMMENT**

This year's Audit covered some governance areas that the Council did not undertake any activity in, therefore was not applicable for the 2019 calendar year.

These areas included:

- Commercial Enterprises by Local Government
- Local Government Employees
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This year's Audit had the addition of 'Integrated Planning and Reporting. Although questions five (5), six (6) and seven (7) were affirmatively, because Council has adopted an Asset Management Plan, a Long Term Financial Plan and a Workforce Plan, this area remains a compliance breach as the Asset Management Plan, Long Term Financial Plan and Workforce Plan has not been reviewed every four (4) years.

The full audit is attached for Council's consideration.

### **ATTACHMENT 7.1.1 COMPLIANCE AUDIT REPORT**

#### **CONSULTATION**

Nil

#### **STATUTORY ENVIRONMENT**

*Local Government Act 1995 s. 7.13(1)*

*Local Government (Audit) Regulations 1996 r. 14*

#### **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

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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.

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

Operational resources required to achieve compliance are mostly provided for in the 2018/19 Annual Budget.

**STRATEGIC IMPLICATIONS**

Strategic Community Plan 2018 - 2028

**Goal 1 – Improve our Financial Position**

Strategic Community Plan		
Goal	Outcome	Strategies
1.1	The Wandering Shire is financially sustainable	Prudently manage our financial resources to ensure value for money

**Goal 4 – Provide Strong Leadership**

Strategic Community Plan		
Goal	Outcome	Strategies
4.1	We plan for the future and are strategically focused	Ensure accountable, ethical and best proactive governance

**VOTING REQUIREMENTS**

Simple Majority

**OFFICER RECOMMENDATION**

That Council

1. ENDORSE the results of the Compliance Audit Return 2018, included as **ATTACHMENT 7.1.1** of this agenda and minutes.
2. REPORT the results of the Compliance Audit Return 2018 to Council at the Ordinary meeting to be held on 21 March 2019.

**8. NEXT MEETING**

The next Audit and Risk Committee Meeting will be held at a time to be determined.

**9. CLOSURE OF MEETING**