



UNCONFIRMED MINUTES

AUDIT COMMITTEE MEETING

19 APRIL 2023

SHIRE OF CARNAMAH COUNCIL CHAMBERS
33-37 Macpherson Street Carnamah



Unlocking the past, securing our future

We reflect on the spirit of the people who settled this country and developed the land; along with the service personnel and volunteers whose sacrifices have enabled us to enjoy the lifestyle we are accustomed.

**UNCONFIRMED MINUTES
AUDIT COMMITTEE MEETING
19 APRIL 2023**

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AUDIT COMMITTEE MEETING

Wednesday, 19 April 2023

1.0 DECLARATION OF OPENING

1.1 OPENING

The presiding person declared the meeting open at 3.48pm

Acknowledgement of Country

The Presiding Person acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, waters and community; and pays respect to Elders past, present and emerging.

2.0 RECORD OF ATTENDANCE

2.1 PRESENT

<u>Elected Members</u>	Cr Isbister Cr Woollorton Cr Bowman Cr Kikeros Cr Counsel Cr Risinger Cr Chisholm	Shire President (Presiding Person) Shire Deputy President Councillor Councillor Councillor Councillor Councillor
<u>Staff</u>	Robert Paull Ian Walsh John Skinner Rachael Moore	Chief Executive Officer Deputy Chief Executive Officer Manager Works and Services Executive Coordinator

2.2 APOLOGIES

Nil

3.0 PUBLIC QUESTION TIME

Nil

4.0 DISCLOSURE OF INTEREST

4.1 DECLARATION OF FINANCIAL INTEREST AND PROXIMITY INTERESTS

Nil

4.2 DECLARATION OF INTEREST AFFECTING IMPARTIALITY

Nil

5.0 PETITIONS AND DEPUTATIONS

Nil

6.0 CONFIRMATION OF MINUTES

6.1 SHIRE OF CARNAMAH AUDIT COMMITTEE MINUTES OF 15 MARCH 2023

OCM OFFICER RECOMMENDATION / COUNCIL DECISION	
That the Minutes of the Audit Committee Meeting (Attachment 1) held on 15 March 2023 be accepted as a true and accurate record.	
Moved:	Cr Counsel
Seconded:	Cr Chisholm
CARRIED 7/0	

7.0 OFFICER REPORTS

7.1 COMPLIANCE AUDIT RETURN

File Code	ADM0057
Author	Robert Paull, Chief Executive Officer
Senior Employee	Robert Paull, Chief Executive Officer
Disclosure of Interest	Nil
Attachments	2022 Compliance Audit Return

SUMMARY

A Compliance Audit Return was conducted covering the period 1 January 2022 to 31 December 2022. The completed Compliance Audit Return forms part of the Attachments to the agenda – **Compliance Audit Return 2022**

It is a requirement that the Compliance Audit Return is presented to the Council for adoption. A copy of the Council report and a certified copy of the return are required to be endorsed by the President and Chief Executive Officer and submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2023.

BACKGROUND

There are 94 questions on the 2022 return. The Compliance Audit Return assesses compliance against the Local Government Act 1995 and associated Regulations.

COMMENT

The format of the return varies each year with the department only testing those areas considered to be high risk. the questions relate to:

Local Government Act 1995;
Local Government (Financial Management) Regulations 1996
Local Government (Function and General) Regulations 1996;
Local Government (Administration) Regulations 1996;
Local Government (Elections) Regulations 1997;
Local Government (Audit) Regulations 1996,

Regulation 14 of the Local Government (Audit) Regulations 1996 requires each local government's Audit Committee to review the Return and report the results of that review to the Council.

The areas that the Return relates to and the changes to the number of questions are below:

Area of legislation	2022 Number of Questions	Changes from 2021
Commercial Enterprises by Local Governments	5	
Delegation of Power/Duty	13	
Disclosure of Interest	21	-4
Disposal of Property	2	
Elections	3	
Finance	7	
Integrated Planning and Reporting	3	
Local Government Employees	5	-1
Official Conduct	4	+1
Optional Questions	9	
Tenders for Providing Goods and Services	22	

The Return containing the questions and responses is provided as an attachment. This document is provided by the Department of Local Government, Sport and Cultural Industries in an on-line SmartHub to allow local governments to update the Return with their responses and when completed, print for certification by the President and Chief Executive Officer.

The Shire's Compliance Calendar (Attain) is used to assist management of all legislative compliance matters. The Calendar is updated regularly which enables a management response should a matter require attention.

Non Compliance

Disclosure of Interest

Question - Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?

Answer – No

5.75. Primary returns

(1) *A relevant person other than the CEO must lodge with the CEO a primary return in the prescribed form within 3 months of the start day.*

(2) *A CEO must lodge with the mayor or president a primary return in the prescribed form within 3 months of the start day.*

(3) *This section does not apply to a person who —*

(a) *has lodged a return within the previous year; or*

(b) *has, within 3 months of the start day, ceased to be a relevant person.*

Penalty: \$10 000 or imprisonment for 2 years.

22. Primary returns, form of (Act s. 5.75(1) and (2))

For the purposes of section 5.75(1) and (2), the form of a primary return is set out in Form 2.

Findings

The Environmental Health Officer was appointed May 1, 2022, and was required to submit a Primary Return by 1 August 2022 as he was deemed a relevant person;

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.*

Due to the requirement to submit the return online through Attain and log in issues the return was submitted August 31, 2022 (with nothing to disclose).

Improvement Actions

As part of the onboarding process Attain training and support to be offered.

Question - Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022?

Answer – No

5.76. Annual returns

(1) *Each year, a relevant person other than the CEO must lodge with the CEO an annual return in the prescribed form by 31 August of that year.*

(2) *Each year, a CEO must lodge with the mayor or president an annual return in the prescribed form by 31 August of that year.*

Penalty applicable to subsections (1) and (2): \$10 000 or imprisonment for 2 years.

23. Annual returns, form of (Act s. 5.76(1) and (2))

For the purposes of section 5.76(1) and (2), the form of an annual return is set out in Form 3.

Findings

Two returns were not submitted by 31 August 2022 and were reported to the Department of Local Government, Sport and Cultural Industries, Investigation and Assessment Unit and

the Corruption and Crime Commission as 1 employee was on leave and the other was unavailable, Both employees were counselled on the requirement to ensure future Annual Returns are submitted on time.

Improvement Actions

As part of the onboarding process Attain training and support to be offered along with reinforcement of employee obligations.

Finance section

Question 3 - Was the auditor's report for the financial year ended 30 June 2022 received by the local government by 31 December 2022?

Answer – No

7.9. Audit to be conducted

- (1) *An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —*
 - (a) *the mayor or president; and*
 - (b) *the CEO of the local government; and*
 - (c) *the Minister.*
- (2) *Without limiting the generality of subsection (1), where the auditor considers that —*
 - (a) *there is any error or deficiency in an account or financial report submitted for audit; or*
 - (b) *any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or*
 - (c) *there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government, details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.*
- (3) *The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —*
 - (a) *prepare a report thereon; and*
 - (b) *forward a copy of that report to the Minister,*
and that direction has effect according to its terms.
- (4) *If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government.*

Findings

The annual audit is currently with the Office of the Auditor General comments below;

“Under section 7.9 of the Local Government Act 1995, the Auditor General is required to prepare a report by 31 December on the Office’s audit of your entity’s annual financial report for the 2021-22 financial year.

As your entity's annual financial report is not yet in a sufficiently finalised state, the Office is unable to deliver the auditor's report to you within the stipulated timeframe. My understanding is the delay is attributable to the below matters:

- Information not received for the provision for rehabilitation
- Information not received for the revaluation of infrastructure assets

If you have a different understanding, please let your OAG representative know."

Improvement Actions

The Shire will always have a philosophy of 'continuous improvement program' to ensure the best return for our ratepayers and community.

Optional Questions section

Question 3 - Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?

Answer – No

5.87C. Provisions about disclosure

- (1) This section applies to a disclosure under section 5.87A or 5.87B.
- (2) The disclosure must be made within 10 days after receipt of the gift.
- (3) The disclosure must include the following —
 - (a) a description of the gift;
 - (b) the name and address of the person who made the gift;
 - (c) the date on which the gift was received;
 - (d) the estimated value of the gift at the time it was made;
 - (e) the nature of the relationship between the person who made the gift and the person who received the gift;
 - (f) in the case of a travel contribution —
 - (i) a description of the travel; and
 - (ii) the date of the travel.

Findings

Disclosures of gifts have been recorded including all of the prescribed information however not within the 10 day period.

Improvement Actions

All Councillors, staff and management to be reminded of their obligations.

Question 4 - Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?

Answer - No

5.96A. Information published on official website

- (1) *The CEO must publish the following information on the local government's official website, unless it would be contrary to subsection (2) to do so —*
 - (a) *a map of the district showing the district boundaries and, if the district is divided into wards, the ward boundaries;*
 - (b) *an up to date consolidated version of any local law made by the local government in accordance with section 3.12 that is in force;*
 - (c) *the annual budget;*
 - (d) *an up to date list of fees and charges imposed under section 6.16;*
 - (e) *current plans for the future of the district made under section 5.56;*
 - (f) *confirmed minutes of council or committee meetings;*
 - (g) *minutes of electors' meetings;*
 - (h) *notice papers and agenda relating to council or committee meetings and reports and other documents that have been —*
 - (i) *tabled at a council or committee meeting; or*
 - (ii) *produced by the local government or a committee for presentation at a council or committee meeting and that have been presented at the meeting;*
 - (iii) *information of a kind prescribed for the purposes of this subsection or required by another provision of this Act to be published on the website.*
- (2) *The CEO must not publish information referred to in subsection (1)(f) or (h) if the meeting or that part of the meeting to which the information refers was closed to members of the public.*
- (3) *Subsection (2) does not apply to information —*
 - (a) *that is a record of decisions made at a council or committee meeting; or*
 - (b) *of a kind prescribed as being information that can be published despite subsection (2).*
- (4) *The CEO must ensure that the following information is not published on the local government's official website —*
 - (a) *rate records;*
 - (b) *the register of owners and occupiers under section 4.32(6) and electoral rolls;*
 - (c) *information of a kind prescribed for the purposes of this subsection.*

Findings

The current map published on the shire website does not show the boundaries.

Improvement Actions

The website has been updated to contain the required a map of the district showing the district boundaries.

CONSULTATION

Management team

STATUTORY IMPLICATIONS

Local Government Act 1995;

Local Government (Financial Management) Regulations 1996

Local Government (Function and General) Regulations 1996;

Local Government (Administration) Regulations 1996;
 Local Government (Elections) Regulations 1997;
 Local Government (Audit) Regulations 1996,

STRATEGIC IMPLICATIONS

Shire of Carnamah Strategic Community Plan and Corporate Business Plan 2021-2031
 (reviewed December 2022)

Outcome 4.1 Improvement in efficient and effective service delivery
Strategy 4.1.2 Continuous improvement in efficient and effective service delivery

POLICY IMPLICATIONS

There are no known policy implications.

RISK IMPLICATIONS

Risk: The Compliance Audit Return is a statutory requirement and if the Return was not submitted, the Department of Local Government might take adverse action on the shire.		
Likelihood	Consequence	Acceptance Criteria
Possible	Low	Moderate
Action / Strategy		
Complete and submit the return to the Department of Local Government, Sport and Cultural Industries.		

FINANCIAL IMPLICATIONS

There are no financial implications for the Council associated with this compliance audit.

VOTING REQUIREMENT

Simple Majority

OCM OFFICER RECOMMENDATION / COUNCIL DECISION	
That with respect to the Compliance Audit Return, the Audit Committee recommend that Council:	
<ol style="list-style-type: none"> Approves the Compliance Audit Return for the period 1 January 2022 to 31 December 2022 Compliance Audit Return 2022 and following certification the President and the Chief Executive Officer, the Compliance Audit Return 2022 be forwarded to the Department of Local Government, Sport and Cultural Industries. 	
Moved:	Cr Woollorton
Seconded:	Cr Bowman
CARRIED 7/0	

8.0 NEW BUSINESS OF AN URGENT NATURE

Nil

9.0 CONFIDENTIAL REPORTS

Nil

10.0 CLOSURE OF MEETING

The Presiding Person declared the meeting closed at 3.50pm