



AGENDA FOR THE
AUDIT COMMITTEE MEETING
TO BE HELD ON
WEDNESDAY
19 MARCH 2014



SHIRE OF MINGENEW
AUDIT COMMITTEE MEETING NOTICE PAPER
19 MARCH 2014

Madam President and Councillors,

An Audit Committee meeting is called for Wednesday **19 March 2014**, in the Council Chambers, Victoria Street, Mingenew, commencing at **8:45AM**.

Mike Sully
Chief Executive Officer
13 March 2014

MINGENEW SHIRE COUNCIL

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CHIEF EXECUTIVE OFFICER

13 March 2014

SHIRE OF MINGENEW

**AGENDA FOR AUDIT COMMITTEE MEETING TO BE HELD IN COUNCIL CHAMBERS ON THE
19 MARCH 2014, COMMENCING AT 8:45AM.**

- 1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**
- 2 RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE**
- 3 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**
- 4 PUBLIC QUESTION TIME / PETITIONS / DEPUTATIONS / PRESENTATIONS /
SUBMISSIONS**
- 5 APPLICATION FOR LEAVE OF ABSENCE**
- 6 DECLARATIONS OF INTEREST**
- 7 CONFIRMATION OF PREVIOUS MEETINGS MINUTES**

**That the Minutes of the Audit Committee Meeting of Council held on Wednesday 18
December 2013 be confirmed as a true and accurate record of proceedings.**

- 8 DISCLOSURES OF FINANCIAL AND OTHER INTERESTS**
- 9 OFFICERS REPORTS**
 - 9.1 CHIEF EXECUTIVE OFFICER**

Nil

9.2 FINANCE

9.2.1 2013 ANNUAL COMPLIANCE AUDIT RETURN

Location/Address:	Shire of Mingenew
Name of Applicant:	Department of Local Government & Communities
Disclosure of Interest:	Nil
Date:	13 th March 2014
Author:	Cameron Watson – Manager Finance & Administration

SUMMARY

The Committee is to review the 2013 Annual Compliance Audit Return and report to Council the results of that review.

ATTACHMENT

2013 Annual Compliance Audit Return

BACKGROUND

The requirement for a Local Government to undertake an internal review of its compliance with the provisions of the Local Government Act and associated Regulations was introduced in 1999 with the gazetting of regulation 14 of the Local Government (Audit) Regulations 1996.

A subsequent amendment to the Local Government (Audit) Regulations 1996 gazetted in December 2011 requires that this compliance audit return be reviewed by the Local Government's Audit Committee with the results of this review being reported to Council; and subsequently certified by the Shire President and Chief Executive Officer. Once certified, a copy of the review and the associated minute is to be forwarded to the Department of Local Government & Communities by the 31st of March.

The period of activities examined by the compliance audit review is 1 January to 31 December of any given year.

COMMENT

The content of the audit is determined by the Minister for Local Government. The 2013 Compliance Audit Return included the following activities:

- Commercial Enterprises By Local Government (5 audit questions)
- Delegation of Power / Duty (13 audit questions)
- Disclosure of Interest (16 audit questions)
- Disposal of Property (2 audit questions)
- Elections (1 audit question)
- Finance (15 audit questions)
- Local Government Employees (5 audit questions)
- Official Conduct (6 audit questions)
- Tenders for Providing Goods and Services (15 audit questions)

The Compliance Audit has been undertaken as an internal audit, sourcing evidence of compliance through the Shire's own records. The 2013 Compliance Audit Return included the following reported non-compliance related to:

- Delegation of Power / Duty – Failure to review all delegations made under Division 4 of Part 5 of the Act at least once during the 2012/2013 financial year.

The above instance of non-compliance cannot be redressed as the 2012/2013 financial year is complete, however compliance with this requirement for the 2013/2014 financial year will be undertaken at the earliest opportunity.

CONSULTATION

Shire Administration Staff

STATUTORY ENVIRONMENT

Local Government Act 1995, Part 7 – Audit

Local Government (Audit) Regulations 1996, Regulations 14 & 15

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION – ITEM 9.2.1

That the Committee

- 1. Notes the audit outcomes and relevant corrective actions detailed in the report titled “2013 Audit Compliance Return” for implementation by the Chief Executive Officer. and;**
- 2. Approves the completed 2013 Compliance Audit Return for certification by the Shire President and the Chief Executive Officer in accordance with Regulation 15(2) of the Local Government (Audit) Regulations 1996.**



Mingenew - Compliance Audit Return 2013

Commercial Enterprises by Local Governments						
No	Reference	Question	Response	Comments	Respondent	
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2013.	N/A		Cameron Watson	
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2013.	N/A		Cameron Watson	
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2013.	N/A		Cameron Watson	
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2013.	N/A		Cameron Watson	
5	s3.59(5)	Did the Council, during 2013, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Cameron Watson	

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Delegation of Power / Duty						
No	Reference	Question	Response	Comments	Respondent	
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	N/A		Cameron Watson	
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	N/A		Cameron Watson	
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	N/A		Cameron Watson	
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	N/A		Cameron Watson	
5	s5.18	Has Council reviewed delegations to its committees in the 2012/2013 financial year.	No		Cameron Watson	
6	s5.42(1),5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Cameron Watson	
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Cameron Watson	
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Cameron Watson	
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Cameron Watson	
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	N/A		Cameron Watson	
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Cameron Watson	
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2012/2013 financial year.	No		Cameron Watson	
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		Cameron Watson	

Disclosure of Interest						
No	Reference	Question	Response	Comments	Respondent	
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Yes		Cameron Watson	
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	Yes		Cameron Watson	



No	Reference	Question	Response	Comments	Respondent
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Cameron Watson
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	N/A		Cameron Watson
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	N/A		Cameron Watson
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2013.	Yes		Cameron Watson
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2013.	Yes		Cameron Watson
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Cameron Watson
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Cameron Watson
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Cameron Watson
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Cameron Watson
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Cameron Watson
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Cameron Watson
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes		Cameron Watson



No	Reference	Question	Response	Comments	Respondent
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	Yes		Cameron Watson
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Cameron Watson

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	N/A		Cameron Watson
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	N/A		Cameron Watson

Elections

No	Reference	Question	Response	Comments	Respondent
1	Elect Reg 30G (1)	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates.	Yes		Cameron Watson

Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		Cameron Watson
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	N/A		Cameron Watson
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Cameron Watson
4	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	Yes		Cameron Watson
5	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes		Cameron Watson



No	Reference	Question	Response	Comments	Respondent
6	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2013 received by the local government within 30 days of completion of the audit.	Yes		Cameron Watson
7	s7.9(1)	Was the Auditor's report for 2012/2013 received by the local government by 31 December 2013.	Yes		Cameron Watson
8	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	N/A		Cameron Watson
9	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	N/A		Cameron Watson
10	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A		Cameron Watson
11	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Cameron Watson
12	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Cameron Watson
13	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Cameron Watson
14	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		Cameron Watson
15	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes		Cameron Watson



Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	N/A		Cameron Watson
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	N/A		Cameron Watson
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	N/A		Cameron Watson
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	N/A		Cameron Watson
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	N/A		Cameron Watson

Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	N/A		Cameron Watson
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes		Cameron Watson
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		Cameron Watson
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		Cameron Watson
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	Yes		Cameron Watson
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) (c).	Yes		Cameron Watson



Tenders for Providing Goods and Services					
No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	N/A		Cameron Watson
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	N/A		Cameron Watson
3	F&G Reg 14(1)	Did the local government invite tenders via Statewide public notice.	N/A		Cameron Watson
4	F&G Reg 14, 15 & 16	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	N/A		Cameron Watson
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	N/A		Cameron Watson
6	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	N/A		Cameron Watson
7	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	N/A		Cameron Watson
8	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	N/A		Cameron Watson
9	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	N/A		Cameron Watson
10	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A		Cameron Watson
11	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A		Cameron Watson



No	Reference	Question	Response	Comments	Respondent
12	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	N/A		Cameron Watson
13	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A		Cameron Watson
14	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	N/A		Cameron Watson
15	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$100,000 or less.	Yes		Cameron Watson

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- 10 URGENT BUSINESS INTRODUCED BY DECISIONS OF THE MEETING**
 - 10.1 ELECTED MEMBERS**
 - 10.2 STAFF**
- 11 CONFIDENTIAL BUSINESS AS PER LOCAL GOVERNMENT ACT S5.23 (2)**
- 12 CLOSURE**