



## Unconfirmed Minutes

Audit and Governance Committee  
Wednesday, 21 March 2024

Date	Wednesday 21 March 2024
Time	12:30pm
Location	Shire of Wickepin Council Chambers 77 Wogolin Road, Wickepin WA 6370
Distribution Date	Friday 16 March 2024



## Notice of Meeting

Please be informed an Audit and Governance Committee Meeting will be held at 12.30 pm on Wednesday 21 March 2024 at the Shire of Wickepin Council Chambers, 77 Wogolin Road, Wickepin WA 6370.

A handwritten signature in black ink, appearing to be "Tim Clynych".

Tim Clynych  
Acting Chief Executive Officer  
Friday 15 March 2024

### Disclaimer

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## Terms of Reference

### 1. Name

Audit and Governance Committee

### 2. Members

Cr Julie Russell

Cr Fran Allan

Cr Wes Astbury

Cr John Mearns

Cr Tyron Miller

Cr Lindsay Corke

Cr Peter Thompson

### 3. Objectives

The following objectives are to be considered by the Committee:

- To exercise responsibility for the annual external audit and liaise with the local government's auditors so that Council can be satisfied with the performance of the local government in managing its financial affairs.
- To assist Council in discharging its legislative responsibilities of controlling the local government's affairs and overseeing the allocation of the local government's finances and resources.
- To provide an independent oversight of the financial systems of the Shire of Wickepin on behalf of the Council. As such, the Committee will operate to assist Council to fulfil its corporate governance, stewardship, leadership and control responsibilities in relation to the Shire of Wickepin's financial reporting and audit responsibilities.
- To support Council in its endeavours to provide effective corporate governance and fulfil its responsibilities.
- To facilitate improvements to internal/external financial reporting, management of risk, development/maintenance of internal controls and compliance with legislation.

### 4. Function of the Committee

To provide guidance and assistance to the Shire of Wickepin;

- As to the carrying out of its functions in relation to audits;
- As to the development of a process to be used to select and appoint a person to be the auditor;
- As to its functions under Part 6 of the Act that relate to financial management; and
- As to the carrying out of its functions relating to other audits and other matters related to financial management.

## 5. Role and Scope of the Committee

### 1. Audit –

- a) Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits.
- b) Develop and recommend to Council an appropriate process for the selection and appointment of a person as the local government's auditor.
- c) Develop and recommend to Council – - a list of those matters to be audited; and - the scope of the audit to be undertaken.
- d) Recommend to Council the person or persons to be appointed as auditor.
- e) Develop and recommend to Council a written agreement for the appointment of the auditor, which is to include –
  - the objectives of the audit;
  - the scope of the audit;
  - a plan of the audit;
  - details of the remuneration and expenses to be paid to the auditor; and
  - method/s to be used by the local government to communicate with, and supply information to, the auditor.
- f) Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions.
- g) Liaise with the CEO to ensure that the local government does everything in its power to –
  - assist the auditor to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and
  - ensure that audits are conducted successfully and expeditiously.
- h) Examine the reports of the auditor after receiving a report from the CEO on the matters and –
  - determine if any matters raised require action to be taken by the local government; and
  - ensure that appropriate action is taken in respect of those matters.
- i) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time.
- j) Review the scope of the audit plan and program and its effectiveness.
- k) Review the local government's draft annual financial report, focusing on:
  - accounting policies and practices;
  - changes to accounting policies and practices;
  - the process used in making significant accounting estimates; - significant adjustments to the financial report (if any) arising from the audit process;
  - compliance with accounting standards and other reporting requirements; - significant variances from prior years.

**6. Appointment of Committee Members**

A chairperson is appointed at the first Committee Meeting at the beginning of each year by the committee members.

**8. Meeting Frequency**

The Committee shall meet 3 times per annum – February, June and December – actual dates to be determined by the Presiding Member in consultation with Committee Members and applicable Shire officers.

**9. Delegated Powers.**

The Committee has no delegated powers and is an advisory committee to Council only. Recommendations of Committee meetings are to be presented to Council by Shire officers for noting or consideration as soon as practicable after unconfirmed minutes of Committee meetings are available.

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## **1 Declaration of Opening**

The Presiding Member declared the meeting open at 12.40pm.

## **2 Attendance**

### **2.1 Present**

#### Councillors

J Russell	Shire President
J Mearns	Councillor
T Miller	Councillor
F Allan	Councillor - Chair
P Thompson	Councillor
L Corke	Councillor

#### Employees

K Bartley	Chief Executive Officer
T Clynch	Support Person
E Clement	Deputy Chief Executive Officer

## **3 Public Question Time**

### **3.1 Responses to Previous Public Questions Taken On Notice**

Nil

### **3.2 Public Question Time**

Nil

## **4 Apologies and Leave of Absence**

### **4.1 Apologies**

W Astbury	Deputy Shire President
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### **4.2 Previously Approved Leave of Absence**

### **4.3 Requests for Leave of Absence**

Nil

## **5 Petitions, Memorials and Deputations**

### **5.1 Petitions**

Nil

### **5.2 Memorials**

Nil

### **5.3 Deputations**

Nil

## **6 Declarations of Councillors and Officers Interest**

A member or officer who has an impartiality, proximity or financial interest in any matter to be discussed at this meeting must disclose the nature of the interest either in a written notice given to the Chief Executive Officer prior to the meeting or at the meeting immediately before the matter is discussed.

A member who makes a disclosure in respect to an interest must not preside at the part of the meeting which deals with the matter, or participate in, or be present during, any discussion or decision-making process relative to the matter, unless the disclosing member is permitted to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995*.

The following declarations of interest have been disclosed –

Nil declarations of interest declared.

## **7 Confirmation of Minutes of Previous Meetings**

### **7.1 Minutes of the Governance, Audit and Community Services Meeting held on 13 December 2023**

#### **Officer Recommendation**

*That Council –*

*Confirm the minutes of the Audit and Governance Committee Meeting held on Wednesday 13 December 2023, as attached, as a true and accurate record.*



**Committee Decision**

**Resolution** AGC-210324-01  
**Moved** Cr J Russell  
**Seconded** Cr P Thompson

**That the Audit and Governance Committee recommends Council,**

*Confirm the minutes of the Audit and Governance Committee Meeting held on Wednesday 13 December 2023, as attached, as a true and accurate record.*

**Carried** 6/0  
**For** Cr J Russell, Cr F Allan, Cr L Corke, Cr J Mearns, Cr P Thompson Cr T Miller  
**Against** Nil

## 8 Status Report

Item	Subject	Progress	Status	Action
6.1	Annual Report	That the Audit and Governance Committee accept the Annual Financial Report and Audit Report Schedules Annual General Meeting of Electors 7 February 2024	✓	Completed

Where a resolution is formal, procedural or lost it has not been recorded (e.g. confirmation of minutes, meeting behind closed doors, lapsed, etc.

### Key

○ = in progress    ✓ = completed    ✕ =superseded

## 9 Motions of Which Notice Has Been Given

Nil

## 10 Receipt of Committee Minutes or Reports and Consideration of Recommendations

Nil

## 11 Notices of Motions for the Following Meeting

Nil

## 12 Reports and Information

## 12.1 Annual Compliance Audit Return 2023

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<b>Submission To</b>	Audit and Governance Committee Meeting
<b>Location / Address</b>	-
<b>Name of Applicant</b>	-
<b>File Reference</b>	FM.AUD.1200
<b>Author</b>	T Clynch – Acting Chief Executive Officer
<b>Interest Disclosures</b>	-
<b>Report Written Date</b>	28 February 2024
<b>Attachments</b>	Compliance Audit Return 2023

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### Summary

For each calendar year, Council is required to undertake a Compliance Audit Return to ascertain the Shire's level of adherence to legislatively required functions.

The responses to the 2023 Compliance Audit Return are firstly required to be presented to the Audit & Governance Committee for review before subsequently being submitted to Council.

Council is requested to adopt the 2023 Compliance Audit Return for submission to the Department of Local Government, Sport and Cultural Industries by 31 March 2024.

### Background

Pursuant to legislation, local governments are required to carry out a compliance audit for each calendar year and to submit the audit findings to the Department of Local Government, Sport and Cultural Industries.

The compliance audit covers a range of matters requiring actions to be completed by local governments in performing their functions to maintain legislative compliance and focuses on areas considered to be high risk.

Each year the Compliance Audit Return covers various categories and for the 2023 Return, the areas covered are:

- Commercial Enterprises by Local Governments
- Delegation of Power/Duty
- Disclosures of Interest
- Disposal of Property
- Elections
- Finance
- Integrated Planning and Reporting
- Local Government Employees
- Official Conduct
- Other
- Tenders for Providing Goods and Services

## Comments

Shire officers have responded to the questions in the 2023 Compliance Audit Return.

Of the ninety-four (94) questions included in the 2023 Compliance Audit Return, the Shire is considered as not having met compliance on six (6) occasions.

The areas of non-compliance, and a brief summary of each, are below –

### Delegation of Power/Duty – Question 13

Did all persons exercising a delegated power or duty under the *Local Government Act 1995*, keep on all occasions, a written record in accordance with *Local Government (Administration) Regulations 1996* regulation 19?

*Officer Response – A written record listing the monthly exercise of delegations was maintained up until December 2022 and was also reported to each ordinary council meeting. This appears to have been discontinued in January 2023 and no alternative record keeping process was established. A new process will be implemented.*

### Elections – Question 1

Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gift forms completed by candidates and donors 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 forms relating to each candidate in accordance with regulation 30G(1) and regulation 30G(2) of the *Local Government (Elections) Regulations 1997*?

*Officer Response - Up until January 2024 an electoral gifts register didn't exist - probably because no electoral gifts have ever been reported. This was rectified in January 2024 when a register was created and can be found at F:\Council Documents\Council Elections\Electoral Gift Register*

### Elections – Question 3

Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the *Local Government (Elections) Regulations 1997*?

*Officer Response - Refer comments to Question 1 of this section. No electoral gift register existed prior to January 2024. Even though no gifts were declared by candidates it is a requirement to have an electoral gift register on the website. The register can now be viewed at [https://www.wickepin.wa.gov.au/Profiles/wickepin/Assets/ClientData/Register\\_of\\_Electoral\\_Gifts.pdf](https://www.wickepin.wa.gov.au/Profiles/wickepin/Assets/ClientData/Register_of_Electoral_Gifts.pdf)*

### Integrated Planning and Reporting – Question 3

Does the corporate business plan comply with the requirements of Local government (Administration) Regulations 1996 19DA(2) & (3)?

*Officer Response - Whilst the current CBP does address the matters specified in Regs 19DA(2) & (3) the CBP hasn't been reviewed since its adoption in 2020 therefore its 4-year projections are out of date.*

### Other – Question 4

Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with attendance of council members and the CEO at events?

*Officer Response - Whilst Council has policies addressing attendance by councillors at conferences, seminars, training and induction courses (Policy 2.1.1) and attendance by councillors and employees at social functions hosted by the Shire of Wickepin (Policy 2.1.12), it doesn't have a policy prepared in accordance with s.5.90A of the Local Government Act dealing with attendance by councillors and the CEO at events. A draft policy will be presented to the March 2024 council meeting.*

### Tenders for Providing Goods and Services – Question 7

Did the information contained in the local government's tender register comply with the requirements of the Local Government (Functions and general) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?

*Officer Response - A hard copy tender register exists but doesn't record all the prescribed information, specifically particulars of and a copy of the notice calling tenders and the names of each tenderer whose tender has been opened. The electronic tender register on the Shire website also doesn't contain the above information nor does it list the name of the successful tenderer.*

The 2023 Compliance Audit Return is being presented to the Audit & Governance Committee meeting to be held prior to the ordinary council meeting on 20 March 2024. The officer recommendation below is the same as provided in the report to the Audit & Governance Committee. In the event of the committee making an alternative recommendation this will be submitted to council in lieu of the officer recommendation below.

## Statutory Environment

### *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**

Nil

### **Financial Implications**

Nil

### **Strategic Implications**

Nil

### **Voting Requirement**

Simple Majority

### **Officer Recommendation**

*That Council adopt the Compliance Audit Return for the 2023 calendar year as shown in the attachment prior to it being submitted to the Department of Local Government, Sport and Cultural Industries.*

**Committee Decision**

**Resolution** AGC-210324-02  
**Moved** Cr L Corke  
**Seconded** Cr T Miller

**That the Audit and Governance Committee recommends Council,**

*Adopt the Compliance Audit Return for the 2023 calendar year as shown in the attachment prior to it being submitted to the Department of Local Government, Sport and Cultural Industries.*

**Carried** 6/0  
**For** Cr J Russell, Cr F Allan, Cr L Corke, Cr J Mearns, Cr P Thompson Cr T Miller  
**Against** Nil

**13 Confidential Reports and Information**

Nil

**14 Urgent Business**

Nil

**15 Closure**

Cr Allan - Presiding Member declared the meeting closed at 12.53pm.

These Minutes were confirmed by Council as a true and accurate record of proceedings at the Governance & Audit Committee Meeting held on _____	
Presiding Member, Cr F Allan	_____
Date	_____