Three Springs Shire Council

Heart of North Midlands

AGENDA

FOR THE

AUDIT COMMITTEE OF COUNCIL MEETING

TO BE HELD ON

WEDNESDAY

05 FEBRUARY 2020 @5.15PM

WILDFLOWER COUNTRY

SHIRE OF THREE SPRINGS

AUDITE COMMITTEE MEETING

NOTICE PAPER

President and Councillors,

I inform you that an Audit Committee meeting of Council is called for Wednesday, **5 February 2020**, in the Council Chambers, 132 Railway Road, Three Springs commencing at **5.15pm.**

Keith Woodward
Chief Executive Officer

29 January 2020

Shire of Three Springs
PO Box 117, Three Springs
WA 6519

Disclosure of Interest Form

(Elected Members/Committee Members/Employees/Contractors)

Local Government Act 1995 (Section 5.65, 5.70 & 5.71)

To: Chief Executive Officer

- ☐ **Ordinary Council Meeting held on** ______________________
- ☐ **Special Council Meeting held on** ______________________
- ☐ **Committee Meeting held on** ______________________
- ☐ **Other** ______________________

Report No ______________________

Report Title ______________________

Name ______________________

☐ **Elected Member** ☐ **Committee** ☐ **Employee** ☐ **Contractor**

Type of Interest *(*see overleaf for further information)*

☐ **Proximity** ☐ **Financial** ☐ **Impartiality**

Nature of Interest

____

____

____

Extent of Interest (if intending to seek Council approval to be involved with debate and/or vote)

____

____

Name:______________________ **Signed:**______________________ **Date:** ______________________

Note 1: For <u>Ordinary meetings of Council</u>, elected members and employees are requested to submit this completed form to the Chief Executive Officer prior to the meeting. Where this is not practicable, disclosure(s) must be given to the Chief Executive Officer prior to the matter being discussed.

Note 2: Employees or Contractors disclosing an interest in <u>any matter apart from at meetings</u>, where there is a conflict of interest including disclosures required by s5.71 are required to submit this form to the CEO as soon as practicable.

OFFICE USE ONLY

CEO: ______________________ **Signed:** ______________________ **Date:** ______________________

* Declaring an Interest

PROXIMITY

Applicant's property shares common boundary or is directly opposite member's property

⇩

Prior ministerial approval obtained?

- YES ⇩ STAY debate and vote
- NO ⇩ LEAVE the room

FINANCIAL

Matter will result in financial gain, loss, benefit or detriment to member or close associate

⇩ Trivial, insignificant or in common with a significant number of ratepayers?

- NO ⇩ LEAVE the room
- YES ⇩ STAY debate and vote

⇩ Prior ministerial approval obtained?

- YES ⇩ STAY debate and vote
- NO ⇩ LEAVE the room

IMPARTIALITY

Applicant is members relative employer or business partner, friend or adversary

⇩

Disclosure is at the member's discretion

⇩

STAY debate and vote

Local Government Act 1995 **- Extract**

5.65 - Members' interests in matters to be discussed at meetings to be disclosed.

(1) A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest:

(a) in a written notice given to the CEO before the meeting; or (b) at the meeting immediately before the matter is discussed. (Penalties apply).

(2) It is a defence to a prosecution under this section if the member proves that he or she did not know:

(a) that he or she had an interest in the matter; or (b) that the matter in which he or she had an interest would be discussed at the meeting.

(3)This section does not apply to a person who is a member of a committee referred to in section 5.9(2)(f).

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.

(2) An employee who has an interest in any matter in respect of which the employee is providing advice or a report directly to the council or a committee must disclose the nature of the interest when giving the advice or report.

(3) An employee who discloses an interest under this section must, if required to do so by the council or committee, as the case may be, disclose the extent of the interest. (Penalties apply).

5.71 - Employees to disclose interests relating to delegated functions.

If, under Division 4, an employee has been delegated a power or duty relating to a matter and the employee has an interest in the matter, the employee must not exercise the power or discharge the duty and:

(a) in the case of the CEO, must disclose to the mayor or president the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter; and (b) in the case of any other employee, must disclose to the CEO the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter. (Penalties apply)

'Local Government (Administration) Regulations 1996 **– Extract**

In this clause and in accordance with Regulation 34C of the Local Government (Administration) Regulations 1996:

"Interest" means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.

SHIRE OF THREE SPRINGS

AGENDA OF THE AUDIT COMMITTEE MEETING

HELD IN THE COUNCIL CHAMBERS, THREE SPRINGS

ON WEDNESDAY 5 FEBRUARY, 2020

AGENDA

1. **DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

The Shire President declared the meeting open at

2. RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE

	Attendance	**Apologies**	**Approved Leave of Absences**
Councillor Lane			
Councillor Connaughton			
Councillor Heal			
Councillor Mutter			
Councillor Mills			
Councillor Ennor			
Councillor Eva			
Chief Executive Officer			
Deputy Chief Executive Officer			
Manager Works			
Minutes Clerk			

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4. PUBLIC QUESTION TIME

Nil

5. APPLICATIONS FOR LEAVE OF ABSENCE

		OCM Month	**Moved**	**Seconded**	**Vote**	**Date**
5.1	Cr.		Cr.	Cr.		
5.2	Cr.		Cr.	Cr.		
5.3	Cr.		Cr.	Cr.		

6. CONFIRMATION OF PREVIOUS MEETING MINUTES

That the Minutes of the previous Audit Committee meeting are confirmed as true and accurate record of proceedings.					
		Date	**Moved**	**Seconded**	**Vote**
6.1	Minutes of Audit Committee Meeting	11 December 2019			

7. ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION

8. ANNOUNCEMENTS/REPORTS OF ELECTED MEMBERS

Councillor	Activity
Cr. Lane	
Cr. Connaughton	
Cr. Heal	
Cr. Mutter	
Cr. Mills	
Cr. Ennor	
Cr. Eva	

9. PETITIONS / DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

10. Audit Committee

Regulation 17, Financial Management Review and the Compliance Audit Return	
Agenda Reference:	CEO
Location/Address:	Shire of Three Springs
Name of Applicant:	Shire of Three Springs
File Reference:	ADM0057
Disclosure of Interest:	Nil
Date:	5 February 2020
Author:	Chief Executive Officer, Keith Woodward
Attachment (s):	The Review of Regulation 17 Financial Management, Risk Management, Legislative Compliance and Internal Controls Report; for period ending 31 December 2019. Confidential Attachment A. The Compliance Audit Return for period ending 2019.

Council Role:

☐	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).

Report Purpose:

That the Audit Committee:

1. Receive the Review of *Regulation 17, Financial Management, Risk Management, Legislative Compliance and Internal Controls Report* for period ending 31 December 2019 report given by the Chief Executive Officer (CEO).

2. Endorse the *Compliance Audit Return* for period ending 31 December 2019.

3. Recommend that the CEO present the 5 February 2020 Audit Committee Meeting Report, the associated Minutes and the attached *Regulation 17* and the *Compliance Audit Return* reports at the February 2020 Ordinary Council Meeting.

4. Recommend that Council, adopt and record in the minutes of the February 2020 Ordinary Council Meeting the:

    - 5 February 2020 Audit Committee minutes, the *Review of Regulation 17, Financial Management, Risk Management, Legislative Compliance and Internal Controls Report* and the *Compliance Audit Return* for period ending 31 December 2019.

5. The CEO report back to Council by December 2020 confirming that the 'matters' identified for improvement in the *Regulation 17, Financial Management, Risk Management, Legislative Compliance and Internal Controls Report* have been appropriately managed to comply with legislation.

Background:
The CEO is to review the appropriateness and effectiveness of a Local Government's systems and procedures. This process is prescribed in the Local Government (Audit) Regulation 1996) s. 14, 16 & 17.

Officer's Comment:
The Audit Committee note the Shire of Three Springs Risk Report detailed in Confidential Attachment A.

Consultation:
Nil

Statutory Environment:

Local Government (Audit) Regulation 1996) s. 14, 16 & 17.
The Local Government (Audit) Regulations 1996 regulation 14 and 17 states that:

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 subregulation (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.

16. Functions of audit committee

(c) to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to —

(i) report to the council the results of that review; and

(ii)give a copy of the CEO's report to the council

17. CEO to review certain systems and procedures

(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —

(a) risk management; and

(b) internal control; and

(c) legislative compliance.

(2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

(3) The CEO is to report to the audit committee the results of that review.

Policy Implications:
Council Policy 1100 Risk Management. The risk management objectives of this policy are:

1. *Optimise the achievement of our vision, mission, strategies, goals and objectives.*
2. *Provide transparent and formal oversight of the risk and control environment to enable effective decision making.*
3. *Enhance risk versus return within our risk appetite.*
4. *Embed appropriate and effective controls to mitigate risk.*
5. *Achieve effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations.*
6. *Enhance organisational resilience.*
7. *Identify and provide for the continuity of critical operations*

The Good Governance in Practice Principles 'compliance and reporting' align with Council policy and legislation reducing organisation's risk.

Financial/Resources Implications:
Nil

Strategic Implications:
This item is relevant to the Councils approved 'Strategic Community Plan 2018-2028'

'Strategic Community Plan 2018-2028'.

Council Objectives:	Outcome:
4. A long term strategically focused Shire that is efficient, respected and accountable.	4.3.2 Ensure compliance with all relevant legislation.

This item is relevant to the Councils approved ‘Corporate Business Plan 2017 – 2021’.

‘Corporate Business Plan 2017 – 2021’.	
Scope Statement:	**Project Outputs:**
Nil	

Voting Requirements:
Simple

Officer’s Recommendation:

OFFICERS RECOMMENDATION:	10.1

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TIME AND DATE OF NEXT MEETING

The date and time of the next Audit Committee will be advised