



**MINUTES  
OF  
AUDIT COMMITTEE OF  
COUNCIL MEETING  
WEDNESDAY  
05 FEBRUARY 2020 @5.15PM**



**SHIRE OF THREE SPRINGS**  
**MINUTES OF THE AUDIT COMMITTEE MEETING**  
**HELD IN THE COUNCIL CHAMBERS, THREE SPRINGS**  
**ON WEDNESDAY 5 FEBRUARY, 2020**

|                                                                                    |          |
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# MINUTES OF THE AUDIT COMMITTEE MEETING HELD IN THE COUNCIL CHAMBERS ON 5 FEBRUARY 2020

## 1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Shire President declared the meeting open at 5.18pm

## 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               |            |           | February 2020              |
| 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. Ennnor | February  | 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 | Cr. Connaughton | Cr. Mutter | 5/0  |

(Note: Cr. Heal arrived at 5.21pm)

## 7. ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION

Nil

**8. ANNOUNCEMENTS/REPORTS OF ELECTED MEMBERS**

| <b>Councillor</b> | <b>Activity</b> |
|-------------------|-----------------|
| Cr. Lane          |                 |
| Cr. Connaughton   |                 |
| Cr. Heal          |                 |
| Cr. Mutter        |                 |
| Cr. Mills         |                 |
| Cr. Ennor         |                 |
| Cr. Eva           |                 |

**9. PETITIONS / DEPUTATIONS / PRESENTATIONS / SUBMISSIONS**

Nil

## 10. Audit Committee

|                                                                                   |                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Regulation 17, Financial Management Review and the Compliance Audit Return</b> |                                                                                                                                                                                                                                                   |
| 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.<br><br>The Compliance Audit Return for period ending 2019. |

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### 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'

| <b>'Strategic Community Plan 2018-2028'.</b>                                             |                                                        |
|------------------------------------------------------------------------------------------|--------------------------------------------------------|
| <b>Council Objectives:</b>                                                               | <b>Outcome:</b>                                        |
| 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'.

| <b>'Corporate Business Plan 2017 – 2021'.</b> |                         |
|-----------------------------------------------|-------------------------|
| <b>Scope Statement:</b>                       | <b>Project Outputs:</b> |
| Nil                                           |                         |

**Voting Requirements:**

Simple

**Officer's Recommendation:****OFFICERS RECOMMENDATION and COUNCIL DECISION: 10.1**

**MOVED: Cr. Eva**

**SECONDED: Cr. Mutter**

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**CARRIED:**

**Voted: 6/0**

**TIME AND DATE OF NEXT MEETING**

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

**I confirm these Minutes to be a true and accurate record of the proceedings of this Council.**

**Signed:**  \_\_\_\_\_

**Presiding Officer**

**Date: 12 February 2020**

