



**Shire of Ngaanyatjaraku**  
ON A JOURNEY

**AUDIT COMMITTEE MEETING**

**MINUTES**

**Tjulyuru Cultural and Civic Centre  
Warburton Community**

**26 February 2020**

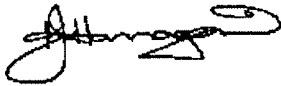
**at**

**1.04 pm**

SHIRE OF NGAANYATJARRAKU

AUDIT COMMITTEE MEETING

The Chief Executive Officer recommends the endorsement of these minutes at the next Audit Committee Meeting.

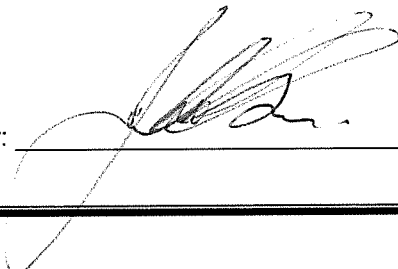


Date: 26-2-2020

Chief Executive Officer

These minutes were confirmed by Audit Committee as a true and correct record of proceedings of the Meeting of the Audit Committee held on the 26 February 2020.

Presiding Member: \_\_\_\_\_



Date: 25/11/20

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**1. DECLARATION OF OPENING**

The Presiding Member declared the meeting open at 1.04 pm.

**2. ANNOUNCEMENT OF VISITORS**

The Presiding Member welcomed members of the public to the gallery.

**3. ATTENDANCE**

**3.1 PRESENT**

<b>Elected Members:</b>	President Councillor Councillor Councillor Councillor	D McLean D Frazer A Jones L West J Porter
<b>Staff:</b>	CEO	Kevin Hannagan
<b>Guests:</b>	Nil	
<b>Members of Public:</b>	There was one member of the public in attendance at the commencement of the meeting - Harriet Olney, Independent, NCAC	

**3.2 APOLOGIES**

Cr. P Thomas

Cr. A Bates

Cr. J Frazer

**3.3 APPROVED LEAVE OF ABSENCE**

**4. PUBLIC QUESTION TIME**

**4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

**4.2 PUBLIC QUESTION TIME**

**5. APPLICATIONS FOR LEAVE OF ABSENCE**

**6. DECLARATION BY MEMBERS**

**6.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA**

Councillors are requested to give due consideration to all matters contained in the Agenda presently before the meeting.

**6.2 DECLARATIONS OF INTEREST**

**Councillors to Note**

A member who has an Impartiality, Proximity or Financial 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 Chief Executive Officer before the Meeting or;
- (b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- (a) Preside at the part of the Meeting, relating to the matter or;
- (b) Participate in or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under *Section 5.68 or Section 5.69 of the Local Government Act 1995*.

### **NOTES ON DECLARING INTERESTS (FOR YOUR GUIDANCE)**

The following notes are a basic guide for Councillors when they are considering whether they have an interest in a matter.

These notes are included in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the *Local Government Act 1995* but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
  - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under *s.5.68(1)(b)(ii) or the Local Government Act*; or
  - 6.2 Where the Minister allows the Councillor to participate under *s.5.69(3) of the Local Government Act*, with or without conditions.

**Declarations of Interest provided:**

<b>Item Number/ Name</b>	<b>Type of Interest</b>	<b>Nature/Extent of Interest</b>

**7. TERMS OF REFERENCE**

Under the Local Government Act 1995, Local Governments are required to appoint an Audit Committee (section 7.1A of the Local Government Act 1995).

An Audit and Risk Committee is to provide guidance and assistance to the Local Government – as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act and as to the development of a process to be used to select and appoint a person to be an auditor and may provide guidance and assistance to the Local Government as to – matters to be audited, the scope of audits, its functions under Part 6 of the Act and the carrying out of its functions relating to other audits and other matters related to financial management (clause 16 Local Government (audit) Regulations 1996).

**8. CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

**8.1 MINUTES OF COMMITTEE MEETING HELD**

**Officers Recommendation and Council Resolution**

**Moved: Cr L West**

**Seconded: Cr D Frazer**

That the Unconfirmed Minutes of the Audit Committee Meeting held on 26 June 2019 at the Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community (ATTACHMENT 8.1) be confirmed as a true and accurate record.

**Carried: 5/0**

## 9. AGENDA REPORTS

### 9.1 COMPLIANCE MATTER

**FILE REFERENCE:** FM.02

**AUTHOR'S NAME AND POSITION:** Kevin Hannagan  
Chief Executive Officer

**DATE REPORT WRITTEN:** 13 January 2020

**DISCLOSURE OF INTERESTS:** The author has no financial, proximity or impartiality interests in the proposal.

#### **Summary**

For the Audit Committee to consider a non-compliance matter due to the failure to have a quorum for the January 2019 Council meeting.

#### **Background**

The Shire had scheduled an Ordinary Council Meeting for 23 January 2019. That meeting did not proceed due to the inability to raise a quorum.

The Shire CEO at that time, made a disclosure to the Department of Local Government seeking advice on the minor non-compliance for the following:

*I refer our telephone conversation of today and formally advise the following:*

- *Local Public Notice was given advising a change in date of the January 23 meeting to the 30th. (Due to death of Councillors sister meaning due to funeral we would not have a quorum)*
- *Today the 30th one of the Councillors motor vehicles has broken down meaning again we will not have a quorum for the meeting.*
- *It is now proposed to shift items of business from today's agenda to 27 February meeting.*

*This now poses a compliance problem.*

1. *The Monthly Financial Statements (MFS) are to be considered by Council within 2 months of the Month End. The November MFS couldn't go to December meeting as the meeting was scheduled earlier than normal for xmas. This was included in Item 11.3 of the January Agenda. By sending it to February we are non-compliant with the 2 month period, LG(FM) Reg 34 4(a).*

#### **Comment**

The department has now advised to put an item to the Audit Committee (this report) and then track any non-compliance so elected members and officers are aware. The auditors always review audit committee minutes, therefore if they have any real issues or concerns, they will raise them as part of the annual audit process and the Audit Committee/CEO can then determine how they respond.

As the month of January is a difficult month with returning from Christmas and the hotter period the Shire has resolved not hold a meeting in January in 2020 due to the risk of this occurrence happening again.

#### **Statutory Environment**

*Section 7.13(i) of the Local Government Act 1995*

*Regulations 13, 14 & 15 of the Local Government (Audit) Regulations 1996*

**Financial Implications**

There are no known financial implications for this matter.

**Strategic Implications**

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

**Risk Management**

This item has been evaluated against the Shire of Ngaanyatjarraku's Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources, other than contained in the Recommendation.

**Policy Implications**

There are no known policy implications for this matter.

**Attachments**

Not applicable.

**Voting Requirement**

Simple Majority

**Officers Recommendation and Council Resolution**

**Moved: Cr J Porter**

**Seconded: Cr D Frazer**

That the Audit Committee notes a disclosure as detailed in this report, that:

- a) the Monthly Financial Statements (MFS) are to be considered by Council within 2 months of the Month End.
- b) the November 2108 MFS were not adopted until the February 2019 OCM, and as such is a non-compliance with the 2-month period, LG(FM) Reg 34 4(a), and
1. the Shire will generally, not program an Ordinary Council meeting in January due to the risk of this occurrence happening again.

**Carried: 5/0**



## 9.2 COMPLIANCE AUDIT RETURN 2019

**FILE REFERENCE:** FM.02

**AUTHOR'S NAME AND POSITION:** Kevin Hannagan  
Chief Executive Officer

**DATE REPORT WRITTEN:** 3 January 2020

**DISCLOSURE OF INTERESTS:** The author has no financial, proximity or impartiality interests in the proposal.

### **Summary**

Each Local Government is to carry out a Compliance Audit annually. This Compliance Audit Return is for the period of 1 January 2019 to 31 December 2019.

The Return for the year 2019 is presented to the Audit Committee for review and approval, prior to presentation to Council for Adoption.

### **Background**

The Compliance Audit Return is to assist Council in monitoring its organisational functions.

Council is required to note any areas of non-compliance and endorse remedial action. The Audit is provided by the Department of Local Government through their secure website platform named Smart Hub. The same audit is required to be completed by every WA local government. The Department considers, from a large range of issues it can audit, which ones will be specific to the year in question (i.e. each year the audit questions can change).

### **Comment**

For 2019, there were 104 questions over 11 disciplines. The return is compliant with the return questionnaire.

The Return is required to be presented to Council for adoption before its submission to the Department of Local Government Sport and Community Industries.

### **Statutory Environment**

*Section 7.13(i) of the Local Government Act 1995*

*Regulations 13, 14 & 15 of the Local Government (Audit) Regulations 1996*

### **Financial Implications**

There are no known financial implications for this matter.

### **Strategic Implications**

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

### **Risk Management**

This item has been evaluated against the Shire of Ngaanyatjarraku's Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is "Low" risk and can be managed by routine procedures and is unlikely to need specific application of resources, other than contained in the Recommendation.

### **Policy Implications**

There are no known policy implications for this matter.

**Attachments**

Attachment 9.1 – Compliance Audit Return 2019.

**Voting Requirement**

Simple Majority

**Officers Recommendation and Council Resolution****Moved: Cr D Frazer****Seconded: Cr A Jones**

That with respect to the Local Government Compliance Audit Return For 2019 that the Audit Committee recommend to Council, that Council:

1. Accept the Compliance Audit Return 2019 (ATTACHMENT 9.1) of the Shire for the period 1 January 2019 to 31 December 2019; and
2. Request the Chief Executive Officer to submit a certified copy of the Compliance Audit Return 2019 to the Director General of the Department of Local Government Sport and Community Industries by 31 March 2019.

**Carried: 5/0****10. NEW BUSINESS OF AN URGENT NATURE AS ADMITTED BY DECISION****11. CONFIDENTIAL MATTERS****12. NEXT MEETING**

TBA at the Tjulyuru Cultural and Civic Centre, Warburton Community commencing at 1:00 pm.

**13. CLOSURE OF MEETING**

There being no further business to discuss the Presiding Member closed the meeting at 1.10 pm.