



Shire of Ngaanyatjaraku
ON A JOURNEY

AUDIT COMMITTEE MEETING

MINUTES

**Tjulyuru Cultural and Civic Centre
Warburton Community**

26 June 2019

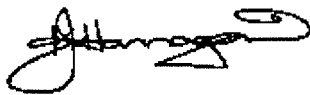
at

1.00 pm

SHIRE OF NGAANYATJARRAKU

AUDIT COMMITTEE MEETING

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

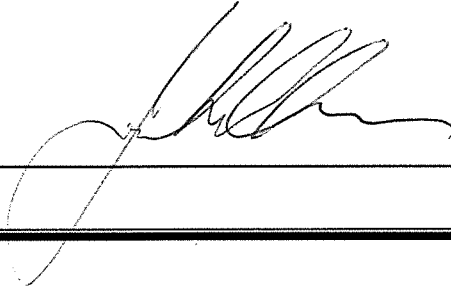


Acting Chief Executive Officer

Date: 26-6-2019

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 June 2019.

Presiding Member: _____



Date: _____

26/2/20

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1. DECLARATION OF OPENING

The Presiding Member declared the meeting open at 1.01 pm.

2. ANNOUNCEMENT OF VISITORS

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

3. ATTENDANCE

3.1 PRESENT

Elected Members:	President Deputy President Councillor Councillor Councillor Councillor	D McLean P Thomas (by telephone) A Bates J Frazer (from 1.07 p.m.) L West D Frazer
Staff:	Kevin Hannagan Kerry Fisher	Acting Chief Executive Officer Director Corporate Services
Guests:		
Members of Public:	There were no members of the public in attendance at the commencement of the meeting.	

3.2 APOLOGIES

Cr. A Jones

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:

Item Number/ Name	Type of Interest	Nature/Extent of Interest

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). The *Local Government (Audit) Regulations 1996* outline the functions of the Audit Committee as follows.

16. *Audit committee, functions of*

An audit committee —

(a) is to provide guidance and assistance to the local government —

(i) as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and

(ii) as to the development of a process to be used to select and appoint a person to be an auditor; and

(b) may provide guidance and assistance to the local government as to —

(i) matters to be audited; and

(ii) the scope of audits; and

(iii) its functions under Part 6 of the Act; and

(iv) the carrying out of its functions relating to other audits and other matters related to financial management; and

*(c) is 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.

8. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

8.1 MINUTES OF COMMITTEE MEETING HELD

Officers Recommendation and Committee Resolution

Moved: Cr L West

Seconded: Cr A Bates

That the Unconfirmed Minutes of the Audit Committee Meeting held on 27 February 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 REVIEW OF RISK MANAGEMENT, LEGISLATIVE COMPLIANCE AND INTERNAL CONTROLS

FILE REFERENCE:	RM.00 & CM.14
AUTHOR'S NAME AND POSITION:	Kevin Hannagan Acting Chief Executive Officer
DATE REPORT WRITTEN:	21 January 2019
DISCLOSURE OF INTERESTS:	The author has no financial, proximity or impartiality interests in the proposal.

Summary

For the Audit Committee to review progress on implementing actions from the Chief Executive Officer's report on the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal control and legislative compliance.

Background

The Local Government (Audit) Regulations 1996 state the functions and responsibilities of the Audit Committee to include reviewing the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance.

Furthermore the Regulations require a local government's Chief Executive Officer to review, at least once every three years, the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance and provide a report of that review to the local governments Audit Committee for their consideration. This is commonly known as a Reg17 Review.

That review was undertaken in July 2017 and reported to Audit Committee and Council in August 2017.

Comment

This report updates the Audit Committee on implementation of the Recommendations contained in the August 2017 review. Attached is a table of the recommendations and action taken to date.

From 1 July 2019 Council has a contract with Moore Stephens WA (MS) for Accounting and Compliance Services. The ACEO has met with MS for a 'kick off' meeting to ensure services start in a timely fashion. It is now proposed to undertake the next Reg17 Review in February 2020 using the Moore Stephens Compliance services contract.

Statutory Environment

Local Government (Audit) Regulations 1996

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 sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 3 calendar years.

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

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 "High". The high level of risk is being driven by the risk of a compliance breach requiring further investigation by the DLGSCI.

As a high-risk matter, the Acting Chief Executive Officer and Director Corporate Services will actively monitor these matters.

Policy Implications

There are no known policy implications for this matter.

Attachments

Attachment 9.1 – Risk Dashboard Table July 2017, Recommendations and Action taken.

Voting Requirement

Simple Majority

Cr D Frazer joined the meeting at 1.07p.m.

Officers Recommendation and Committee Resolution

Moved: Cr D Frazer Seconded: Cr J Frazer

That the Audit Committee Recommends to Council to:

- 1. Note this report and the attached Risk Dashboard Report update (Att 9.1); and**
- 2. That here be further quarterly reports to the Audit Committee on the progress of implementing the improvements.**

Carried: 6/0

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 1.14 pm.

Risk Dashboard Report July 2017

Recommendation	Action
<u>Asset Sustainability practices</u>	
1 Adopt Long Term Financial Plan (budget forecast / allocation)	Complete - Adopted Council Meeting November 2018.
2 Develop routine maintenance program: (buildings & other structures)	Complete – Urban Box Report March 2019
3 Research availability of appropriate Asset Management System	Complete – Existing RAMM system updated
<u>Business & Community disruption</u>	
1 Trial LEMC meetings by phone conference	Complete – LEMC meetings now functional and phon- ins also used
<u>Failure to fulfil Compliance requirements (statutory, regulatory)</u>	
1 Staff training - Strict tender and procurement process (including eQuotes)	Complete – CEO / DCS use Equotes and Tenderlink now.
2 Attain DLGC Compliance Audit	Nearly Complete – AFS 2017/18 audit complete, Annual report next
3 Develop PHP in accordance with Public Health Act 2016	Nearly Complete – EHO finalising with consultant
<u>IT or communication systems and infrastructure</u>	
1 Develop IT Service level agreement	Yet to be developed
2 Implement off-site data back-up system	Complete – cloud servers now used and monthly Back-up tape held by FAC offsite
<u>Document Management processes</u>	
1 Implement documentation management audits	Yet to be developed
<u>Misconduct</u>	
1 implement agreed actions in 2014/15 Audit Management letter	Complete
2 Review Delegation Registers	Complete – Adopted October 2018
3 Implement Annual drivers licence checks	Complete – Annually by FAC
4 Review & implement Induction Process (Code of Conduct)	Complete – New starters by FAC
<u>Safety and Security practices</u>	
1 Develop drug and alcohol policy	Completed – council Policy CS 2.29
2 Undertake regular documented safety inspections	Proposed to implement OSH System in conjunction with LGIS
3 Develop safe work practices (Safe Work Method Statements) for EHFSO staff	Proposed to implement OSH System in conjunction with LGIS

4 Review & implement organisation wide Induction process (Code of Conduct Component)	Complete - FAC
5 Ensure trained first aid staff for each work location	Proposed to implement OSH System in conjunction with LGIS
<u>Environment management</u>	
1 Consider further work to address potential contamination and land use issues	Ongoing – EHO working with land manager NCAC
2 Enquire whether Canning have the Environment Management Plan for NG as part of their previous support	Not available
3 Develop program to support implementation of Container deposit legislation	EHO participated but SofNG not designated for CDS machine
<u>Supplier / Contract management</u>	
1 Continue staff training in procurement management process	Ongoing - DCS
<u>Errors, omissions & delays</u>	
1 Implement Staff training program (mentoring, formal & on-the-job)	Ongoing - DCS