



Shire of Cunderdin
Notice of a Special Council Meeting

Dear Council Member,

A Special Meeting of the Cunderdin Shire Council will be held on **Thursday 28 March 2019** in the Council Chambers, Lundy Avenue Cunderdin commencing at **5.30pm**, for the purpose of adopting the following:

- 3.1 Shire of Cunderdin Audit Committee Minutes
- 3.2 Review of Risk Management, Internal Control and Legislative Compliance – Risk Management Governance Framework
3. Shire of Cunderdin Compliance Audit Return 2018

Neville A Hale
Chief Executive Officer

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AGENDA

1. Declaration of opening

The Shire President will declare the meeting open at_____

The Shire of Cunderdin disclaimer will be read aloud.

The Local Government Act 1995 Part 5 Division 2 Section 5.25 and Local Government (Administration) Regulations 1996 Regulation 13

“No responsibility whatsoever is implied or accepted by the Shire of Cunderdin for any act, omission or statement or intimation occurring during this meeting. It is strongly advised that persons do not act on what is heard at this Meeting and should only rely on written confirmation of Council’s decisions, which will be provided within ten working days of this meeting”.

2. Record of Attendance, Apologies and Approved Leave of Absence

2.1 Record of attendances

Councillors

| | |
|------------------------|------------------------|
| Cr DA (Dennis) Whisson | Shire President |
| Cr DB (Doug) Kelly | Deputy Shire President |
| Cr J (Jayson) Goldson | |
| Cr AE (Alison) Harris | |
| Cr TE (Todd) Harris | |
| Cr B (Bernie) Daly | |
| Cr NW (Norm) Jenzen | |
| Cr D (Di) Kelly | |

2.2 In Attendance

| | |
|---------------|---|
| Stuart Hobley | Manager of Corporate Services and Finance |
| Kayla James | Governance and Compliance Officer |
| Hayley Byrnes | Senior Finance Officer |

2.3 Apologies

2.4 Leave of Absence Previously Granted

3. Finance and Administration

3.1 Shire of Cunderdin Audit Committee Minutes

| | |
|--------------------------------|--|
| Location: | Cunderdin |
| Applicant: | Manager of Corporate Services and Finance |
| Date: | 19 th December 2018 |
| Author: | Kayla James |
| Item Approved By: | Chief Executive Officer |
| Disclosure of Interest: | Nil |
| File Reference: | Nil |
| Attachment/s: | Attachment Item 3.2 – Audit Committee Minutes 11 th December 2017 |

Proposal/Summary

Council to receive the minutes of the Audit Committee Meeting held on Thursday 25 March 2019

Background

A copy of the Audit Committee Minutes have been circulated to all Councillors.

Comment

There were two items of business on the Audit Committee Agenda and the recommendations from the Committee are:

1. Shire of Cunderdin Audit Report 2018/19 Financial Year
Resolution 5.1
That the Audit Committee receives the Annual Audit Report for the Year Ending 30 June 2018
2. Shire of Cunderdin Compliance Audit Return 2016
Resolution 5.2:
That the Audit Committee:
 - (a) *Receives the Shire of Cunderdin Compliance Audit Return for the period as prepared;*
 - (b) *Notes that the Shire of Cunderdin complied in all areas of legislative requirements during the reporting; and*
 - (c) *Recommends to Council that the Shire of Cunderdin Compliance Audit Return 2017/18, as prepared, be adopted and submitted to the Department of Local Government Sport and Cultural Industries.*

Consultation

Nil

Statutory Environment

Local Government Act 1995 Part 5 Division 2 Subdivision 3 - Section 5.22 (2)

The minutes of a meeting of a council or a committee are to be submitted to the next ordinary meeting of the council or the committee, as the case requires, for confirmation.

Local Government Act 1995

- **7.12A. Duties of local government with respect to audits**
 - (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out his or her other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
 - (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
 - (3) A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to —
 - (a) determine if any matters raised by the report, or reports, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those matters.
 - (4) A local government is to —
 - (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and
 - (b) forward a copy of that report to the Minister, by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.
- Local Government (Audit) Regulations 1996
- Local Government (Financial Management) Regulations 1996

Policy Implications

Nil

Financial Implications

There are no financial implications in considering this item.

Strategic Implications

Nil

Recommendation 3.1

That the Minutes of the Shire of Cunderdin Audit Committee Meeting held on XXXX 2019, be received and the recommendations contained therein be adopted.

Moved: Cr _____

Seconded: Cr _____

Vote – Absolute majority

Carried/Lost: __/__

3.2 Review of Risk Management, Internal Control and Legislative Compliance – Risk Management Governance Framework

| | |
|--------------------------------|-----------------------------------|
| Location: | Shire of Cunderdin |
| Applicant: | Governance and Compliance Officer |
| Date: | 12 February 2019 |
| Author: | Kayla James |
| Item Approved by: | Chief Executive Officer |
| Disclosure of Interest: | Nil |
| File Reference: | Nil |
| Attachment/s: | Risk Dashboard Report 2018 |

Proposal / Summary

For Council to note the results of the Risk Dashboard Review of the *Risk Management Governance Framework as prepared by LGIS and adopted by Council in December 2014 in response to the introduction of Reg 17 of the Local Government (Audit) Regulations 1996.*

Background

The Framework is a comprehensive overview of identified risks likely to impact the operations of the Shire and reflects the appropriateness and effectiveness of the Shire's systems in regard to risk management, internal control and legislative compliance.

The Dashboard Review was last undertaken in October 2018 and presented to Council's Ordinary Meeting of 18 October 2018.

The *Local Government (Audit) Regulations 1996* prescribe the requirements for local governments in relation to the engagement of auditors, the annual compliance Audit Return and the functions of the Audit Committee.

The amendments extend the responsibilities of the Audit Committee and Chief Executive Officer of local governments in relation to the reviewing and reporting of the local government's systems and procedures in regard to risk management, internal control and legislative compliance.

The Risk Management Governance Framework, developed by LGIS, is in response to the requirements of Reg.17 of the Local Government (Audit) Regulations, 1996 and encapsulates those requirements.

Comment

The Chief Executive Officer has reviewed the Shire's systems in relation to risk management, internal control and legislative compliance and considers that they are appropriate and effective with the exception of those identified on the attached Dashboard Report. The details of the review were presented to the Audit Committee on 25 March 2019.

CHIEF EXECUTIVE OFFICER'S OVERVIEW – I consider that with the Measures and Systems in place, that Council's Risk Management, Internal Control and Legislative Compliance is appropriate and effective notwithstanding areas identified in need of improvement as outlined within the attached Dashboard Report.

Consultation

Chief Executive Officer - Neville Hale
Manager Corporate Services & Finance - Stuart Hobley
Manager of Works and Services – Fabian Houbrechts
Governance and Compliance Officer – Kayla James

Legislative Requirements

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

Policy 1.11 Organisational Risk Management

This Framework sets out the areas of risk that have been identified and the actions necessary and or taken to mitigate those risks.

Financial Implications

Nil

Strategic Implications

Cunderdin Community Strategic Plan

Civic Leadership

IT5.1.1 Governance Framework - Provide a fully integrated robust governance framework with annual reviews of the Shire's governance framework, policies, management practices, delegations, risk management framework and periodic reviews of the Code of Conduct and Local Laws.

Recommendation 3.2

For Council to note the results of the Regulation 17 Local Government (Audit) Regulations, 1996, Management, Internal Control and Legislative Compliance.

Moved: Cr

Seconded: Cr

Vote: Simple majority

Carried/Lost: __/__

3.3 Shire of Cunderdin Compliance Audit Return 2018

| | |
|--------------------------------|---|
| Location: | Shire of Cunderdin |
| Applicant: | Manager of Corporate Services and Finance |
| Date: | 15 th February 2019 |
| Author: | Kayla James |
| Item Approved by: | Chief Executive Officer |
| Disclosure of Interest: | Nil |
| File Reference: | Nil |
| Attachment/s: | 9 Pages |

Proposal/Summary

The Council is requested to review and give consideration to the Shire of Cunderdin Compliance Audit Return 2018, as presented, and report the results of the review to Council.

Background

Each year, Council is required to complete and submit a Local Government Compliance Audit Return (CAR) for the period 1 January to 31 December. Completing the Return is a statutory requirement under the provisions of the *Local Government Act 1995*, and associated Regulations.

It is a requirement for the CAR to be:

- a) Submitted to the Audit Committee for review and a report to Council.
- b) Presented to the Council at a meeting of the Council.
- c) Adopted by the Council; and
- d) Recorded in the minutes of the meeting at which it is adopted.

Comment

The Compliance Audit Return (CAR) for the Shire of Cunderdin for period 1 January 2018 to 31 December 2018 has been completed and a copy circulated to Councillors with the Audit Committee Meeting Agenda. The CAR is to be submitted to the Department of Local Government by 31 March each year.

While completing the Compliance Audit it was noted that the Shire has not complied with the following part of the Compliance Audit:

Tenders for Providing Goods and Services, Question 10:

Reference - Local Government (Functions and General) Regulations 1996, Regulation 19

Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted?

Response: No

Comments: Tenderers were sent written notice of the outcome but the advice did not include reference to the details of the successful tender.

The reason for non-compliance is due to an administrative error that occurred when the Shire was in transition regarding the responsible officer position. Officers have been made aware of the requirements of the relevant Regulations and new processes introduced to ensure this does not occur again.

Consultation

Chief Executive Officer – Neville Hale
Manager of Corporate Services and Finance – Stuart Hobley
Governance and Compliance Officer – Kayla James

Statutory Implications

Local Government Act 1995, section 7.13 (1)(i)

7.13. Regulations as to audits

(1) Regulations may make provision —

- (i) requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are —*
 - (i) of a financial nature or not; or*
 - (ii) under this Act or another written law.*

Local Government (Audit) Regulations 1996, clauses 13, 14 & 15

13. Prescribed statutory requirements for which compliance audit needed (Act s. 7.13(1)(i))

For the purposes of section 7.13(1)(i) the statutory requirements set forth in the Table to this regulation are prescribed.

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.*

15. Compliance audit return, certified copy of etc. to be given to Executive Director

- (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 Executive Director by 31 March next following the period to which the return relates.*
- (2) In this regulation —*

certified *in relation to a compliance audit return means signed by —*

 - (a) the mayor or president; and*
 - (b) the CEO.*

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

“Shire of Cunderdin Strategic Community Plan

Civic Leadership

Our Councillors and community leaders have vision, are accessible, act with transparency and integrity, and act in good faith on behalf of their constituents.”

Recommendation 3.3

That Council adopted to Audit committees recommendation of;

- Receives the Shire of Cunderdin Compliance Audit Return for the period 1 January 2018 to 31 December 2018, as prepared; and,
- Recommends to Council that the Shire of Cunderdin Compliance Audit Return 2018, as prepared, be adopted and submitted to the Department of Local Government.

Moved:

Seconded: Cr

Vote - Simple majority

Carried:

4. Closure of meeting

There being no further business the Shire President is to declare the meeting closed at pm.