



Unconfirmed Minutes for the Audit Committee Meeting

18 March 2020

COUNCIL CALENDAR		
Date	Time	Meeting
18 March 2020	2.00pm	Audit Committee Meeting

MEETING GUESTS

Nil



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# MINUTES

**Shire of Narembreen  
Audit Committee Meeting  
Wednesday 18 March 2020, commencing at 2.00pm**

## **1.0 Opening & Welcome**

Cr Rhonda Cole, Shire President welcomed everyone to the meeting and declared the meeting open at 2.03pm.

## **2.0 Attendance & Apologies**

### **Attendance**

#### **Councillors**

Cr Rhonda Cole	Shire President, Presiding Person
Cr Kellie Mortimore	Deputy Shire President
Cr Peter Lines	Member
Cr Scott Stirrat	Member
Cr Amy Hardham	Member
Cr Alan Wright	Member
Cr Gina DeLuis	Member
Cr Warren Milner	Member

#### **Staff**

Mr Pascoe Durtanovich	Acting Chief Executive Officer
Mr Scott Wildgoose	Executive Manager Corporate Services
Mrs Sheree Thomas	Community & Economic Development Officer (minute taker)

### **Apologies**

Nil

## **3.0 Declarations of Interest**

Nil

## **4.0 Public Question Time & Deputations (15 min)**

Nil

## **5.0 Confirmation of Minutes of Audit Committee – 20<sup>th</sup> November 2019**

### **RECOMMENDATION:**

That the minutes of the Shire of Narembreen Audit Committee Meeting held on Wednesday 20<sup>th</sup> November 2019 be confirmed as a true and accurate record of the proceedings.

## **COUNCIL RESOLUTION**

**MIN 7004/20**

**MOTION** - Moved Cr. R DeLuis      Seconded Cr. A Hardham

*That the minutes of the Shire of Narembeen Audit Committee Meeting held on Wednesday 20<sup>th</sup> November 2019 be confirmed as a true and accurate record of the proceedings.*

**CARRIED 8/0**

## 6.0 REPORTS

### AGENDA ITEM: 6.1 - Compliance Audit Return 2019

<b>Subject:</b>	Compliance Audit Return 2019
<b>Applicant:</b>	N/A
<b>File Ref:</b>	ADM129
<b>Disclosure of Interest (Staff):</b>	Nil
<b>Disclosure of Interest (Member):</b>	Nil
<b>Author:</b>	Scott Wildgoose, Acting Chief Executive Officer
<b>Date:</b>	9 March 2020
<b>Attachments:</b>	Compliance Audit Return 2019 (see binder attachment)

### SUMMARY

Council to endorse the Compliance Audit Return for the period 1 January 2019 – 31 December 2019.

### BACKGROUND

Each year all local governments across the State are required by legislation to undertake a compliance audit for the period 1 January to 31 December. This audit is performed against the requirements of the Compliance Audit Return prepared by the Department of Local Government covering the following business areas considered to be 'high risk':

- Commercial Enterprises by Local Government
- Delegation of Power / Duty
- Disclosure of Interest
- Disposal of Property
- Elections
- Finance
- Integrated Planning and Reporting
- Local Government Employees
- Official Conduct
- Tendering for Providing Goods and Services

A completed Compliance Audit Return for the year ended 31 December 2019 must be submitted to the Department of Local Government by the 31 March 2020.

### COMMENT

The audit committee is required to review the completed Compliance Audit Return and report their recommendations to the Council, prior to the Compliance Audit Return's adoption by Council and submission to the Department by 31 March 2020.

Given the Compliance Audit Return must be reviewed and endorsed by the Audit Committee and Council prior to submission to the department, the recommendations of the Audit Committee will be taken to the Wednesday, 18 March 2020 Council Meeting as a late item.

During the Compliance Audit Return process two areas of non-compliance have been identified. The areas of non-compliance related to the risk area associated with Disclosure of Interest. Specifically, not all designated employees had lodged primary and annual returns. This area of non-compliance seems to stem from a misunderstanding of the legislation, such that the administration for a number of years has only been classing a designated employee as someone with an authorisation to purchase. In my opinion this is an incorrect interpretation of the legislation.

Part 5, Division 6, Section 5.74 of the Local Government Act 1995 defines a designated employee as:

- a) a CEO; and
- b) an employee, other than the CEO, to whom any power or duty has been delegated under Division 4; and
- c) an employee who is a member of a committee comprising council members and employees; and
- d) an employee nominated by the local government to be a designated employee

The main area that relates to Shire employees is 2) such that the employees have been delegated a power or duty by the CEO – in line with Division 4 – Section 5.36 to Section 5.51, specifically Section 5.44.

An authorisation to purchase is not a delegation of the CEO's powers or duties; it is the enactment of a policy and the provision of authority to act within the policy.

In essence using the purchasing example, the delegation would actually come in the form of Cheque Signing Authority or the Power to Make Payments from Municipal and Trust Funds. Only certain employees are delegated this power from the CEO.

Due to the misinterpretation of the legislation, employees who have been delegated powers or duties from the CEO who do not have purchasing authorisation have not completed primary or annual returns over the last few years.

Action has now been taken to remediate this area of non-compliance.

No other areas of non-compliance were identified.

Note this report was prepared by the Acting CEO, who also completed the majority of the Compliance Audit Return and review.

## **CONSULTATION**

Community and Economic Development Officer

## **STATUTORY IMPLICATIONS**

Local Government Act 1995

## **FINANCIAL IMPLICATIONS**

Nil

## **POLICY IMPLICATIONS**

Nil

## **STRATEGIC PLAN REFERENCE**

Nil

## **RELATED PARTY TRANSACTIONS**

Nil

## **OFFICER RECOMMENDATION**

That Council:

1. Approve the 2019 Compliance Audit Return for signing by the Shire President and Chief Executive Officer; and
2. Endorse the Compliance Audit Return for submission to the Department of Local Government, Sport and Cultural Industries.

## **AUDIT COMMITTEE RECOMMENDATION**

**MIN 7005/20**

**MOTION** - Moved Cr. P Lines

Seconded Cr. S Stirrat

*That Council:*

1. *Approve the 2019 Compliance Audit Return for signing by the Shire President and Chief Executive Officer; and*
2. *Endorse the Compliance Audit Return for submission to the Department of Local Government, Sport and Cultural Industries.*

**CARRIED 8/0**

#### 7.0 Other Business

Nil

#### 8.0 Next Meeting

To be advised.

#### 9.0 Closure

There being no further business the Chair declared the meeting closed at 2.13pm.

#### 10.0 Certification of Meeting Minutes

I, Cr Rhonda Cole, Shire President certify that the Minutes of the Audit Committee Meeting held on Wednesday 18 March 2020 are confirmed as a true and correct record of the meeting.

  
\_\_\_\_\_  
Cr Rhonda Cole  
PRESIDING PERSON

16 - 12 - 2020  
\_\_\_\_\_  
Date