



Shire of Murray

Minutes

Audit Committee Meeting

Thursday 27 February 2020

Audit Committee – 27 February 2020

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Minutes of the Audit Committee Meeting held at the Murray Shire Council, 1915 Pinjarra Road, Pinjarra on Thursday 27 February 2020.

The Presiding Member Cr D Bolt declared the meeting open the time being 5.00pm.

Important Note

It should be noted that decisions of this Committee are only recommendations to and not decisions of the Council. Committee recommendations should therefore not be acted on or otherwise relied upon until Council has formally considered and decided on the Committee recommendations.

1. ATTENDANCE

Cr D Bolt	President
Cr D McLarty	Deputy President
Cr S Lee	Councillor
Cr A Rogers	Councillor
Cr C Rose	Councillor
Cr B Cardilini	Councillor
Cr B Beacham	Councillor
Cr S Kirkham	Councillor
Mr D Unsworth	Chief Executive Officer
Mr A Smith	Director Infrastructure Services
Mr R Peake	Director Planning and Sustainability
Mrs L McGuirk	Director Place and Community Development
Mrs F Hide	Coordinator Executive Services

2. APOLOGIES

Cr G Black – apology (work commitments)
Mrs T Unsworth, Director Corporate Services - apology

3. CONFIRMATION OF MINUTES

3.1 Confirmation of Previous Minutes – 14 November 2019

Recommendation

AC20/001

Moved: Cr A Rogers

Seconded: Cr D McLarty

That the Minutes of the Shire of Murray Audit Committee meeting held on Thursday 14 November 2019 be confirmed as a true and correct record.

CARRIED UNANIMOUSLY 8:0

4. DEPUTATIONS

Nil

5. REPORTS

5.1 2019 Local Government Compliance Audit Return

File Ref: 1417
Previous Items: Nil
Author and Title: Robert Marlborough, Manager Governance
Declaration of Interest: Nil
Voting Requirements: Simple Majority

Appendix 1 – 2019 Local Government Compliance Audit Return

Recommendation

AC20/002

Moved: Cr S Lee

Seconded: Cr B Beacham

That the Audit Committee accepts the completed 2019 Local Government Compliance Audit Return (Audit Return), as provided at Appendix 1, for the period 1 January 2019 to 31 December 2019 and recommends that Council adopt the Audit Return and that it be submitted to the Department of Local Government Sport and Cultural Industries.

CARRIED UNANIMOUSLY 8:0

NOTE: The Committee Recommendation will only be a recommendation to and not a decision of Council. Council will consider this recommendation at the Ordinary Council Meeting on Thursday 26 March 2019.

In Brief

- To consider the Local Government Compliance Audit Return for the period 1 January 2019 to 31 December 2019 and make a recommendation to Council to determine a position.

Background

The Department of Local Government, Sport and Cultural Industries (“the Department”) requires all local governments to complete and lodge an annual Compliance Audit Return for the preceding year by 31 March in the following calendar year.

The annual return required responses in the following broad categories:

- Commercial Enterprises by Local Governments;
- Delegation of Power / Duty;
- Disclosure of Interest;
- Disposal of Property;
- Elections
- Finance;
- Integrated Planning and Reporting;

- Local Government Employees;
- Official Conduct
- Optional Questions
- Tenders for Providing Goods and Services.

The optional questions, are as follows and these relate to compliance matters associated with the *Local Government (Financial Management) Regulations 1996* and the *Local Government (Audit) Regulations 1996*.

- Q1. Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Local Government (Financial Management) Regulation 5(2)(c) within the 3 years prior to 31 December 2019? If yes, please provide date of Council resolution in comments?
- Q.2 Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulation 17 within the 3 years prior to 31 December 2019? If yes, please provide date of Council resolution in comments?
- Q.3 Did the local government provide AASB 124 related party information in its annual report(s) tabled at an electors meeting(s) during calendar year 2019?
- Q.4 Did the local government submit to its auditor by 30 September 2019 the balanced accounts and annual financial report for the year ending 30 June 2019?

As part of the audit completion process responses were prepared for each of the optional questions. In preparing the annual compliance return a review was undertaken by all relevant business units.

Report Detail

Provided for Committees information at Appendix 1 is the completed annual Compliance Audit Return for the period 1 January 2019 to 31 December 2019 and subject to Council's formal acceptance it is proposed to lodge the completed return with the Department by 31 March 2019.

Murray 2030 Strategic Community Plan

Nil

Murray 2019- 2023 Corporate Business Plan

Nil

Other Strategic Links

Nil

Statutory Environment

Local Government Act 1995 ("the Act") – Section 7.13 (1) (i)

- (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 – Regulation 13

For the purposes of section 7.13(1)(i) of the Act the statutory reporting is required for specific provisions of the Act and associated Regulations

Local Government Audit Regulations 1996 – Regulation 14

- (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.

Local Government Audit Regulations 1996 – Regulation 13

- (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.

Sustainability & Risk Considerations

Economic – (Impact on the Economy of the Shire and Region)

Recommending the Adoption of the annual Compliance Audit Return will not adversely impact the community financially.

Social – (Quality of life to community and/or affected landowners)

Nil

Environment – (Impact on environment's sustainability)

Nil

Policy Implications

Completing and lodging the annual Compliance Audit Return is a requirement of the *Local Government Act 1995* and the relevant Regulations. Council policies and procedures are not impacted and the level of negative community comment is considered to be low.

Risk Management Implications

<i>Risk Level</i>	<i>Comment</i>
Low	Failing to lodge an Annual Return risks non-compliance with the applicable legislation.

Consultation

Nil

Resource Implications*Financial*

Nil

Workforce

Nil

Options

The completion and lodgement of the annual Compliance Audit Return is legislatively required under the Act and no alternative options are available.

Conclusion

The annual Compliance Audit Return for the period 1 January 2019 to 31 December 2019 has been completed following review by the relevant business units and the Annual Return is recommended to be supported and recommended to Council for adoption.

6. CLOSURE OF MEETING

There being no further business the Presiding Member declared the meeting closed the time being 5.03pm.