



**SHIRE OF LAVERTON**

**AUDIT COMMITTEE MEETING**

**MINUTES**

**of the meeting held on  
Thursday 24 March 2016  
commencing at 4.30 pm**

**MINUTES OF THE AUDIT COMMITTEE,  
HELD IN THE LAVERTON COUNCIL CHAMBERS  
ON 24 MARCH 2016 COMMENCING AT 4:30PM**

**1. DECLARATION OF OPENING**

The Chairman, Cr Patrick Hill, Declared the meeting open at 4.30pm and welcomed everyone to the meeting.

**2. RECORD OF ATTENDANCE**

**2.1 PRESENT**

Cr P Hill	Chairman
Cr G Walder	Councillor
Cr R Ryles	Councillor
Cr R Prentice	Councillor
Cr D Ross	Councillor
Mr S Deckert	Chief Executive Officer
Mr G Stanley	EMCCS (from 4:45pm)
Miss T Farlow	Executive Assistant

**2.2 APOLOGIES**

Cr S Weldon	Councillor
Cr D Cannons	Councillor

**2.3 LEAVE OF ABSENCE**

Nil

**2.4 VISITORS**

Nil

### 3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING:

<b>3.1 MINUTES OF AUDIT COMMITTEE MEETING HELD 17 DECEMBER 2015 (File Ref: 793)</b>
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#### AC160301 COMMITTEE DECISION/OFFICER RECOMMENDATION

Moved Cr G Walder; Seconded Cr D Ross:

That the Minutes of the Audit Committee Meeting held on 17 December 2015 (Attachment AC1603-3.1.A) be confirmed as a true and accurate record.

CARRIED 5/0

### 4. REPORTS OF COMMITTEE AND OFFICERS

<b>4.1 COMPLIANCE AUDIT RETURN 2015 (File Ref: 568)</b>
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**SUBMISSION TO:** Audit Committee Meeting, 24 March 2016  
**DISCLOSURE OF INTEREST:** The applicant has no financial interest in this matter  
**OWNER/APPLICANT:** Not applicable  
**AUTHOR:** Glenn Bone, Project Officer  
**SENIOR OFFICER:** Steven Deckert; Chief Executive Officer  
**PREVIOUS MEETING REFERENCE:** Not applicable

#### MATTER FOR CONSIDERATION:

For the Audit Committee to consider the Compliance Audit Return for 2015.

#### ATTACHMENTS:

AC1603-4.1.A Completed Compliance Audit Return for 2015

#### APPLICANT'S SUBMISSION:

Not applicable.

#### BACKGROUND:

The Local Government Compliance Audit return for the period 1 January – 31 December 2015 must be completed and returned to the Executive Director, Department of Local Government and Communities by 31 March 2016.

The Compliance Audit Return is to be:

- a) Reviewed by the Audit Committee;
- b) Presented to Council at a meeting of the Council;
- c) Adopted by Council (along with comments and amendments); and

The adoption is to be recorded in the minutes of the meeting at which it is adopted.

### **STATUTORY ENVIRONMENT:**

#### ***Local Government (Audit) Regulations 1996***

- Regulation 14(1) – Requires a local government to carry out a compliance audit for the period 1 January to 31 December in each year.
- Regulation 14(3A) – The local government’s audit committee is to review the compliance audit return and is to report to council the results of that review.
- Regulation 14(3) – After the audit committee has reported to council under subregulation (3A), the compliance audit is to be –
- a) presented to a meeting of the council;
  - b) adopted by the council; and
  - c) recorded in the minutes of the meeting at which it is adopted.
- Regulation 15 – A certified copy of the return together with a copy of the relevant section of the minutes at which it was adopted, is to be submitted to the Executive Director by 31 March next following for the period to which the return relates.

### **POLICY IMPLICATIONS:**

Council has no policies in respect to this matter.

### **FINANCIAL IMPLICATIONS:**

There are no financial implications in respect to this report.

### **STRATEGIC IMPLICATIONS:**

There are no strategic implications in respect to this report.

### **CONSULTATION:**

This return has been completed by Project Officer, Glenn Bone, following liaison with relevant staff members.

### **COMMENT:**

This year’s Compliance Audit Return poses a total of 87 questions including 10 new questions in the section dealing with Tenders for Providing Goods and Services.

A number of issues of non-compliance are noted in the Compliance Audit Return 2015. Specifically these relate to the sections dealing with “Disclosure of Interest” and “Finance”. Explanations for these instances are set out below:

#### **Disclosure of Interest**

*Question 4: Was a primary return lodged by all newly elected members within three months of their start day?*

COMMENT:

Two members submitted their return after the due date.

*Question 6: Was an annual return lodged by all continuing elected members by 31 August 2015?*

COMMENT:

All five continuing members as at 31 August 2015 failed to lodge an annual return by the due date. Subsequently received.

*Question 7: Was an annual return lodged by all designated employees by 31 August 2015?*

COMMENT:

Three designated employees failed to lodge an annual return by the due date. Subsequently received.

CEO'S COMMENT:

While it is every individual person's (Councillors and designated staff) responsibility to ensure that they fulfil their legislative obligations in respect to the completion of Financial Interest Returns, it can be very easily overlooked as they are only required on an annual basis. This year due to an administrative oversight, a 'reminder' was not issued to Councillors and staff at the appropriate time.

PROPOSED ACTION:

It is proposed that to overcome this in future, the CEO's Executive Assistant (and the CEO) will place a reminder of this requirement so they can then arrange the issue of the necessary returns for Councillors/staff to complete by the due date.

## Finance

*Question 5: Was the Auditor's report for the financial year ended 30 June 2015 received by the local government within 30 days of completion of the audit?*

COMMENT:

As at 8 March 2016 the audit has not yet been undertaken. Pursuant to s.6.4(3) of the LGA, the Minister has allowed until 23 December 2015 for the completion of the annual financial reports.

NOTE:

The audit will be progressed as soon as possible.

*Question 6: Was the Auditor's report for 2014/15 received by the local government by 31 December 2015?*

COMMENT:

See Question 5 above.

CEO'S COMMENT:

Due to the delayed completion of the 2013/14 Annual Report, this has, as a consequence, delayed the completion of the 2014/15 financials for presentation to the Auditor. A further compounding factor is the requirement for the Shire's infrastructure assets to be re-valued as part of the completion of the 2014/15 Financial Reports. This is currently being done and it is expected that the final reports will be presented to the Auditor no later than 15 April 2016.

**PROPOSED ACTION:**

The excessive workload placed on the Executive Manager Corporate and Community Services (EMCCS) has been acknowledged for some time. In February this year, in accordance with the Organisational Structure Review, a Finance and Administration Manager (FAM) commenced employment. This will enable the EMCCS to divest a number of time consuming day to day tasks and responsibilities to the FAM so that he can concentrate on the Shire meeting its financial management compliance requirements, particularly in respect to completion of the Annual Financial Statements.

04:45pm Mr Graham Stanley joined the meeting.

**VOTING REQUIREMENTS:**

Simple majority decision of Council required.

**AC160302 COMMITTEE DECISION/OFFICER RECOMMENDATION**

**Moved Cr G Walder; Seconded Cr D Ross:**

**That the Audit Committee:**

- 1. Advise Council that it has conducted a review of the Compliance Audit Return 2015 and notes the five (5) issues of non compliance raised;**
- 2. Notes the explanations and mitigation steps identified by the CEO to avoid any reoccurrence of these shortcomings in 2016; and**
- 3. Recommends that Council now adopt the Compliance Audit Return 2015 (Attachment AC1603-4.1.A) as the official return of Council for the period of 1 January – 31 December 2015 and the return be certified by the President and the Chief Executive Officer.**

**CARRIED 5/0**

**5. CLOSURE OF MEETING**

There being no further business, the Presiding Member declared the meeting closed at 04:42 pm.

**6. CERTIFICATION**

**I, Patrick Hill, hereby certify that the Minutes of the Audit Committee Meeting held on 24 March 2016 are confirmed as a true and correct record, as per the Council resolution of the Ordinary Meeting of the Audit Committee held on \_\_\_\_\_.**

**SIGNED:** \_\_\_\_\_ **DATED:** \_\_\_\_\_ **2016**