



Shire of **Ngaanyatjaraku**
ON A JOURNEY

**AUDIT AND RISK
COMMITTEE MEETING**

AGENDA

**27 March 2024
1.00pm**

SHIRE OF NGAANYATJARRAKU

AUDIT AND RISK COMMITTEE MEETING

Notice is hereby given that an Audit and Risk Committee Meeting of the Shire of Ngaanyatjarraku will be held on Wednesday 27 March 2024 commencing at 1.00pm.

The business to be transacted is shown in the agenda.

David Mosel
CHIEF EXECUTIVE OFFICER
18 March 2024

DISCLAIMER

The recommendations contained in the agenda are subject to resolution by Council. The Shire of Ngaanyatjarraku warns that anyone who has any matter lodged with the Council must obtain and should only rely on written confirmation of the outcomes of the matter following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the matter. No responsibility whatsoever is implied or accepted by the Shire of Ngaanyatjarraku for any act, omission, statement, or intimation occurring during a Council meeting.

Contents

| | | |
|----|---|----|
| 1 | DECLARATION OF OPENING | 4 |
| 2 | ANNOUNCEMENT OF VISITORS | 4 |
| 3 | ATTENDANCE | 4 |
| | 3.1 PRESENT | 4 |
| | 3.2 APOLOGIES | 4 |
| | 3.3 APPROVED LEAVE OF ABSENCE | 4 |
| 4 | PUBLIC QUESTION TIME | 4 |
| | 4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE | 4 |
| | 4.2 PUBLIC QUESTION TIME | 4 |
| 5 | APPLICATIONS FOR LEAVE OF ABSENCE | 4 |
| 6 | DECLARATION BY MEMBERS | 4 |
| | 6.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA | 4 |
| | 6.2 DECLARATIONS OF INTEREST | 5 |
| 7 | TERMS OF REFERENCE | 6 |
| 8 | CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING | 6 |
| | 8.1 MINUTES OF COMMITTEE MEETING HELD | 6 |
| 9 | AGENDA ITEMS | 7 |
| | 9.1 2023 COMPLIANCE AUDIT RETURN | 7 |
| 10 | NEW BUSINESS OF AN URGENT NATURE AS ADMITTED BY DECISION | 10 |
| 11 | CONFIDENTIAL MATTERS | 10 |
| 12 | NEXT MEETING | 10 |
| 13 | CLOSURE OF MEETING | 10 |

1 DECLARATION OF OPENING

The Presiding Member declared the meeting open at _____ pm.

2 ANNOUNCEMENT OF VISITORS

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

3 ATTENDANCE

3.1 PRESENT

| | | |
|-------------------------------|--|--|
| Elected Members: | | |
| Staff: | | |
| Guests: | | |
| Members of the Public: | There were _____ members of the public in attendance at the commencement of the meeting. | |

3.2 APOLOGIES

Cr.

Cr.

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 INTEREST (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have an interest in the matter.

These notes are included in each agenda 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 measured 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 no 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 that 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 *Section 5.68 (1)(b)(ii)* of the *Local Government Act 1995*; or

6.2 Where the Minister allows the Councillor to participate in under *Section 5.69 (3)* of the *Local Government Act 1995*, 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).

An Audit and Risk Committee is to provide guidance and assistance to the Local Government – as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act and as to the development of a process to be used to select and appoint a person to be an auditor and may provide guidance and assistance to the Local Government as to – matters to be audited, the scope of audits, its functions under Part 6 of the Act and the carrying out of its functions relating to other audits and other matters related to financial management (clause 16 Local Government (Audit) Regulations 1996).

8 CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING

8.1 MINUTES OF COMMITTEE MEETING HELD

Voting Required

Simple Majority

Officer Recommendation

That the Unconfirmed Minutes of the Audit and Risk Committee Meeting held on 31 May 2023 at the Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community (as circulated and available on the Shires official website) be confirmed as a true and accurate record.

9 AGENDA ITEMS

9.1 2023 COMPLIANCE AUDIT RETURN

FILE REFERENCE: FM.02

AUTHORS NAME AND POSITION: David Mosel
Chief Executive Officer

DATE REPORT WRITTEN: 18 March 2024

DISCLOSURE OF FINANCIAL INTEREST: The author has no financial, proximity, or impartiality interests in the proposal.

Summary

To provide the Audit and Risk Committee and Council with the Compliance Audit Return (CAR) for the period 1 January to 31 December 2023. Following Council endorsement, the CAR is to be certified and submitted to the Department of Local Government, Sport, and Cultural Industries (DLGSC) by 31 March 2024.

Background

The CAR is provided by the Department in a prescribed form approved by the Minister and is to be completed annually by each local government.

The 2023 CAR questions were provided by the DLGSC in late December 2023. This year, the CAR questions were reviewed and prepared by Moore Australia WA, in consultation with Shire officers. Completion of the CAR was performed through analysing responses to information requests with Shire officers and inspection of various documents and records including:

- Minute books
- Tender register
- Extracts from the Financial Interest and Return Register
- Complaints Register
- Delegations Register
- Council's Website

The areas of questioning in the 2023 CAR are in alignment with legislative requirements and are focused on key areas of potential non-compliance and areas affected by regulatory change.

The CAR is a tool for Council to monitor how the Shire is functioning in regard to compliance with the *Local Government Act 1995* and provides for the Audit and Risk Committee to report to Council any cases of non-compliance or where full compliance is not achieved.

The Audit and Risk Committee reviewed the CAR at its meeting held 27 March 2024 and resolved to receive the responses as presented and recommend for Council adoption of the 2023 CAR as well as authorisation for the Shire President and Chief Executive Officer to sign the CAR for submission to DLGSC.

Comment

For 2022, there were 94 questions over 11 disciplines. For the 2023 CAR, there are also 94 questions over 11 disciplines relating to the prescribed statutory requirements in regulation 13 of the *Local Government (Audit) Regulations 1996*.

The CAR is required to be presented to Council for adoption before its submission to the Department of Local Government, Sport, and Community Industries by 31 March 2024.

A summary of the matters noted during the completion of the 2023 CAR in relation to instances of non-compliance is attached for information. Where improvements to address the matters have been, or are being implemented, these are also noted along with any improvement opportunities to systems and processes which were identified through the completion of the CAR. These improvements may assist the Shire in its risk management activities and endeavours towards continual improvement of administrative and compliance functions.

Statutory Environment

Local Government (Audit) Regulations 1996

Regulation 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 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 sub regulation (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.*

Regulation 15 Certified copy of compliance audit return and other documents to be given to Departmental CEO

- (1) *After the compliance audit return have 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 Departmental CEO 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.*

Local Government Act 1995

Section 7.13 Regulations as to audits

- (1) *Regulations make provisions as follows –*
 - (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*

Financial Implications

There are no known financial implications for this matter.

Strategic Implications

Plan for the Future 2021-2031

Goal 3 – Our Leadership: Showing the way for our communities.

Outcome 8 – A well-functioning organisation

Strategy 8.1 – Maintain corporate governance, responsibility, and accountability

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 "medium" and can be managed by routine procedures and is unlikely to need specific application of resources, other than contained in the recommendation.

Policy Implications

There are no known policy implications for this matter.

Attachments

9.1a – Compliance Audit Return 2023

9.1b – Compliance Audit Return 2023 – Summary of Matters Noted

Voting Requirement

Simple Majority

Officers Recommendation

That the Audit and Risk Committee:

- 1 Receive the Compliance Audit Return 2023 (Attachment 9.1a) of the Shire for the period 1 January to 31 December 2023;
- 2 Recommend the adoption of the Compliance Audit Return 2023 by Council; and
- 3 Recommend Council authorise the Shire President and Chief Executive Officer to sign the 2023 Compliance Audit Return for submission to the Department of Local Government, Sport, and Cultural Industries by 31 March 2024 in accordance with legislative requirements.



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 1.00pm

13 CLOSURE OF MEETING

There being no further business the Presiding Member closed the meeting at _____ pm.