



SHIRE OF YORK

**MINUTES OF THE
AUDIT COMMITTEE MEETING
HELD ON 18 MARCH, 2015
COMMENCING AT 11am
IN THE COUNCIL ADMINISTRATION OFFICE,
YORK**

SHIRE OF YORK
TABLE OF CONTENTS

1. OPENING
2. ELECTION OF PRESIDING MEMBER
3. ELECTION OF DEPUTY PRESIDING MEMBER
4. ANNOUNCEMENT OF ANY DECLARED FINANCIAL INTERESTS
5. ATTENDANCE
 - *Members*
 - *Staff*
 - *Apologies*
6. CONFIRMATION OF MINUTES OF PREVIOUS MEETING
 - *Audit Committee Meeting held 23 June 2014*
7. REPORTS
 - 7.1 Meet with Auditors – Annually*
 - 7.2 CEO Review*
 - 7.3 Compliance Audit Return*
8. DISCUSSIONS ALLOWED BY PERMISSION OF PRESIDING MEMBER
9. NEXT MEETING
10. CLOSURE



SHIRE OF YORK

THE MEETING OF THE AUDIT COMMITTEE WILL BE HELD ON 18 MARCH 2015,
COMMENCING AT 11AM IN THE COUNCIL ADMINISTRATION OFFICE, YORK.

1. **OPENING**

The Commissioner opened the meeting in order to allow for the election of the presiding member and deputy.

2. **ELECTION OF PRESIDING MEMBER**

Not applicable at this time.

3. **ELECTION OF DEPUTY PRESIDING MEMBER**

Not applicable at this time.

4. **ANNOUNCEMENT OF ANY DECLARED FINANCIAL INTERESTS**

Nil

5. **ATTENDANCE**

- **MEMBERS**

J Best

- **STAFF**

G Maziuk, T Bateman, G Simpson, T Cochrane

- **VISITORS**

Macri Partners:

Audit Partner, Anthony Macri

Mit Gudka

- **APOLOGIES**

Nil

6. **CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

The meeting format has changed since the Finance, Risk and Audit Committee was disbanded and no meetings are to be confirmed at this time.

7. **REPORTS**

7.1 MEET WITH AUDITORS - ANNUALLY

FILE: FI.FRP.4
COUNCIL DATE: 18 March 2015
REPORT DATE: 16 March 2015
LOCATION/ADDRESS: N/A
ACTION OFFICER: T Cochrane, DCEO
SENIOR OFFICER: G Simpson, A/CEO
DISCLOSURE OF INTEREST: No
APPENDICES: Nil
DOCUMENTS TABLED: Nil

REPORT APPROVED BY THE A/CEO: _____

Summary:

Pursuant to Section 7.12A(2) there is a requirement that the Auditor meets with the Local Government once in every year.

This provision was a requirement listed in the Audit Specifications and confirmed in the proposal received from Shire's Auditors, Macri Partners.

Accordingly the Auditor has been invited to meet with the Commissioner.

Background:

N/A

Consultation:

Macri Partners.

In response to an invitation to attend the Audit Committee, Macri Partners confirmed their attendance and verbally advised that they will provide information on the scope of the interim audit booked for the 4th and 5th May 2015.

Statutory Environment:

Local Government Act 1995 (as amended) section 7.12A(2).

Policy Implications:

Nil.

Financial Implications:

Attendance at the Audit Committee is in accordance with the fee schedule provided in their original quote.

Strategic Implications:

Nil.

OFFICER RECOMMENDATION

"That it be noted that the Shire's Auditor, Macri Partners, attended the Audit Committee meeting held on the 18th March 2015."

AUDIT COMMITTEE AMENDMENT

"That an invitation be provided to Anthony Macri, Audit Partner of Macri Partners' to extend their contract for a further 12 month period."

Advice Note:

It is Council's intention to finalise the budget by 30 June 2015, in case of risk of a Councillor resigning, as there will be no quorum."

AUDIT COMMITTEE RECOMMENDATION

"That it be noted that the Shire's Auditor, Macri Partners, attended the Audit Committee meeting held on the 18th March 2015; and

That an invitation be provided to Anthony Macri, Audit Partner of Macri Partners' to extend their contract for a further 12 month period.

Advice Note:

It is Council's intention to finalise the budget by 30 June 2015, in case of risk of a Councillor resigning, as there will be no quorum."

ENDORSED

Provided from Macri Partners was an External Audit Plan for the year ending 30 June 2015.

Review Internal Control Systems and carry out interim audit visits.

The interim audit covers the following:

- Bank Reconciliations
- Investment of Surplus Funds
- Rates/ESL Levy
- Receipting
- Sundry Debtors
- Purchase of Goods and Services and Payments
- Creditors
- Payroll
- Fixed Assets (Property, Plant and Equipment and Infrastructure)
- General Accounting (Journals, General Ledger, etc)
- It Controls
- Registers (Tender, etc)
- Minutes Review
- Other financial matters/issues requested by the management/audit committee
- Discuss progress on audit findings and recommendations reported by the Auditor in the previous:
 - Interim audit management letter
 - Final Audit Completion Report to the Audit Committee prior year management letter to check what action has been taken and audit implications.

Management Report Final Audit:

- Loans
- Deposits-banks
- Legal/liabilities
- Major items in balance sheet will be looked at in detail

7.2 CEO REVIEW

FILE:	FI.FRP.4
COMMITTEE DATE:	18 March 2015
REPORT DATE:	16 March 2015
LOCATION/ADDRESS:	N/A
ACTION OFFICER:	Graeme Simpson A/CEO
SENIOR OFFICER:	Graeme Simpson A/CEO
DISCLOSURE OF INTEREST:	No
APPENDICES:	Nil
DOCUMENTS TABLED:	Appendix A – LGIS Risk Management Governance Framework Appendix B – Information Technology Strategy Plan 2014

REPORT APPROVED BY THE A/CEO: _____

Summary:

For the Commissioner to note the results of the Chief Executive Officer's review of the appropriateness and effectiveness of the Council's systems in regard to risk management, internal control and legislative compliance.

Background:

The *Local Government (Audit) Regulations 1996* require a local government's Chief Executive Officer to review, at least once every two years, the appropriateness and effectiveness of the local governments systems and procedures in regard to risk management, internal control and legislative compliance.

Whilst the requirement has been in place for over two years this is the first time that the Chief Executive Officer has provided a report.

Council has experienced great changes in the 2014 year, three different Chief Executive Officers in a period of less than one year.

Consultation:

The Department of Local Government and Communities advised the Council that it was to conduct a Probity Audit at the Shire of York, details are as follows:

"The Probity Audit will require officers of the Department to attend at the Shire's office for a short time to inspect documents and if necessary obtain further information from relevant members of staff.

The Audit will be undertaken in the week commencing 15 September 2014, with officers attending on 15 and 16 September 2014.

It would be appreciated if the Shire could assist the officers undertaking the Probity Audit by making available a suitable workspace with access to a telephone and photocopier, and make various records available such as registers, minutes, and other documents as listed below.

The immediate period under review will cover 1 January 2014 to 31 August 2014. However, it may be necessary to examine additional financial information and documents commencing 19 October 2013.

Information to be examined:

- *Financial interest - disclosures at meetings and in returns;*
- *Policies;*
- *Delegations;*

- *Complaints; and*
- *Agendas and Minutes - meeting process.*

Documents and Registers

- *Register of Financial Interests - s5.88;*
- *Register of Delegations - s5.46(1);*
- *Register of Complaints - 5.121(1);*
- *Policy/procedures manual;*
- *Code of Conduct - s5.103(1); and*
- *Agendas and Minutes (Committees and Council).*

The objectives of the Probity Audit are:

- *To determine the standard of compliance by the Shire over the period of review;*
- *To identify the adequacy of controls, policies and procedures;*
- *As a result of the findings to make where necessary, recommendations for suggested improvement in practices, procedures and controls;*
- *To provide a copy of the report on the Audit to the Shire for its consideration and implementation of any recommendations that are relevant to the Shire in regard to its operations that promote good governance in its practices, processes and procedures."*

Statutory Environment:

The *Local Government (Audit) Regulations 1996* prescribe the requirements for local governments.

The Guidelines state that the CEO's report is to review the following areas:

- Reviewing whether the local government has an effective **risk management system** and that material operating risks to the local government are appropriately considered;
- Reviewing whether the local government has a current and effective **business continuity plan** (including disaster recovery) which is tested from time to time;
- Assessing the **internal processes for determining and managing material operating risks** in accordance with the local government's identified tolerance for risk, particularly in the following areas;
 - potential non-compliance with legislation, regulations and standards and local government's policies;
 - important accounting judgements or estimates that prove to be wrong;
 - litigation and claims;
 - misconduct, fraud and theft;
 - significant business risks, recognising responsibility for general or
 - specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the local government;
- Obtaining **regular risk reports**, which identify key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported;
- Assessing the adequacy of local government **processes to manage insurable risks** and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance;
- Reviewing the **effectiveness of the local government's internal control system**

with management and the internal and external auditors;

- **Assessing whether management has controls in place for unusual types of transactions and/or any potential**
- **transactions that might carry more than an acceptable degree of risk;**
- **Assessing the local government's procurement framework with a focus on the probity and transparency** of policies and procedures/processes and whether these are being applied;
- **Should the need arise, meeting periodically** with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government's control environment;
- **Ascertaining whether fraud and misconduct risks have been identified, analysed, evaluated,** have an appropriate treatment plan which has been implemented, communicated, monitored and there **is regular reporting and ongoing management of fraud and misconduct risks.**

Internal Control

Internal control is a key component of a sound governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. Strategies to maintain sound internal controls are based on risk analysis of the internal operations of a local government.

An effective and transparent internal control environment is built on the following key areas:

- integrity and ethics;
- policies and delegated authority;
- levels of responsibilities and authorities;
- audit practices;
- information system access and security;
- management operating style; and
- human resource management and practices.

Internal control systems involve policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with legislation and achieve effective and efficient operations and may vary depending on the size and nature of the local government.

Aspects of an effective control framework will include:

- delegation of authority;
- documented policies and procedures;
- trained and qualified employees;
- system controls;
- effective policy and process review;
- regular internal audits;
- documentation of risk identification and assessment; and
- regular liaison with auditor and legal advisors.

The following are examples of controls that are typically reviewed:

- separation of roles and functions, processing and authorisation;

- control of approval of documents, letters and financial records;
- comparison of internal data with other or external sources of information;
- limit of direct physical access to assets and records;
- control of computer applications and information system standards;
- limit access to make changes in data files and systems;
- regular maintenance and review of financial control accounts and trial balances;
- comparison and analysis of financial results with budgeted amounts;
- the arithmetical accuracy and content of records;
- report, review and approval of financial payments and reconciliations; and
- comparison of the result of physical cash and inventory counts with accounting records.

Legislative Compliance

The compliance programs of a local government are a strong indication of attitude towards meeting legislative requirements. Audit committee practices in regard to monitoring compliance programs typically include:

- Monitoring compliance with legislation and regulations;
- Reviewing the annual Compliance Audit Return and reporting to Council the results of that review;
- Staying informed about how management is monitoring the effectiveness of its compliance and making recommendations for change as necessary;
- Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;
- Obtaining assurance that adverse trends are identified and review management's plans to deal with these;
- Reviewing management disclosures in financial reports of the effect of significant compliance issues;
- Reviewing whether the internal and/or external auditors have regard to compliance and ethics risks in the development of their audit plan and in
- the conduct of audit projects, and report compliance and ethics issues to the audit committee;
- Considering the internal auditor's role in assessing compliance and ethics risks in their plan;
- Monitoring the local government's compliance frameworks dealing with relevant external legislation and regulatory requirements; and
- Complying with legislative and regulatory requirements imposed on audit committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest.

Policy Implications:

Nil

Financial Implications:

Within the budget allocations.

Strategic Implications:

Governance: Strengthen Shire Leadership

Site Inspection:

Site Inspection Undertaken: Not applicable

Comment:

The management of risk is the responsibility of everyone and should be an integral part of organisational culture and be reflected in the various policies, protocols, systems and processes used to ensure efficient and effective service delivery.

With the setup of the Finance, Risk and Audit Committee the meeting held on the 23 June 2014 the Chairperson presented a risk presentation, unfortunately at the time of writing this report the presentation could not be located. At this meeting the Chief Executive Officer also arranged for presentations on Information Technology - Strategy Plan 2014 and Risk Management Governance Framework, which have been tabled for information purposes.

Risk Management should reflect good practice and sound corporate governance and be consistent with AS/NZS ISO 31000:2009 Risk management - Principles and guidelines.

Audits that have been completed or currently being undertaken include those listed under the Probity Audit.

The Compliance Audit Return 2014

The Return focuses on key areas of legislation and the Council has consistently demonstrated a high level of compliance. The Return is presented to the Audit Committee, and then to Council.

Annual financial audit - As required by section 7.2 of the *Local Government Act 1995*, the Council appointed Macri Partners for a three year period to audit its accounts and annual financial report. Macri Partners arrangement ceases at the completion of the Financials for 2014/15.

Four yearly review of financial management systems - As required by Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*, the Council's last review from a suitable consultant to undertake a four yearly review of the Council's financial management systems has occurred and received at the Audit Committee held on the 24th March 2014 and the following areas required attention:

- (1) *That the CEO implement the practice of reconciling the daily takings to the receipts issued and also record the receipt numbers on the daily banking summary sheet at the swimming pool.*
- (2) *That the CEO implement a manual receipt book at the Residency Museum to records cash received for admissions to the museum and to also record the sale of goods at the Museum.*
- (3) *That Council amend its Schedule of Fees and Charges to include the pricing information of goods sold at the York Information Centre.*
- (4) *That Council consider the implementation of an advance deposit for function and event hire at the York Recreation and Convention Centre.*
- (5) *That Council formally document the pricing policy implemented at the York Recreation and Convention Centre.*

- (6) *That Council amend its Schedule of Fees and Charges to include the pricing information of goods sold at the York Recreation and Convention Centre.*
- (7) *That Council undertake the necessary procedures to comply with the requirements of Section 3.58 of the Local Government Act, in relation to the swimming pool kiosk.*
- (8) *That the CEO take appropriate action to resolve the four long outstanding cheques on the Municipal Fund Bank reconciliation.*
- (9) *That the CEO consider undertaking an internal review of the Purchasing and Accounts Payable procedure with greater emphasis being placed on the issue of purchase orders and the provision of appropriate quotation documentation to ensure staff comply with Council's Purchasing Policy.*
- (10) *That the CEO implement appropriate internal controls and procedures to improve the management of bulk fuels.*
- (11) *That the CEO implement appropriate internal controls and procedures to improve the management of bulk cement."*

The above eleven points are being investigated with the view of putting new procedures in place for consideration.

OFFICER RECOMMENDATION TO COMMITTEE

"That the Commissioner:

Notes the results of the Chief Executive Officer's review of the appropriateness and effectiveness of the Council's systems in regard to risk management, internal control and legislative compliance.

Advice Note:

It is provided for information purposes only and staff are building on their reporting structures, with the recent change of the staff it has been difficult to meet all requirements at a high standard."

AUDIT COMMITTEE AMENDMENT

Change Advice Note 'recent change of the staff' to 'turnover of staff'

Advice Note:

Council has requested the Auditor General to conduct an audit as "Systemic Weaknesses" in Western Australian's Local Government sector is leaving Councils vulnerable to procurement fraud and corruption. The CCC are providing Misconduct Resistance Training."

AUDIT COMMITTEE RECOMMENDATION

"That the Commissioner:

Notes the results of the Chief Executive Officer's review of the appropriateness and effectiveness of the Council's systems in regard to risk management, internal control and legislative compliance.

Advice Note:

It is provided for information purposes only and staff are building on their reporting structures, with the recent turnover of staff it has been difficult to meet all requirements at a high standard.

Council has requested the Auditor General to conduct an audit as “Systemic Weaknesses” in Western Australian’s Local Government sector is leaving Councils vulnerable to procurement fraud and corruption CCC are providing Misconduct Resistance Training.”

ENDORSED

7.3 2014 Compliance Audit Return

FILE NO: FI.FRP.5
COMMITTEE DATE: 18 March 2015
REPORT DATE: 16 March 2015
LOCATION/ADDRESS: Not Applicable
ACTION OFFICER: T Cochrane, DCEO
SENIOR OFFICER: G Simpson, A/CEO
DISCLOSURE OF INTEREST: Nil
APPENDICES: Nil
DOCUMENTS TABLED: Nil

REPORT APPROVED BY THE A/CEO: _____

Summary:

Western Australian local governments are required to complete a Compliance Audit Return (CAR) annually to the Department of Local Government and Communities (DLGC) in accordance with the requirements of the *Local Government (Audit) Regulations 1996*, in relation to activities undertaken by the local authority in the preceding calendar year.

The return is a checklist of a local government's compliance with the requirements of the *Local Government Act 1995* and its Regulations as approved by the Minister. The 2014 CAR content focuses on areas considered high risk. It examines whether the Council has complied with each action listed on the return under the following activities:

- Commercial Enterprises by Local Governments (5 audit questions);
- Delegation of Power / Duty (13 audit questions);
- Disclosures of Interest (16 audit questions);
- Disposal of Property (2 audit questions);
- Elections (Gift Register) (1 audit question);
- Finance (15 audit questions);
- Local Government Employees (5 audit questions);
- Official Conduct (6 audit questions); and
- Tenders for providing Goods and Services (15 audit questions).

This Compliance Audit covers the period 1 January to 31 December 2014. The completed 2014 CAR is required to be:

- Presented for review by the Audit and Risk Committee before being presented for consideration and endorsement by Council; and
- Returned to the DLGC with a copy of the relevant Council minutes by 31 March 2015.

Statutory Environment:

Local Government Act 1995 Section 7.13(1)(i)

Local Government (Audit) Regulations 1996 - Regulations 13, 14, 15 and 16

Policy Implications:

Not applicable.

Financial Implications:

Nil.

Strategic Implications:

Nil.

Voting Requirements:
Absolute Majority Required: No

Site Inspection:
Site Inspection Undertaken: Not applicable

Comment:

The Compliance Audit has been undertaken as an internal audit, sourcing evidence of compliance through the Council's record keeping systems and where required, through additional information held within respective sections of the organisation.

A summary of areas reviewed as part of the 2014 CAR is provided below:

Commercial Enterprises by Local Governments

There were no non-compliances identified during the audit period.

Delegation of Power / Duty

There were no non-compliances identified during the audit period.

It should be noted that the review of delegations is ongoing and as the Council is suspended to undertake duties staff are unsure whether the Commissioner will be focusing on changing delegations at this time.

Disclosures of Interest

There were no non-compliances identified during the audit period.

Disposal of Property

There were no non-compliances identified during the audit period.

Elections

There were no non-compliances identified during the audit period.

Finance

There were no non-compliances identified during the audit period.

Local Government Employees

Question 3: *Local Government (Administration)
Regulations 1996 Regulation 18F*

Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4)?

Audit Findings

Contract package at the top of the advertised band, however contract allowed for a \$15,600 rental subsidy but no rent to be paid by CEO. Market valuation of local rents meant that CEO received a benefit between \$5200 and \$7800 above the advertised salary package range.

Corrective Action

The Shire President to work closely with the HR Officer prior to signing a binding contract.

A policy to be prepared in relation to the stance of the rental subsidies and the opportunity to use housing for attraction and retention of staff.

Official Conduct

There were no non-compliances identified during the audit period.

Tenders for Providing Goods and Services

Question 1: *Local Government Act 1995 section 3.57
Local Government (Functions and General) Regulations 1996
Regulation 11*

Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods of services) where the consideration under the contract was, or was expected to be, worth more than consideration stated in Regulation 11(1) of the Local Government (Functions and General) Regulations (Subject to Functions and General Regulation 11(2)).

Audit Findings

The Audit identified one occasion where the Council has breached the \$100,000 tender threshold during 2014, relating to a dam project.

Corrective Action

Project plans need to be implemented and greater analysis of potential works/contracts is expected in 2015.

OFFICER RECOMMENDATION TO COMMITTEE:

“That the Audit Committee recommends to Council the following:

- 1. notes the audit outcomes and corrective action detailed in the report titled “2014 Compliance Audit Return” for implementation by the Chief Executive Officer; and*
- 2. approves the completed 2014 Compliance Audit Return, as detailed in Appendix A, for certification by the Commissioner and the Chief Executive Officer in accordance with Regulation 15(2) of the Local Government (Audit) Regulations 1996.”*

No change to Officers Recommendation

AUDIT COMMITTEE RECOMMENDATION

“That the Audit Committee recommends to Council the following:

- 1. notes the audit outcomes and corrective action detailed in the report titled “2014 Compliance Audit Return” for implementation by the Chief Executive Officer; and*
- 2. approves the completed 2014 Compliance Audit Return, as detailed in Appendix A, for certification by the Commissioner and the Chief Executive Officer in accordance with Regulation 15(2) of the Local Government (Audit) Regulations 1996.”*

ENDORSED



York - Compliance Audit Return 2014

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2014.	N/A		Gail Maziuk
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2014.	N/A		Gail Maziuk
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2014.	N/A		Gail Maziuk
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2014.	N/A		Gail Maziuk
5	s3.59(5)	Did the Council, during 2014, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Gail Maziuk



Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	N/A	There are no committees with decision making authority	Gail Maziuk
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	N/A		Gail Maziuk
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	N/A		Gail Maziuk
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	N/A		Gail Maziuk
5	s5.18	Has Council reviewed delegations to its committees in the 2013/2014 financial year.	N/A		Gail Maziuk
6	s5.42(1),5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Gail Maziuk
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Gail Maziuk
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Gail Maziuk
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Gail Maziuk
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	N/A		Gail Maziuk
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes	Referenced in Delegations as 'Delegated Authority'	Gail Maziuk
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2013/2014 financial year.	Yes	Consultant contracted September 2014 to review delegations, review is still ongoing	Gail Maziuk
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes	All actions are recorded through SYNERGY RECORDS	Gail Maziuk

Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Yes		Gail Maziuk
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	Yes		Gail Maziuk



No	Reference	Question	Response	Comments	Respondent
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Gail Maziuk
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	Yes		Gail Maziuk
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes		Gail Maziuk
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2014.	Yes		Gail Maziuk
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2014.	Yes		Gail Maziuk
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Gail Maziuk
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Gail Maziuk
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Gail Maziuk
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Gail Maziuk
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Gail Maziuk
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Gail Maziuk
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes		Gail Maziuk



No	Reference	Question	Response	Comments	Respondent
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	Yes		Gail Maziuk
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Gail Maziuk

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	N/A		Gail Maziuk
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	N/A		Gail Maziuk

Elections

No	Reference	Question	Response	Comments	Respondent
1	Elect Reg 30G (1)	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates.	Yes		Gail Maziuk

Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes	Audit Committee is made up of full Council and 2 community representatives. The committee has no delegated authority	Gail Maziuk
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	N/A	No delegated authority	Gail Maziuk
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes	Macri Partners	Gail Maziuk
4	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	Yes		Gail Maziuk



No	Reference	Question	Response	Comments	Respondent
5	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes		Gail Maziuk
6	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2014 received by the local government within 30 days of completion of the audit.	No	Completed and presented to FRAC 8 December 2014, within the 30 day timeframe, further review requested, however no further FRAC meetings prior to council being suspended	Gail Maziuk
7	s7.9(1)	Was the Auditor's report for 2013/2014 received by the local government by 31 December 2014.	Yes	However Council did not adopt the report -refer Q6	Gail Maziuk
8	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	N/A	No issues raised in the auditors report	Gail Maziuk
9	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	N/A	Refer Q8	Gail Maziuk
10	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A	No issues raised in the auditors report	Gail Maziuk
11	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Gail Maziuk
12	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Gail Maziuk
13	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Gail Maziuk
14	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		Gail Maziuk
15	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes		Gail Maziuk



Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	Yes		Gail Maziuk
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	Yes		Gail Maziuk
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	No	Contract package at the top of the advertised band, however contract allowed for a \$15600 rental subsidy but no rent to be paid by CEO. Market valuation of local rents meant that CEO received a benefit between \$5200 and \$7800 above the advertised salary package range	Gail Maziuk
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	Yes	Appointed CEO was employed as an Interim CEO at the time of appointment	Gail Maziuk
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	Yes	Nil dismissed in reporting period One senior employed in reporting period	Gail Maziuk



Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	Yes		Gail Maziuk
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes		Gail Maziuk
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		Gail Maziuk
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		Gail Maziuk
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	Yes		Gail Maziuk
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) (c).	Yes		Gail Maziuk

Tenders for Providing Goods and Services					
No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	No	Contractor engaged for works on Forrest Oval Dam project as reported to the DLGC on 30/9/2014	Gail Maziuk
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	N/A		Gail Maziuk
3	F&G Reg 14(1)	Did the local government invite tenders via Statewide public notice.	Yes		Gail Maziuk
4	F&G Reg 14, 15 & 16	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		Gail Maziuk



No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	Yes		Gail Maziuk
6	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	Yes		Gail Maziuk
7	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		Gail Maziuk
8	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		Gail Maziuk
9	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Gail Maziuk
10	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	Yes		Gail Maziuk
11	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A		Gail Maziuk
12	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	N/A		Gail Maziuk
13	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A		Gail Maziuk
14	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	Yes	Policy in place	Gail Maziuk
15	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$100,000 or less.	Yes		Gail Maziuk

8. DISCUSSION ALLOWED BY PERMISSION OF PRESIDING MEMBER

9. NEXT MEETING

The next meeting will be held on Thursday 18 June 2015 at 11am.

10. CLOSURE

The meeting was declared closed at 12.05pm.

The minutes were confirmed by the Audit Committee as a true and accurate record at the Audit Committee Meeting held on 18 March 2015.

COMMISSIONER