

**Minutes of an Audit & Risk Committee Meeting of Council held in the Council Chambers on Wednesday 17 March 2021 commencing at 10:58am**

**1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

Cr West declared the meeting open at 10:58am and advised that Vishal Desai (Byfields, Audit Manager), Leanne Oliver (Byfields, Audit Partner) and Kien Neoh (OAG, Director) would be in attendance via phone link up.

**2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE**

Attendance

BD West	President	West Ward
G Robins	Deputy President	Town Ward
J Noble	Councillor	Town Ward
R Bowey	Councillor	Town Ward
L Varone	Councillor	East Ward
B Smoker	Councillor	West Ward
RD Duckworth	Councillor	West Ward
MS Lucchesi entered 11:21AM	Councillor	Central Ward
G Yandle	Chief Executive Officer	
F Jasper	Executive Support Officer	
F Murphy	Senior Finance Officer	

Apologies

C Vandenberg	Deputy Chief Executive Officer
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**3. PUBLIC QUESTION TIME**

**4. APPLICATIONS FOR LEAVE OF ABSENCE**

**5. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

5.1 Meeting 15 April 2020

**6. MATTERS REQUIRING DECISION**

6.1 Annual Report 2019/20 – Auditor's Report

6.2 Compliance Audit Return 2020 - Adoption

**7. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

**8. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING**

**9. INFORMATION BULLETIN ITEMS**

**10. DATE AND TIME OF NEXT MEETING**

**11. CLOSURE OF MEETING**

## 5. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

### 5.1 Audit & Risk Committee Meeting 15 April 2020

**A1/0321**

**Moved Cr Smoker Seconded Cr Bowey that the minutes of the Audit and Risk Committee Meeting held on 15 April 2020 be received.**

**Carried 7/0**

Draft Management Letter received on the day, included as an attachment to these minutes.

Leanne Oliver - Auditor, Vishal Desai – Audit Manager & Kien Neoh - OAG Joined the Meeting at 11:02am via Zoom link and Conference call in Meeting room.

Cr Lucchesi entered the meeting at 11:21am

## 6. MATTERS REQUIRING DECISION

### 6.1 Annual Report 2019/20 – Auditor’s Report

**NAME OF APPLICANT:** DCEO  
**RESPONSIBLE OFFICER:** DCEO  
**FILE REFERENCE:** 12.05 Audit Return and Review  
**STRATEGIC REFERENCE/S:** Corporate Business Plan, Civic Leadership 4.1.1 a; CEO KRA 3.3 Financial Management, 3.5 Integrated Planning  
**AUTHOR:** CEO  
**DISCLOSURE OF INTEREST:** Nil

#### **SUMMARY:**

The Shire of Kulin Annual Report 2019/20 has been audited by Councils Auditor, Byfields on behalf of Office of the Auditor General. The Auditor has provided the Independent Auditor’s Report. It should be noted that no issues of inaccuracy or non-compliance with the Shire’s Annual Financial Report for the year ended 30 June 2020 have been identified.

#### **BACKGROUND & COMMENT:**

Each year, as part of Council’s audit process, an Independent Audit is undertaken to assess Council’s Annual Financial Report and the legitimacy and accuracy of Council’s accounts.

An Independent Audit Report is then produced by the Auditor and provided to the Chief Executive Officer, President and the Minister, Department for Local Government. The Report is included in Council’s Annual Report. Any issues arising from the Independent Audit Report are to be investigated and action taken to resolve those issues.

Council’s Auditor, Ms Leanne Oliver and the OAG representative Kien Neoh, will attend a teleconference at 11:00am to discuss the audit report and take questions from Audit Committee members.

#### **FINANCIAL IMPLICATIONS:**

Nil

#### **STATUTORY AND TOWN PLANNING IMPLICATIONS:**

Nil

#### **POLICY IMPLICATIONS:**

Nil

#### **STRATEGIC IMPLICATIONS:**

Nil

#### **COMMUNITY CONSULTATION:**

Nil

#### **WORKFORCE IMPLICATIONS:**

Nil

#### **RECOMMENDATION TO AUDIT COMMITTEE:**

That the committee recommends to Council that the Auditor’s Report for the 2019/20 Financial Year be received and the Draft auditor’s opinion letter & exit interview briefing paper be noted. Questions arising from the Audit Report be addressed by the CEO. The Shire of Kulin Annual Report 2019/20 be received.

**VOTING REQUIREMENTS:**

Simple majority required.

**A2/0321**

**Moved Cr Noble Seconded Cr Bowey that the committee recommends to Council that the Auditor's Report for the 2019/20 Financial Year be received and the accompanying draft auditor's opinion letter & exit interview briefing paper be noted. Questions arising from the Audit Report be addressed by the CEO. The Shire of Kulin Annual Report 2019/20 be received.**

**Carried 8/0**

Zoom & Phone link up with Vishal Desai (Byfields, Audit Manager), Leanne Oliver (Byfields, Audit Partner) and Kien Neoh (OAG, Director) finished at 11:37am

## **6.2 Compliance Audit Return 2020 – Adoption**

**NAME OF APPLICANT:** CEO  
**RESPONSIBLE OFFICER:** CEO  
**FILE REFERENCE:** 04.02 Local Government Act & Returns  
**STRATEGIC REFERENCE/S:** CBP 4.1 Civic Leadership, 4.1.8 Compliance methods  
**AUTHOR:** CEO  
**DISCLOSURE OF INTEREST:** NIL

**SUMMARY:**

To present the Compliance Audit Return to the Audit and Risk Committee who adopt the report and make recommendation to Council.

**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;
- Local Government Employees;
- Official Conduct; and
- Tendering for Providing Goods & Services

**COMMENT:**

The Audit and Risk Committee's consideration and endorsement of the Compliance Audit Return (addressing those areas identified as high risk) is required prior to the report being submitted to the Department of Local Government and Communities. A completed return for the year ended 31 December 2020 is due to the Department by the 31 March 2021.

Please note that the Risk and Audit Committee is required to review the completed CAR and report the results to the Council, prior to the CAR's adoption by Council and submission to the Department by 31 March 2021.

The Compliance Audit Return is attached for the Committee's and Council's consideration. Note the report was prepared by the CEO.

**STATUTORY IMPLICATIONS:**

Regulation 14 of the Local Government (Audit) Regulations 1996 provides:

- (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 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 provides that:

(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,
- (c) 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.

**FINANCIAL IMPLICATIONS:**

Nil

**POLICY IMPLICATIONS:**

Nil

**COMMUNITY STRATEGIC PLAN IMPLICATIONS:**

Nil

**COMMITTEE RECOMMENDATION:**

That the Audit and Risk Committee recommend to Council that;

1. Note the recommendations and comments of the Audit Committee as detailed;
2. Council adopt the Compliance Audit Return 2020, as presented;
3. The Chief Executive Officer and the Shire President be authorised to sign the Compliance Audit Return 2020;
4. Endorse the return for submission to the Department of Local Government, Sport and Cultural Industries by 31 March 2021.

**VOTING REQUIREMENTS:**

Absolute Majority Required

**A3/0321**

**Moved Cr Duckworth Seconded Cr Robins that the Audit and Risk Committee recommend to Council that;**

- 1. Note the recommendations and comments of the Audit Committee as detailed;**
- 2. Council adopt the Compliance Audit Return 2020, as presented;**
- 3. The Chief Executive Officer and the Shire President be authorised to sign the Compliance Audit Return 2020;**
- 4. Endorse the return for submission to the Department of Local Government, Sport and Cultural Industries by 31 March 2021.**

**Carried 8/0**

Check for clarification on Tender Items being disclosed to public.

No Date and Time Set for next Meeting.

## **CLOSURE OF MEETING**

There being no further business the meeting was closed at 12:04pm