

MINUTES FOR THE AUDIT COMMITTEE MEETING

TUESDAY 29 JANUARY 2019

Council Chambers
6177 Great Northern Highway
Bindoon

Commencement: 4:34 PM



Disclaimer

The purpose of this Council meeting is to discuss and, where possible, make resolutions about items appearing on the agenda.

Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a member or officer, or on the content of any discussion occurring, during the course of the meeting.

Persons should be aware that the provisions of the *Local Government Act 1995* (section 5.25 (e)) establish procedures for revocation or rescission of a Council decision. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person.

The Shire of Chittering expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a member or officer, or the content of any discussion occurring, during the course of the Council meeting.

Membership

The committee shall consist of all elected members. All members shall have full voting rights. The Chief Executive Officer and employees are not members of the committee. The Chief Executive Officer and Executive Manager Corporate Services (or their nominee) is to attend all meetings to provide advice and guidance to the committee. The local government shall provide secretarial and administrative support to the committee.

Functions of an Audit Committee

As per the *Local Government (Audit) Regulations 1996 Section 16*, an audit committee has the following functions —

- (a) to guide and assist the local government in carrying out —
 - (i) its functions under Part 6 of the Act; and
 - (ii) its functions relating to other audits and other matters related to financial management;
- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;
- (c) to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to —
 - (i) report to the council the results of that review; and
 - (ii) give a copy of the CEO's report to the council;
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
 - (i) regulation 17(1); and
 - (ii) the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- (f) to oversee the implementation of any action that the local government —
 - (i) is required to take by section 7.12A(3); and
 - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
 - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
 - (iv) has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- (g) to perform any other function conferred on the audit committee by these regulations or another written law.

[Regulation 16 inserted: Gazette 26 Jun 2018 p. 2386-7.]

Delegated Authority

Nil

Preface

When the Chief Executive Officer approves these Minutes for distribution they are in essence "Unconfirmed" until the following Chittering Audit Committee Meeting, where the minutes will be confirmed subject to any amendments.

The "Confirmed" Minutes are then signed off by the Chairperson.

Attachments that formed part of the agenda, in addition to those tabled at the Chittering Audit Committee Meeting are put together as an addendum to these Minutes.

Unconfirmed Minutes

These minutes were approved for distribution on Monday 4 February 2019.



Neil Hartley
Acting Chief Executive Officer
Shire of Chittering

Confirmed Minutes

These minutes will be confirmed at a meeting yet to be confirmed.

Signed

Note: The Chairperson at the meeting at which the minutes were confirmed is the person who signs above.

TABLE OF CONTENTS

1.	DECLARATION OF OPENING OF MEETING / ANNOUNCEMENTS OF VISITORS.....	1
2.	RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE.....	1
	2.1 Attendance.....	1
	2.2 Apologies.....	1
	2.3 Approved leave of absence.....	1
3.	DISCLOSURE OF INTEREST.....	1
4.	PUBLIC QUESTION TIME	1
	4.1 Public question time.....	1
5.	CONFIRMATION OF MINUTES: WEDNESDAY 21 MARCH 2018	2
6.	PURPOSE OF MEETING	2
	6.1 Teleconference with Moore Stephens (Wen Shien Chai)	2
	6.2 2017-18 Annual Report and Setting of Annual Electors Meeting*	3
	6.3 Delegated Authority Register Review 2018*	7
7.	CLOSURE.....	9

* indicates separate attachments

1. DECLARATION OF OPENING OF MEETING / ANNOUNCEMENTS OF VISITORS

The Deputy Presiding Member declared the meeting open at 4.34PM.

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

2.1 Attendance

The following members have confirmed their attendance:

Members: Cr Peter Osborn Deputy Presiding Member
Cr Mary Angus
Cr Don Gibson
Cr Carmel Ross
Cr George Tilbury

Quorum – 4 members

Observers: Wen Shien Chai Auditor, Moore Stephens
Neil Hartley Acting Chief Executive Officer
Rhona Hawkins Executive Manager Corporate Services
Peter Stuart Executive Manager Development Services
Nadine Hayes Acting Executive Support Officer (Minute Secretary)

2.2 Apologies

Cr Gordon Houston Presiding Member
Cr Aaron King

2.3 Approved leave of absence

Nil

3. DISCLOSURE OF INTEREST

Nil

4. PUBLIC QUESTION TIME

4.1 Public question time

Nil

5. CONFIRMATION OF MINUTES: Wednesday 21 March 2018

5.1 OFFICER / COMMITTEE RECOMMENDATION

Moved Cr Angus / Seconded Cr Tilbury

That the minutes of the Audit Committee meeting held on Wednesday 21 March 2018 be confirmed as a true and correct record of proceedings.

THE RECOMMENDATION WAS PUT AND DECLARED CARRIED 5/0

4:34 PM

6. PURPOSE OF MEETING

6.1 Teleconference with Moore Stephens (Wen Shien Chai)

Wen Shien Chai from Moore Stephens will address the meeting.

The *Local Government Act 1995* states:

7.12A Duties of local government with respect to audits

(2) *without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.*

The meeting with Mr Wen Shien Chai is an ideal opportunity for members of the Audit Committee to ask question of the auditor as to the audit process, its findings, and if there are any suggestions the auditor can offer to the Committee which it could consider moving forward.

Wen Shien Chai entered the meeting via teleconference at 4.32 PM and departed at 4:51 PM.

6.2 2017-18 Annual Report and Setting of Annual Electors Meeting*

Report date	29 January 2019
Applicant	Shire of Chittering
File ref	13/02/36; 12/03/4
Prepared by	Acting Executive Support Officer
Supervised by	Executive Manager Corporate Services
Voting requirements	Absolute Majority
Attachments	1. "Draft" 2017-2018 Annual Report including: a) 2017-2018 Financial Report b) Independent Auditor's Report 2. Management Audit Report

Executive Summary

The Audit Committee is requested to review the 2017-2018 Annual Report and Financial Statements and set the date for the Annual Electors Meeting.

Background

The *Local Government Act 1995* requires a local government to prepare an Annual Report each financial year and to hold an Annual Electors Meeting.

The Annual Electors Meeting is to be held on a day selected by the local government, but not more than 56 days after the report is accepted by the local government.

The annual audit was undertaken on 15 to 17 October 2018 by Mr Wen Shien Chai from Moore Stephens (WA) Pty Ltd. The audit report was signed off by the Shire's auditor Mr Wen Shien Chai on 19 December 2018.

Council, at their Ordinary Council Meeting held on 15 August 2018, resolved to:

...adopt the practice of holding the annual electors meeting, on a rotating basis, in the larger population centres of Muechea, Lower Chittering and Bindoon; with the 2018 meeting held in Muechea, 2019 in Lower Chittering and 2020 in Bindoon.

Therefore, the 2018 Annual Electors Meeting will be held in the locality of Muechea.

Consultation/Communication Implications

Local

President
Chief Executive Officer
Executive Manager Corporate Services
Executive Manager Technical Services

State

Nil

Legislative Implications

State

- *Local Government Act 1995 Section 5.54(2)*
(2) *If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.'*
- *Local Government Act 1995 Section 5.27*
Electors' general meetings
(1) *A general meeting of the electors of a district is to be held once every financial year.*
(2) *A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.*
(3) *The matters to be discussed at general electors' meetings are to be those prescribed.*
- *Local Government Act 1995 Section 5.29*
Convening electors' meetings
(1) *The CEO is to convene an electors' meeting by giving —*
 - (a) *at least 14 days' local public notice; and*
 - (b) *each council member at least 14 days' notice, of the date, time, place and purpose of the meeting.*

Local

Nil

Policy Implications

State

Nil

Local

Nil

Financial Implications

The Annual Report and Financial Statements will be printed in house.

There will be a \$135.00 cost associated with advertising of the Annual Report and giving public notice of the Annual Electors Meeting. These costs have been included in the 2018-2019 Annual Budget under COA 2040240.2101.

Strategic Implications

State

Nil

Local

- Strategic Community Plan 2017-2027
 - Focus area: Strong leadership
 - Objective: S5.1 An engaged community
 - Strategy: S5.1.1 Encourage and promote community engagement.

Site Inspection

Not applicable

Triple Bottom Line Assessment

Economic implications

There are no known significant economic implications associated with this proposal.

Social implications

There are no known significant social implications associated with this proposal.

Environmental implications

There are no known significant environmental implications associated with this proposal.

Officer Comment/Details

The audit report received (attached) indicated no matters, in the opinion of the auditors, to indicate significant adverse trends in the financial position or the financial management practices of the Shire and no other matters indicating non-compliance with Part 6 of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996*.

To meet the legislative requirements, the Annual Electors Meeting must be held by 26 March 2019. It is recommended that the Audit Committee endorses the 2017-2018 Annual Report and Financial Statements and confirms the date for the Annual General Meeting of Electors for a date prior to 26 March 2019, to be held at Muccha Hall, Archibald Street, Muccha commencing at 7.00pm.

OFFICER RECOMMENDATION

That the Audit Committee recommends to Council that it:

1. Receives the Audit Report of 19 December 2018 (as incorporated within the Annual Report);
2. Pursuant to Sections 5.54 and 5.55 of the *Local Government Act 1995*, accepts the Annual Report and Financial Statements for the 2017-2018 financial year; and
3. Convenes the Annual Electors Meeting for 7pm on Wednesday, 6 March 2019 at the Muccha Hall, Archibald Street, Muccha.

6.2 COMMITTEE RECOMMENDATION

Moved Cr Tilbury / Seconded Cr Ross

That the Audit Committee recommends to Council that it:

- 1. Receives the Audit Report of 19 December 2018 (as incorporated within the Annual Report);**
- 2. Pursuant to Sections 5.54 and 5.55 of the *Local Government Act 1995*, accepts the Annual Report and Financial Statements for the 2017-2018 financial year; and**
- 3. Convenes the Annual Electors Meeting for 7pm on Wednesday, 13 March 2019 at the Muchea Hall, Archibald Street, Muchea.**

**THE RECOMMENDATION WAS PUT AND DECLARED CARRIED 4/1
BY AN ABSOLUTE MAJORITY**

4:57 PM

6.3 Delegated Authority Register Review 2018*

Report date	29 January 2019
Applicant	Shire of Chittering
File ref	13/05/0001
Prepared by	Acting Executive Support Officer
Supervised by	Acting Chief Executive Officer
Disclosure of interest	Nil
Voting requirements	Absolute Majority
Attachments	1. Delegated Authority Register 2. Council Agenda Report of 20 June 2018

Executive Summary

All local governments in Western Australian are required to conduct an annual review of their delegations. The Shire of Chittering annual review was referred to the Ordinary Council Meeting of 20 June 2018, where it resolved to refer the matter to the next Audit Committee meeting for its recommendation.

Background

At its Ordinary Council Meeting held on 20 June 2018 (see attached Council item and Delegated Authority Register) Council resolved to refer the Delegated Authority Register to the next Audit Committee meeting for review:

*9.4.5 SUBSTANTIVE MOTION / COUNCIL RESOLUTION 160618
Refers the Delegated Authority Register to the next Audit Committee meeting for review.*

In accordance with Section 5.46 of the *Local Government Act 1995*, delegations are to be reviewed at least once every financial year. The 2017 review was presented to Council on 20 June 2017.

Consultation/Communication Implications

Local

Chief Executive Officer
Executive Manager Corporate Services
Executive Manager Development Services
Executive Manager Technical Services

State

WALGA

Legislative Implications

State

- Local Government Act 1995
 - 5.46. Register of, and records relevant to, delegations to CEO and employees**
 - (1) *The CEO is to keep a register of the delegations made under this Division to the CEO and to employees.*
 - (2) *At least once every financial year, delegations made under this Division are to be reviewed by the delegator.*
 - (3) *A person to whom a power or duty is delegated under this Act is to keep records in accordance with regulations in relation to the exercise of the power or the discharge of the duty.*
- *Planning and Development Act 2005* including regulations and adopted policies
- *Dog Act 1976* and regulations
- *Bush Fires Act 1954* regulations and local laws created under that Act)
- *Health (Miscellaneous Provisions) Act 1911* (as amended) regulations and local law created under that Act
- *Freedom of Information Act 1992*
- *Land Administration Act 1997* as amended and regulations
- *Litter Act 1979* and regulations
- *Local Government (Miscellaneous Provision) Act 1960* as amended
- *Caravan Parks and Camping Grounds Act 1995*
- *Control of Vehicles (Off-Road Areas) Act 1978* and regulations
- *Strata Titles Act 1985*
- *Food Act 2008*
- *Environmental Protection Act 2005*
- *Building Act 2011*
- *Public Health Act 2016*
- *Land Act 1933*

Local

Nil

Policy Implications

State

Nil

Financial Implications

Nil

Strategic Implications

Nil

Site Inspection

Not applicable

Triple Bottom Line Assessment

Economic implications

There are no known significant economic implications associated with this proposal.

Social implications

There are no known significant social implications associated with this proposal.

Environmental implications

There are no known significant environmental implications associated with this proposal.

6.3 OFFICER / COMMITTEE RECOMMENDATION

Moved Cr Gibson / Seconded Cr Ross

That the Audit Committee recommends to Council that it endorses the Delegated Authority Register as per Attachment 1 subject to only officer titles (not officer names) being used within the relevant delegations.

THE RECOMMENDATION WAS PUT AND DECLARED CARRIED 5/0
BY AN ABSOLUTE MAJORITY

4:58 PM

7. CLOSURE

The Deputy Presiding Member declared the meeting closed at 4:58 PM.



6177 Great Northern Highway
PO Box 70 Bindoon WA 6502
T: 08 9576 4600 F: 08 9576 1250
E: chitter@chittering.wa.gov.au
www.chittering.wa.gov.au

Office hours: Monday to Friday
8.30am - 4.30pm