

COUNCIL'S VISION

Gnowangerup Shire – A thriving, inclusive and growing community built on opportunity



SHIRE OF GNOWANGERUP

MINUTES

Audit Committee

Wednesday 15th February 2017
Commencing at 3:00pm

Council Chambers
28 Yougenup Road
GNOWANGERUP WA 6335

COUNCIL'S VISION

Gnowangerup Shire – A thriving, inclusive and growing community built on opportunity

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AGENDA

1. OPENING OF MEETING

Shire President Keith House, welcomed Councillors, Staff and visitors and opened the meeting at 3:04pm.

2. ATTENDANCE/APOLOGIES

2.1 ATTENDANCE

Keith House	Shire President
Fiona Gaze	Deputy Shire President
Lex Martin	
Bronwyn Gaze	
Richard House	
Frank Hmeljak	
Ben Moore	
Shelley Pike	Chief Executive Officer
Vin Fordham Lamont	Deputy Chief Executive Officer
Abbey Sergeant	Executive Assistant
Carol Shaddick	Senior Finance Officer
Yvette Wheatcroft	Manager of Works
John Skinner	Asset and Waste Management Coordinator
Ken Pech	

2.2 APOLOGIES

Shelley Hmeljak
Sue Lance

3. CONFIRMATION OF PREVIOUS MEETING MINUTES

3.1 AUDIT COMMITTEE MEETING MINUTES 23 NOVEMBER 2016

COMMITTEE RESOLUTION

Moved: Cr L Martin

Seconded: Cr B Gaze

AC0217.1 That the minutes from Audit Committee meeting held on 23 November 2016 be confirmed as true and correct.

UNANIMOUSLY CARRIED: 7/0

4. OFFICER ITEMS

4.1	2016 CALENDAR YEAR COMPLIANCE AUDIT RETURN
Proponent:	N/A
File Ref:	14.1.1
Date of Report:	6/01/2017
Business Unit:	Corporate Services
Officer:	Vin Fordham Lamont
Disclosure of Interest:	Nil

ATTACHMENTS

- Copy of 2016 Compliance Audit Return

PURPOSE OF THE REPORT

Council's Audit Committee is required to review the 2016 Compliance Audit Return and report the results to Council.

BACKGROUND

The Local Government (Audit) Regulations 1996 require that each local government is to carry out a compliance audit for the period 1 January to 31 December each year.

The compliance audit is a useful tool in prompting and assisting both Councillors and staff to comply with the legislative requirements of local government. It also provides a snapshot to Council of how the organisation is functioning.

It is a requirement that the completed return is presented to the Audit Committee for review. It is then referred to Council for adoption.

COMMENTS

The compliance audit was undertaken in early January 2017 and only one issue required being brought to the Audit Committee's attention. Item 10 of the Disclosure of Interest section of the return asked:

"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?"

This item relates to financial interests in Council agenda items which have been declared by Shire officers and/or elected members. Although the elected members' disclosures are kept in a register, there are no disclosures from staff members for the last few years. Staff will be reminded that they need to declare a financial interest in items they have submitted or are providing advice on.

CONSULTATION WITH THE COMMUNITY AND GOVERNMENT AGENCIES

N/A

LEGAL AND STATUTORY REQUIREMENTS

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 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 subregulation (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 14 inserted in Gazette 23 Apr 1999 p. 1724-5;
amended in Gazette 30 Dec 2011 p. 5580-1.]

POLICY IMPLICATIONS

N/A

FINANCIAL IMPLICATIONS

N/A

STRATEGIC IMPLICATIONS

Shire of Gnowangerup Strategic Community Plan 2013-2022

Goal 5: Proactive Leadership, Good Governance and Efficient Service delivery

Outcome 5.1: Strategic governance and leadership

Strategy 5.1.5: Ensure compliance with Local Laws and statutory requirements

RISK MANAGEMENT CONSIDERATIONS:

N/A

IMPACT ON CAPACITY

N/A

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

N/A

CONCLUSION

As no major issues were identified in the compliance audit, it is appropriate for the Audit Committee to accept the return and refer it to Council for adoption.

VOTING REQUIREMENTS

Simple majority

COMMITTEE RESOLUTION

Moved: Cr L Martin

Seconded: Cr F Hmeljak

AC0217.2 That the Audit Committee recommend to council:

Accept the Compliance Audit Return for the period 1 January 2016 to 31 December 2016 and refers it to Council for adoption.

UNANIMOUSLY CARRIED: 7/0



Gnowangerup - Compliance Audit Return 2016

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 2016.	N/A	The Shire did not participate in any major trading undertakings in 2016.	Vin Fordham Lamont
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 2016.	N/A	The Shire did not participate in any major land transaction in 2016.	Vin Fordham Lamont
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 2016.	N/A		Vin Fordham Lamont
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 2016.	N/A		Vin Fordham Lamont
5	s3.59(5)	Did the Council, during 2016, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Vin Fordham Lamont



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.	Yes	No new committees were established in 2016.	Vin Fordham Lamont	
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes		Vin Fordham Lamont	
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		Vin Fordham Lamont	
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes		Vin Fordham Lamont	
5	s5.18	Has Council reviewed delegations to its committees in the 2015/2016 financial year.	No	No new committees were established in 2016.	Vin Fordham Lamont	
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		Vin Fordham Lamont	
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Vin Fordham Lamont	
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Vin Fordham Lamont	
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Vin Fordham Lamont	
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		Vin Fordham Lamont	
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Vin Fordham Lamont	
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 2015/2016 financial year.	Yes		Vin Fordham Lamont	
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		Vin Fordham Lamont	

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		Vin Fordham Lamont	
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		Vin Fordham Lamont	



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		Vin Fordham Lamont
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.	N/A	No elections held in 2016.	Vin Fordham Lamont
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		Vin Fordham Lamont
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2016.	Yes		Vin Fordham Lamont
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2016.	Yes		Vin Fordham Lamont
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		Vin Fordham Lamont
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		Vin Fordham Lamont
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.	No	CEO will introduce this register.	Vin Fordham Lamont
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		Vin Fordham Lamont
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		Vin Fordham Lamont
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		Vin Fordham Lamont
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		Vin Fordham Lamont



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		Vin Fordham Lamont
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Vin Fordham Lamont

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)).	Yes		Vin Fordham Lamont
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.	Yes		Vin Fordham Lamont

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.	N/A	No elections in 2016.	Vin Fordham Lamont

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		Vin Fordham Lamont
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.	Yes		Vin Fordham Lamont
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Vin Fordham Lamont
4	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		Vin Fordham Lamont



No	Reference	Question	Response	Comments	Respondent
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2016 received by the local government within 30 days of completion of the audit.	Yes		Vin Fordham Lamont
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2016 received by the local government by 31 December 2016.	Yes		Vin Fordham Lamont
7	S7.12A(3)	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 action required by Auditors.	Vin Fordham Lamont
8	S7.12A (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		Vin Fordham Lamont
9	S7.12A (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		Vin Fordham Lamont
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Vin Fordham Lamont
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Vin Fordham Lamont
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Vin Fordham Lamont
13	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		Vin Fordham Lamont
14	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		Vin Fordham Lamont



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.	N/A	A new CEO was not appointed in 2016.	Vin Fordham Lamont
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		Vin Fordham Lamont
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).	N/A		Vin Fordham Lamont
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).	N/A		Vin Fordham Lamont
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	Yes		Vin Fordham Lamont

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.	N/A	CEO is the Complaints Officer.	Vin Fordham Lamont
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		Vin Fordham Lamont
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		Vin Fordham Lamont
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		Vin Fordham Lamont
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		Vin Fordham Lamont
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) or (c).	Yes		Vin Fordham Lamont



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)).	Yes		Vin Fordham Lamont
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	Multiple contracts in lieu of tenders not entered into.	Vin Fordham Lamont
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	Yes		Vin Fordham Lamont
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		Vin Fordham Lamont
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		Vin Fordham Lamont
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16.	Yes		Vin Fordham Lamont
7	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		Vin Fordham Lamont
8	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		Vin Fordham Lamont
9	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		Vin Fordham Lamont
10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Vin Fordham Lamont
11	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.	N/A	Preliminary EOIs not sought for any tenders.	Vin Fordham Lamont
12	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		Vin Fordham Lamont



No	Reference	Question	Response	Comments	Respondent
13	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		Vin Fordham Lamont
14	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		Vin Fordham Lamont
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	N/A		Vin Fordham Lamont
16	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE.	N/A		Vin Fordham Lamont
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application.	N/A		Vin Fordham Lamont
18	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, notice of the variation.	N/A		Vin Fordham Lamont
19	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications.	N/A		Vin Fordham Lamont
20	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application(s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria.	N/A		Vin Fordham Lamont
21	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG.	N/A		Vin Fordham Lamont
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted.	N/A		Vin Fordham Lamont



No	Reference	Question	Response	Comments	Respondent
23	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).	N/A	Shire did not have a regional price preference policy in 2016.	Vin Fordham Lamont
24	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy.	N/A		Vin Fordham Lamont
25	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, \$150,000 or less.	Yes		Vin Fordham Lamont

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5. CLOSURE

There being no further business President Cr K House closed the meeting at 3:08pm