



# Special Audit & Risk Committee Minutes | 15<sup>th</sup> February 2022

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# SHIRE OF QUAIRADING

## Special Audit & Risk Committee

The Quairading Special Audit & Risk Committee Minutes of the Meeting held on 15<sup>th</sup> February 2022 commencing at 5.00 pm.

### ITEM 1 OPENING & ANNOUNCEMENTS

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The Chairperson opened the Meeting at 4.38 pm.

"Before we start our Meeting, I would like to acknowledge that we are meeting on Noongar / Ballardong land and we pay respect to the original custodians...past, present and future and welcome you all here today for this Meeting".

### ITEM 2 ATTENDANCE AND APOLOGIES

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#### Councillors

Cr JN Haythornthwaite	Chairperson
Cr PD Smith	Shire President
Cr TJ Stacey	Deputy Shire President
Cr E Cheang	
Cr BR Cowcill	
Cr JC Hayes	
Cr JR Hippisley	
Cr B McGuinness	

#### Council Officers

Ms NJ Gibbs	Chief Executive Officer
Mrs LM Horton	Executive Manager of Corporate Services
Mr DV Wallace	Executive Manager of Works & Services
Mr RM Bleakley	Executive Manager of Community, Projects and Strategy

#### Apologies

#### Leave of Absence Previously Granted

ITEM 3 DISCLOSURE OF INTEREST

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Nil.

## ITEM 4 STATUTORY COMPLIANCE

### 4.1 Statutory Compliance Audit Return 2021

<b>Meeting Date</b>	15 <sup>th</sup> February 2022
<b>Responsible Officer</b>	CEO Nicole Gibbs
<b>Reporting Officer</b>	Consultant Niel Mitchell, Conway Highbury Pty Ltd
<b>Attachments</b>	Compliance Audit Return 2021
<b>Owner/Applicant</b>	Shire of Quairading
<b>Disclosure of Interest</b>	Nil

### OFFICER RECOMMENDATION

#### RECOMMENDATION: A13-21/11

#### MOVED Cr McGuinness SECONDED Cr Hippisley

That the Audit and Risk Committee recommend to Council that: -

The Statutory Compliance Audit Return for the period 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2021 be adopted by Council.

**CARRIED 8/0**

### IN BRIEF

- Council budgeted for Council's Compliance Report (CAR) to be prepared by an independent Consultant.
- Independent Review undertaken by Mr Niel Mitchell of Conway Highbury Pty Ltd and the Draft CAR submitted to the CEO for presentation to the Audit & Risk Committee for consideration and recommendation to Council.
- N/A Responses indicate that the particular Compliance Requirement was not actioned or required during the Year under Review.
- All Audit and Financial Management Compliance was not completed within the Statutory timeframes. However, as Ministerial exemption was approved, there is no non-compliance.
- Only issues of non-compliance noted related to –
  - Disclosures of Interest section Q's 17
  - Integrated Planning and Reporting – Q.3
  - Optional Questions section Q.5
- A uniformly high standard was noted once again, for both the Compliance Audit Return, and other statutory matters reviewed in preparation of responses for the Return.

### MATTER FOR CONSIDERATION

Consideration of the Statutory Compliance Audit Return for the year ended 31<sup>st</sup> December 2021.

### BACKGROUND

Council is required to undertake a Compliance Audit, via the Statutory Compliance Return provided by the Department of Local Government each year.

Council budgeted for Council's Compliance Report (CAR) to be prepared by an independent Consultant. Independent Review undertaken by Mr Niel Mitchell of Conway Highbury Pty Ltd with onsite visit undertaken on the 27<sup>th</sup> January 2022.

The consultant noted a high standard of compliance both the in the matters specifically addressed by the Compliance Return and other matters noted in passing during preparation of the return. In January 2021, while no specific investigations were carried out in non-related matters, a range of suggestion were made for the CEO's review to assist with administration, and it was noted that the bulk of these matters were attended to. In January 2022, similar observations were made, and will be submitted to the CEO for her consideration.

The Independent Consultant has reviewed the organisation's Procedures, Processes and Actions for the 2021 Calendar Year and prepared the Draft Statutory Compliance Return for consideration by the Audit & Risk Committee and Recommendation to Council.

Compliance Return comprises of Questions in the following Areas of Activity: -

- Commercial Enterprises by Local Governments
- Delegation of Power/Duty
- Disclosure of Interest
- Disposal of Property
- Elections
- Finance
- Integrated Planning and Reporting
- Local Government Employees
- Official Conduct
- Optional Questions – All Answered
- Tenders for Providing Good & Services

The Statutory Compliance Return is to be presented to Audit & Risk Committee and then Report by Recommendation to Council at the February 2022 Ordinary Council Meeting.

Council is required to submit the signed (Shire President and CEO) Statutory Compliance Return and the relevant Council Minute to the Director General of the Department of Local Government by the 31<sup>st</sup> March 2022.

## **STATUTORY ENVIRONMENT**

Local Government (Audit) Regulations 1996

### **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.

## 15. Compliance audit return, certified copy of etc. to be given to Executive Director

(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, is to be submitted to the Executive Director by 31st 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.

### POLICY IMPLICATIONS

N/A.

### FINANCIAL IMPLICATIONS

Council has budgeted \$3,000 for the preparation of the 2021 CARS by an Independent Consultant.

GL 0532 (Total Budget Amount of \$36,000) provides for the External Audit, Grant Acquittal Audits and the Annual Compliance Audit Return.

Conway Highbury have quoted a maximum amount of \$3,900 and will only bill actual time taken to complete the CAR work, if less than the quoted figure.

### STRATEGIC IMPLICATIONS – Strategic Community Plan 2021 - 2022

#### 5. GOVERNANCE AND LEADERSHIP

5.3 Provide informed and transparent decision making that, meets our legal obligations, and the needs of our diverse community

### COMMUNITY CONSULTATION

N/A

### RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial - Risk Matrix Rating is assessed as Low. Risk is mitigated through ongoing review and monitoring of Council's Management & Compliance Procedures and Processes. The Compliance Audit Return is separate to Council's External Audit and is a Statutory requirement to be met by Council.

Health – Risk Matrix Rating is assessed as Low

Reputation – Risk Matrix Rating is assessed as Low. High level Compliance achieved mitigates the reputational risk that may occur from non-compliance. Independent assessment of Council's Compliance undertaken in 2020.

Operation – Risk Matrix Rating is assessed as Low. Compliance undertaken as part of Council's day to day operations. The 2020 CAR undertaken by independent person with assistance from Council's Staff.

Natural Environment – Risk Matrix Rating is assessed as Low.

### COMMENTS

Nicole Gibbs would like to acknowledge Anthea Strauss who worked extremely hard on the CAR Audit.

**ITEM 5      NEXT MEETING DATE**

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The next Audit & Risk Committee Meeting is scheduled to take place on Tuesday 15<sup>th</sup> March 2022, commencing at 5.00 pm at the Council Chambers, 10 Jennaberring Road, Quairading.

**ITEM 6      CLOSURE**

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There being no further business, the Chairperson closed the Meeting at 4.43 pm.

I certify the Minutes of the Special Audit & Risk Committee Meeting of Council held on 15<sup>th</sup> February 2022 were confirmed 15<sup>th</sup> March 2022 as recorded on Resolution No. AR15 - 21/22

Confirmed.....*JM Hawthornthwaite*..... 15/03/2022