



Minutes

Of the Shire of Cranbrook

Audit Committee

Held on Wednesday 20 March 2019

At 1:30pm in the Frankland River Community Centre

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AGENDA

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chairperson, Cr Adams declared the meeting open at 1.37pm. The Chairperson alerted the meeting to the procedures for emergencies including evacuation, designated exits and muster points.

2. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

2.1 ATTENDANCE

Chairperson	Cr DJ (David) Adams
Councillors	Cr CY (Colin) Egerton-Warburton
	Cr PL (Phil) Horrocks
	Cr PM (Peter) Beech
	Cr ER (Ruth) Bigwood
	Cr P (Peter) Denton
	Cr PW (Peter) Slater
	Cr DS (David) Carey

Chief Executive Officer	Mr PB (Peter) Northover
Manager of Finance & Administration	Mrs PA (Trish) Standish

Members of the Public	Nil
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2.2 APOLOGIES

Manager of Works	Mr JE (Jeff) Alderton
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2.3 APPROVED LEAVE OF ABSENCE

Councillors	Cr VN (Vanessa) Fiegert
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3. PUBLIC QUESTION TIME

3.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

3.2 PUBLIC QUESTIONS

Nil

4. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

4.1 AUDIT COMMITTEE MEETING – 20 February 2019

Moved Cr Carey, seconded Cr Beech that the minutes from the Audit Committee Meeting held on 20 February 2019, be confirmed as a true and correct record.

Carried 8/0

5. GENERAL BUSINESS

5.1	COMPLIANCE AUDIT RETURN - 2018
RESPONSIBLE OFFICER:	Peter Northover – Chief Executive Officer
REPORT AUTHOR:	Trish Standish – Manager of Finance and Administration
FILE REFERENCE:	AD5
APPLICANT:	N/A
DATE OF REPORT:	10 March 2019
ATTACHMENTS:	2018 Compliance Audit Return

Purpose

The purpose of this report is for the Audit Committee to consider the Compliance Audit Return (CAR) for the 2018 calendar year as required by the Local Government Act 1995.

Background

The CAR is one of the tools that allow the Council to monitor how the organisation is functioning. Each Local Government is required to carry out a compliance audit for the period 1 January – 31 December 2018 against the requirements included in the Local Government (Audit) Regulations.

Officers Comment

The current structure of the CAR is restricted to the areas of compliance of those considered high risk. The Audit Committee is required to review the CAR and report the results of that review to the Council prior to adoption by the full Council and submission to the Department of Local Government Sport and Cultural Industries.

After the CAR has been presented to the Council, a certified copy of the return together with the relevant section of the minutes and any additional information explaining or qualifying the Compliance Audit is to be submitted to the Executive Director of the Department of Local Government Sport and Cultural Industries by 31 March 2019.

Statutory Environment

The Local Government (Audit) regulations define the process and requirements for the compliance audit return.

Policy Applicable – Implications

There is no Council policy applicable to this report.

Financial Implications

There are no financial implications for this report.

Risk Implications

The risks associated with matters in this report are:

- Failure to fulfil Statutory, Regulatory or Compliance Requirements

The **impact** of the risk is Non-Compliance

The **consequences** of these risks are considered to be Insignificant

The **likelihood** is Rare

Hence the **risk rating** for this item is Low

Risk mitigation includes ensuring the CAR is completed on time each year.

Strategic Community Plan Reference

The 2017-2027 Shire of Cranbrook, Strategic Community Plan states that:

Objective 4: Leadership - Demonstrate strong governance, leadership and organisational growth

Outcome 4.1: Excellence in governance, compliance, regulation and reporting

Strategy 4.1.1: Maintain a high level of corporate governance, responsibility and accountability

Consultation

Consultation was not required for this report.

VROC Implications

There are no strategic VROC implications from this report

Voting Requirements

Simple Majority

OFFICER RECOMMENDATION

Moved Cr Carey, seconded Cr Warburton that the Audit Committee recommends to the Council that the Shire of Cranbrook's Compliance Audit Return for the period 1 January to 31 December 2018, as attached, be adopted.

Carried 8/0

5.2 ANNUAL REPORT 2017/2018

RESPONSIBLE OFFICER:	Trish Standish – Manager of Finance and Administration
REPORT AUTHOR:	Trish Standish – Manager of Finance and Administration
FILE REFERENCE:	AD4/GO4
APPLICANT:	N/A
DATE OF REPORT:	10 March 2019
ATTACHMENTS:	1. 2017/2018 Annual Report 2. Management Letter – OAG

Purpose

The purpose of this report is for the Audit Committee to consider the adoption of the 2017/2018 Shire of Cranbrook Annual Report and to set a date for the annual electors meeting.

Background

The Councils annual report has been prepared in accordance with the Local Government Act 1995 and associated regulations and is attached (separate to the agenda document).

Officers Comment

It should be noted that whilst every effort was made to have the annual report presented to the Council prior to 31 December 2018, the auditor was unable to finalise the report by this date. Shire staff had all required documents to the auditor as per regulations and the auditor was in attendance in the administration office in September 2018.

The final audit report was received on 1 March 2019 and was discussed during a teleconference exit interview with Cr Adams, Cr Slater, the Chief Executive Officer, the Manager of Finance and Administration, Mr Russell Harrison from Lincolns and Ms Efthalia Samaras from the Office of the Auditor General.

After discussion during this teleconference, it is considered this meeting was sufficient to meet the requirements of the Local Government Act 1995 which states the Council must meet with the Auditor at least once each year.

When considering the timing requirements to hold the annual electors' meeting described below in Statutory Environment, the meeting needs to be held between 9 April 2019 and 15 May 2019.

Statutory Environment

The Local Government Act 1995 requires the Council to accept the Annual Report by 31 December each year unless the audit report is not available. If unable to be accepted by 31 December in any given year then Council must accept the report within two (2) months of the audit report becoming available. The annual meeting of electors must then be held within fifty-six (56) days of Council accepting the Annual Report. A minimum of fourteen days local public notice is required of the date, time, place and purpose of the meeting.

Policy Applicable - Implications

Council Policy 1.1 'Electors Meeting' states:

'The Annual Electors' meeting will be held within 56 days of receiving the Annual Financial Report. The Annual Electors' meeting venue will alternate between the Cranbrook and Frankland River town-sites as follows:

2017/2018	Cranbrook
2018/2019	Frankland River
2019/2020	Cranbrook

The previous annual electors' meeting was held on 21 March 2018 in Frankland River.

Electors are requested to provide the Chief Executive Officer with their questions no later than one week prior to the Annual Electors Meeting to enable staff to research the matter if required.

Financial Implications

There are no financial implications for this report. The Annual Report contains the annual financial statements for 2017/2018, illustrating the Council's financial performance for this period.

Risk Implications

The risks associated with matters in this report are:

- Misconduct
- Errors, Omissions and Delays
- Failure of IT and or Communication Systems and Infrastructure
- Providing inaccurate advice/information
- Inadequate document management processes
- Ineffective employment practices

The impact of the risk is Financial and Reputational.

The consequences of these risks are considered to be Extreme.

The likelihood is Unlikely

Hence the **risk rating** for this item is High

Risk mitigation includes ensuring staff have the appropriate security access levels for financial transactions and by implementing recommendations from the auditor.

Strategic Community Plan Reference

The 2017-2027 Shire of Cranbrook, Strategic Community Plan states that:

Objective 4: Leadership - Demonstrate strong governance, leadership and organisational growth

Outcome 4.1: Excellence in governance, compliance, regulation and reporting

Strategy 4.1.1: Maintain a high level of corporate governance, responsibility and accountability

Consultation

Consultation was not required for this report.

VROC Implications

There are no strategic VROC implications for this report.

Voting Requirements

Absolute Majority

AUDIT COMMITTEE RECOMMENDATION

Moved Cr Carey, Seconded Cr Horrocks that the Audit Committee recommends to the Council :

- 1. The attached 2017/2018 Shire of Cranbrook Annual Report be accepted; and**
- 2. The annual meeting of Electors be held on Wednesday 17 April 2019 at 5.00pm in Cranbrook.**

Carried 8/0
By Absolute Majority

6. CLOSURE OF MEETING

There being no further business to discuss the Chairperson, Cr Adams declared the meeting closed at 2.02pm.