

AUDIT COMMITTEE MEETING

AGENDA



For the Audit Committee Meeting to be held on

29 March 2023

Dear Audit Committee Member,

The next Audit Committee Meeting of the Shire of Cranbrook will be held on Wednesday 29 March 2023 at the Cranbrook Council Chambers commencing at 3.00pm.



Linda Gray
Chief Executive Officer

DISCLAIMER

This agenda has yet to be dealt with by the Audit Committee. The recommendations shown at the foot of each item have yet to be considered by the Audit Committee and are not to be interpreted as being the position of the Audit Committee. The minutes of the meeting held to discuss this agenda should be read to ascertain the decision of the Audit Committee.

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Scope of Audit Committee

Regulation 16 of the Local Government (Audit) Regulations 1996 define the functions of the audit committee as follows:

“An audit committee –

- (a) is to provide guidance and assistance to the local government –
 - (i) as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and
 - (ii) as to the development of a process to be used to select and appoint a person to be an auditor; and
- (b) may provide guidance and assistance to the local government as to –
 - (i) matters to be audited;
 - (ii) the scope of audits;
 - (iii) its functions under Part 6 of the Act; and
 - (iv) the carrying out of its functions relating to other audits and other matters related to financial management.”
- (c) is 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.”

CONTENTS

1.	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS.....	4
2.	ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE	4
2.1	ATTENDANCE	4
2.2	APOLOGIES.....	4
2.3	APPROVED LEAVE OF ABSENCE	4
3.	PUBLIC QUESTION TIME	4
3.1	RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE	4
3.2	PUBLIC QUESTIONS.....	4
4.	CONFIRMATION OF MINUTES OF PREVIOUS MEETING.....	4
4.1	AUDIT COMMITTEE MEETING – 14 December 2022	4
5.	GENERAL BUSINESS.....	5
5.1	COMPLIANCE AUDIT RETURN - 2022	5
6.	CLOSURE OF MEETING	6

AGENDA

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chairperson, Cr Slater will declare the meeting open at _____pm. The Chairperson will alert 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 PW (Peter) Slater

Councillors

Cr PM (Peter) Beech

Cr RW (Robert) Johnson

Cr JA (Jen) Quick

Cr LM (Lee) Casson

Cr P (Perin) Mulcahy

Cr DM (Daisy) Egerton-Warburton

Cr PL (Phil) Horrocks

Cr G (George) Pollard

Chief Executive Officer

Ms LA (Linda) Gray

Manager of Finance & Administration

Mrs DE (Diana) Marsh

Manager of Works

Mr JE (Jeff) Alderton

Executive Officer

Ms JL (Jo) Scott

Members of the Public

2.2 APOLOGIES

2.3 APPROVED LEAVE OF ABSENCE

3. PUBLIC QUESTION TIME

3.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

3.2 PUBLIC QUESTIONS

4. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

4.1 AUDIT COMMITTEE MEETING – 14 December 2022

That the minutes from the Audit Committee Meeting held on 14 December 2022, be confirmed as a true and correct record.

5. GENERAL BUSINESS

5.1 COMPLIANCE AUDIT RETURN - 2022

RESPONSIBLE OFFICER:	Linda Gray – Chief Executive Officer
REPORT AUTHOR:	Linda Gray – Chief Executive Officer
FILE REFERENCE:	AD5
APPLICANT:	N/A
DATE OF REPORT:	26 March 2023
ATTACHMENTS:	2022 Compliance Audit Return

Purpose

The purpose of this report is for the Audit Committee to consider the Compliance Audit Return (CAR) for the 2022 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 2022 against the requirements included in the Local Government (Audit) Regulations. This had in previous years been completed by Mrs Trish Standish, Manager of Corporate and Community, last year the CAR was completed by an external consultant, Mr S Tweedie, and this year, by the Chief Executive Officer, Ms Linda Gray. Varying the assessment of the controls each year should give a more independent analysis of the compliance of the organisation.

Officer's 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 2023.

The Compliance Audit Return is attached and there were nil findings this year being a total of 0/94, it should be noted that the Shire did not complete any tender processes during 2022:

Commercial Trading Activities	0 out of 5
Delegations of Power	0 out of 13
Disclosure of Interest	0 out of 21
Disposal of Property	0 out of 2
Elections	0 out of 3
Finance	0 out of 7
Integrated Planning and Reporting	0 out of 3
LG Employees	0 out of 5
Official Conduct	0 out of 4
Optional Questions	0 out of 9
Tenders for Providing Goods and Services	0 out of 22

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 and any errors identified are rectified immediately and processes put in place to ensure the sustainability of the corrections. By employing a consultant on occasions also ensures that fresh eyes can refresh the process.

Strategic Community Plan Reference

The 2021-2031 Shire of Cranbrook, Strategic Community Plan states that:

Outcome 16 – High Performing Shire: An accountable and respected Shire, investing in its people and structures.

Deliverable 16.1: A Shire and supporting entities are well-governed with delineated roles and accountabilities.

Consultation

Ms Jo Scott, Executive Officer

Steven Tweedie, Consultant

Voting Requirements

Simple Majority

OFFICER'S RECOMMENDATION

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 2022, as attached, be adopted.

6. CLOSURE OF MEETING

There being no further business to discuss the Chairperson, Cr Slater will declare the meeting closed at _____am/pm.