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Please note: These minutes  
are yet to be confirmed as a  
true record of proceedings

**CITY OF BUSSELTON**

**MINUTES FOR THE AUDIT COMMITTEE MEETING HELD ON 2 MARCH 2017**

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## MINUTES

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD IN MEETING ROOM A, CITY ADMINISTRATION SITE, HARRIS ROAD, BUSSELTON, ON 2 MARCH 2017 AT 11:30AM.

### 1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 11.28am.

### 2. ATTENDANCE

#### Presiding Member:

Cr Gordon Bleechmore

#### Members:

Cr Grant Henley  
Cr John McCallum (Deputy Member)

#### Officers:

Mr Cliff Frewing, Director, Finance and Corporate Services  
Mr Ehab Gowegati, Financial Accountant  
Miss Hayley Barge, Administration Officer, Governance

#### Visitors

Mr Tim Partridge, AMD Chartered Accountants

#### Apologies

Cr Paul Carter  
Mr Kim Dolzadelli, Manager Financial Services

#### Approved Leave of Absence

Nil

### 3. PUBLIC QUESTION TIME

Nil

### 4. DISCLOSURE OF INTERESTS

Nil

### 5. CONFIRMATION OF MINUTES

#### 5.1 Minutes of the Audit Committee Meeting held 26 October 2016

#### Committee Decision

**AU1703/019** Moved Councillor G Henley, seconded Councillor J McCallum

That the Minutes of the Audit Committee Meeting held 26 October 2016 be confirmed as a true and correct record.

**CARRIED 3/0**

## 6. REPORTS

### 6.1 COMPLIANCE AUDIT RETURN

<b>SUBJECT INDEX:</b>	Reporting and Compliance
<b>STRATEGIC OBJECTIVE:</b>	Governance systems that deliver responsible, ethical and accountable decision-making.
<b>BUSINESS UNIT:</b>	Finance and Corporate Services
<b>ACTIVITY UNIT:</b>	Governance Services
<b>REPORTING OFFICER:</b>	Manager Financial Services - Kim Dolzadelli
<b>AUTHORISING OFFICER:</b>	Director, Finance and Corporate Services - Cliff Frewing
<b>VOTING REQUIREMENT:</b>	Absolute Majority
<b>ATTACHMENTS:</b>	Attachment A Compliance Audit Return 2016⇒

### PRÉCIS

The Compliance Audit Return (CAR) relating to the activities of the City of Busselton during 2016 has been completed. The return is a statutory obligation and covers a range of requirements under the *Local Government Act 1995* and various Regulations.

The completed Compliance Audit Return is attached to this report for the consideration of the Council. The return is recommended for adoption, after which it will be forwarded to the Department of Local Government and Communities as required by the 31 March 2017.

### BACKGROUND

The Department of Local Government and Communities (DLGC) has made available the 2016 Compliance Audit Return (CAR) for completion.

The Local Government Act 1995 Section 7.13 requires a Local Government to complete the Compliance Audit Return in the form specified by the DLGC and return by 31 March.

### STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Audit) Regulations 1996 Regulations 13, 14 and 15.

#### 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 sub regulation (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 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 31 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.

#### **RELEVANT PLANS AND POLICIES**

N/A

#### **FINANCIAL IMPLICATIONS**

Nil

#### **Long-term Financial Plan Implications**

Nil

#### **STRATEGIC COMMUNITY OBJECTIVES**

The compliance assessment is one of the mechanisms that enables the organisation to ensure that it has governance systems that deliver responsible, ethical and accountable decision-making.

#### **RISK ASSESSMENT**

The whole process of the compliance assessment is about identifying risks to the organisation where non-compliant activities have potentially occurred.

#### **CONSULTATION**

The questions listed in the compliance return provided by the Department of Local Government and Communities have been responded to by designated council staff responsible for the actions required to comply with the appropriate legislation.

#### **OFFICER COMMENT**

The attached Compliance Audit Return demonstrates that the organisation has a good understanding of statutory requirements and has applied the correct interpretation to these requirements. The return covered the organisation's processes and records relating to:

<b>Area of Compliance</b>	<b># Questions</b>
Commercial Enterprises by Local Governments	5
Delegation of Power / Duty	13
Disclosure of Interest	16
Disposal of Property	2
Elections	1
Finance	14
Local Government Employees	5
Official Conduct	6
Tenders for Providing Goods and Services	25
<b>Total</b>	<b>87</b>

The Authorising Officer notes 100% compliance with respect to the Compliance Audit Return 2016 which is similar to previous years where compliance returns have had a high degree of compliance.

## **CONCLUSION**

It is recommended that the Council adopt the return for submission to the Department of Local Government and Communities.

## **OPTIONS**

The option that would be available to the Council in order to comply with the requirement to lodge the return with the Department of Local Government and Communities by the end of March would be to query any of the responses provided and recommend a different response to the Department prior to adopting the return for submission.

## **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The certified return must be lodged with the Department of Local Government and Communities by 31 March 2017.

### **Committee Recommendation and Officer Recommendation**

**AU1703/020** Moved Councillor J McCallum, seconded Councillor G Henley

**ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED**

That the Audit Committee, having reviewed the 2016 Compliance Audit Return, noting 100% compliance, recommends to Council that it adopts the Compliance Audit Return 2016 and authorises the Mayor and Chief Executive Officer to sign the joint certificate.

**CARRIED 3/0**

**BY ABSOLUTE MAJORITY**

## 6.2 CONDUCT OF MEETING WITH AUDITOR

<b>SUBJECT INDEX:</b>	Compliance
<b>STRATEGIC OBJECTIVE:</b>	Governance systems that deliver responsible, ethical and accountable decision-making.
<b>BUSINESS UNIT:</b>	Finance and Corporate Services
<b>ACTIVITY UNIT:</b>	Financial Services
<b>REPORTING OFFICER:</b>	Manager Financial Services - Kim Dolzadelli
<b>AUTHORISING OFFICER:</b>	Director, Finance and Corporate Services - Cliff Frewing
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Nil

### **PRÉCIS**

For the Audit Committee and Council's Auditor to meet.

### **BACKGROUND**

The 2015/16 Annual Financial Statement, Auditors Report and Management Letter has been received from Council's appointed Auditor, Mr Tim Partridge from AMD Chartered Accountants, and was presented and considered by the Audit Committee at its meeting held 26 October 2016.

Pursuant to its Instrument of Appointment, the Audit Committee considered the 2015/16 Annual Financial Statement, Auditors Report and Management letter. Council's Auditor was unable to attend this meeting.

### **STATUTORY ENVIRONMENT**

Local Government Act 1995 Section 7.12A(2)

*(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.*

### **RELEVANT PLANS AND POLICIES**

N/A

### **FINANCIAL IMPLICATIONS**

Nil

### **Long-term Financial Plan Implications**

Nil

### **STRATEGIC COMMUNITY OBJECTIVES**

This matter principally aligns with Key Goal Area 6 – 'Open and Collaborative Leadership' and more specifically Community Objective 6.3 - 'An organisation that is managed effectively and achieves positive outcomes for the community'

### **RISK ASSESSMENT**

N/A

**CONSULTATION**

The Annual Financial Report has been the subject of close examination by the appointed auditors, Mr Tim Partridge from AMD Chartered Accountants.

**OFFICER COMMENT**

An important function of the meeting is to discuss with the Auditor, the conduct of the audit, the audit findings, and the state of the Shire's financial affairs generally. This meeting provides the Audit Committee to undertake this important function as required by the Local Government Act 1995 Section 7.12A(2).

**CONCLUSION**

That the Audit Committee meets with Council's Auditor and report any findings to Council.

**OPTIONS**

The Audit Committee may determine to make specific recommendations in relation to the audit findings and the actions identified by management in addressing these.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Immediate.

**Committee Decision**

**AU1703/021** Moved Councillor J McCallum, seconded Councillor G Henley

That the Audit Committee meets with Council's appointed Auditor, Mr Tim Partridge from AMD Chartered Accountants.

**CARRIED 3/0**

**7. GENERAL DISCUSSION ITEMS**

Nil

**8. NEXT MEETING DATE**

To be advised.

**9. CLOSURE**

The meeting closed at 12.03pm.

THESE MINUTES CONSISTING OF PAGES 1 TO 8 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON

DATE: \_\_\_\_\_

PRESIDING MEMBER: \_\_\_\_\_