

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 10 MARCH 2016

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MINUTES

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD IN MEETING ROOM B2, CITY ADMINISTRATION SITE, HARRIS ROAD, BUSSELTON, ON 10 MARCH 2016 AT 9.00AM.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 9.00am.

2. ATTENDANCE

Presiding Member:

Miss Lynley Rich, Manager, Governance Services (until 9.01am)
Cr Gordon Bleechmore (from 9.01am)

Members:

Cr Grant Henley
Cr Paul Carter

Officers:

Mr Matthew Smith, Director, Finance and Corporate Services
Miss Lynley Rich, Manager, Governance Services
Miss Hayley Barge, Administration Officer, Governance

Apologies

Nil

Approved Leave of Absence

Nil

3. ELECTION OF A PRESIDING MEMBER

The Manager, Governance Services called for nominations for the Presiding Member.

Cr Gordon Bleechmore was nominated by Cr Grant Henley for the position.

Councillor Paul Carter nominated for the position.

As there were two nominations the Presiding Member requested the Committee vote with the outcomes being Cr Bleechmore voted in 2/1.

9.01am At this time Cr Gordon Bleechmore assumed Chairmanship of the meeting.

4. ELECTION OF A DEPUTY PRESIDING MEMBER

The Presiding Member called for nomination for the Deputy Presiding Member.

Cr Paul Carter was nominated by Cr Grant Henley for the position.

As there were no further nominations, the Presiding Member announced that Cr Paul Carter was elected as the Deputy Presiding Member.

5. **PUBLIC QUESTION TIME**

Nil

6. **DISCLOSURE OF INTERESTS**

Nil

7. **CONFIRMATION OF MINUTES**

7.1 **Minutes of the Audit Committee Meeting held on 7 October 2015**

Committee Decision

AU1603/012 Moved Councillor G Henley, seconded Councillor G Bleechmore

That the Minutes of the Audit Committee Meeting held 7 October 2015 be confirmed as a true and correct record.

CARRIED 3/0

8. REPORTS

8.1 COMPLIANCE AUDIT RETURN 2015

| | |
|-----------------------------|--|
| SUBJECT INDEX: | Reporting and Compliance |
| STRATEGIC OBJECTIVE: | Governance systems that deliver responsible, ethical and accountable decision-making. |
| BUSINESS UNIT: | Governance Services |
| ACTIVITY UNIT: | Governance Services |
| REPORTING OFFICER: | Manager, Governance Services - Lynley Rich Director, Finance and Corporate Services - Matthew Smith |
| AUTHORISING OFFICER: | Chief Executive Officer - Mike Archer |
| VOTING REQUIREMENT: | Simple Majority |
| ATTACHMENTS: | Attachment A Compliance Audit Return 2015 Attachment B Auditor's Overview Report |

PRÉCIS

The Compliance Audit Return relating to the activities of the City of Busselton during 2015 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 2016.

BACKGROUND

The Compliance Audit Return is one of the tools enabling a local government to monitor how the organisation is functioning. An external auditor was engaged to verify the organisation's compliance to enable independent oversight of the process.

The compliance assessment is an organisational performance measurement "Compliance Assessment – Measure – Report from external inspector as to City's compliance as provided by the Department of Local Government".

STATUTORY ENVIRONMENT

The Statutory Compliance Return is required pursuant to Section 7.13(i) of the *Local Government Act 1995* and Audit Regulations. The Audit Regulations require that the audit results are presented to the Audit Committee for reporting to the Council.

The audit examines a range of systems and processes of the local government that are established to ensure compliance with the relevant legislation. It is noted that some of these systems and processes will require review and updating, for example gift disclosure forms and annual report forms, as a result of recent changes to legislation and new processes will need to be implemented.

RELEVANT PLANS AND POLICIES

NA.

FINANCIAL IMPLICATIONS

Costs associated with the appointment of the external auditor were expected and included in the 2015/16 budget.

Long-term Financial Plan Implications

NA.

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. The Auditor, Lindsay Delahaunty, was required to review the appropriateness of responses provided in the return and inspect any supporting documentation and registers to ensure the action taken was appropriate, accurate and meets the requirements of the 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, and therefore the auditor, examined the organisation's processes and records relating to:

- Commercial Enterprises by Local Government;
- Delegation of Power/Duty;
- Disclosure of Interest;
- Disposal of Property;
- Elections;
- Finance;
- Local Government Employees;
- Official Conduct;
- Tenders for providing Goods and services.

The external auditor advised that during the course of the audit he reviewed various registers and supporting documentation. This demonstrated that a correct interpretation exists at the City of the various provisions of the Local Government Act and Regulations, fostering a desirable culture of compliance. All of the Council records viewed during the audit had been well maintained and found to be accurate and of a high standard.

Only one minor matter was raised during the audit, whereby a delegation to a Committee did not identify the requirement for an absolute majority decision of Council to be achieved. However, as the absolute majority was achieved, the matter was still assessed to be compliant.

In response to staff's identification of the issue, the auditor stated that it is noted that the Council adopted revised governance arrangements and terms of reference for the Meelup Regional Park Management committee at its meeting held 14th October 2015. This decision was not carried by absolute majority as required, due to a human error in the report presented to the Council. The motion was fortunately carried 8/1 which would have met the absolute majority requirements had that been requested. This matter should be rectified when the Council undertakes its annual review of delegations in June 2016.

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 2016.

Committee Recommendation and Officer Recommendation

AU1603/013 Moved Councillor G Henley, seconded Councillor P Carter

That the Council:

1. accepts the report from Mr Lindsay Delahaunty in relation to his assessment of the City's compliance in 2015;
2. adopts the Compliance Audit Return 2015;
3. authorises the Mayor and Chief Executive Officer to sign the joint certificate.

CARRIED 3/0

9. GENERAL DISCUSSION ITEMS

Nil

10. NEXT MEETING DATE

To be advised.

11. CLOSURE

The meeting closed at 9.18am.

THESE MINUTES CONSISTING OF PAGES 1 TO 7 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON

DATE: _____

PRESIDING MEMBER: _____