



Shire of Mukinbudin

Audit Committee Meeting

CONFIRMED MINUTES

Audit Committee Meeting held at
15 Maddock St, Mukinbudin
Commencing at 12.45pm Tuesday 19 November 2019

Dirk Sellenger
CHIEF EXECUTIVE OFFICER

DISCLAIMER

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ETHICAL DECISION MAKING AND CONFLICTS OF INTEREST

Council is committed to a code of conduct and all decisions are based on an honest assessment of the issue, ethical decision-making and personal integrity. Councillors and staff adhere to the statutory requirements to declare financial, proximity and impartiality interests and once declared follow the legislation as required.

7.1B. Delegation of some powers and duties to audit committees

- (1) Despite section 5.16, the only powers and duties that a local government may delegate* to its audit committee are any of its powers and duties under this Part other than this power of delegation.

** Absolute majority required.*

- (2) A delegation to an audit committee is not subject to section 5.17.

[Section 7.1B inserted by No. 49 of 2004 s. 5.]

7.1C. Decisions of audit committees

Despite section 5.20, a decision of an audit committee is to be made by a simple majority.

[Section 7.1C inserted by No. 49 of 2004 s. 5.]

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 - 9.1 Nil
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 - 10.1 Nil
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Minutes of the Audit Committee Meeting held in Council Chambers, Maddock Street, Mukinbudin on 19th November 2019

1. Declaration of Opening

- 1.1 The Shire President declared the Meeting open at 12.45pm

2. Public Question Time

- 2.1 Response to previous questions taken on notice.

- 2.2 Declaration of public question time opened

The Shire president declared public question time open.

- 2.3 Declaration of public question time closed

The Shire President declared public question time closed.

3. Record of attendance, apologies and approved leave of absence

- 3.1 Present:

Cr Gary Shadbolt – President
 Cr Rod Comerford – Deputy President
 Cr Geoff Bent
 Cr Callum McGlashan
 Cr Romina Nicoletti
 Cr Steve Paterson
 Cr Jeff Seaby
 Cr Sandie Ventris
 Cr Ash Walker

- 3.2 Apologies:

- 3.3 On leave of absence:

- 3.4 Staff:

Mr Dirk Sellenger – Chief Executive Officer
 Mrs Nola Comerford-Smith – Administration Manager
 Mr Ed Nind – Finance Manager

- 3.5 Visitors:

- 3.6 Gallery:

- 3.7 Applications for leave of absence:

4. Petitions, deputations and presentations

- 4.1 Petitions

Nil

4.2 Deputations

Nil

4.3 Presentations

Nil

5. Announcements by the Presiding person without discussion

5.1 Nil

6. Confirmation of the Minutes of previous meetings

6.1 Confirmation of Minutes for the Audit Committee Meeting of Council held on the 17th July 2019

OFFICER RECOMMENDATION / COUNCIL DECISION

Council Decision Number – 01 11 19

Voting Requirements – Simple Majority

Moved: Cr Nicoletti

Seconded: Cr Walker

That the Minutes of the Audit Committee Meeting of Council held on the 17th July 2019 be accepted as a true and correct record of proceedings.

Carried 9 / 0

7. Matters for which the meeting may be closed

7.1 Nil

8. Reports of Committees and Officers

8.1 Meeting with the Auditor - Not Available

The *Local Government Act 1995* section 7.12A 'Duties of Local Government with respect to audits' subsection (2) states:

- (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.

8.1.2 2017-2018 COMPLIANCE AUDIT RETURN AND THE SHIRE'S OPERATION AND THE PLAN FOR THE FUTURE DOCUMENTS	
Location:	Mukinbudin
File Ref:	ADM 001
Applicant:	Edward Nind – Finance Manager
Date:	13 November 2019
Disclosure of Interest:	Nil
Responsible Officer	Dirk Sellenger – Chief Executive Officer
Author:	Edward Nind – Finance Manager
Voting Requirements	Simple Majority
Documents Attached	<ol style="list-style-type: none"> 1. 2017-2018 Compliance Audit Return and the Shire's Operation and the Plan for The Future Documents (3 Pages) 2. Letter from Minister Local Govt Sport Cultural Industries CAR and Shire Performance dated 19 August 2019 (2 Pages) 3. 2018 Compliance Audit Return (12 Pages)
Documents Tabled	Nil

If a Councillor has any questions regarding the enclosed finance report, please discuss these queries with the Finance Manager so that a researched answer may be provided for you.

Summary

To consider and accept the report on the 2017-2018 Compliance Audit Return And The Shires Operation And The Plan For The Future Documents as attached.

Background Information

In accordance with the Department of Local Government, Sport and Cultural Industries requirements the Shire of Mukinbudin submitted:

- The 2018 Compliance Audit Return on the 18 April 2019 after Audit Committee and Council adoption on 17 April 2019.
- The report on 2017-2018 Annual Financial Statements Significant Adverse Trends on 17 July 2019 after Audit Committee and Council adoption on 17 July 2019

Following the submission of these documents Department of Local Government, Sport and Cultural Industries (DLGSCI) has requested more information. The report entitles "2017-2018 Compliance Audit Return and the Shire's Operation and The Plan for The Future Documents" address the issues raised.

Whilst the letter states a reply is required within 60 days of the date of the letter, approval was received to allow for this matter to be considered at the November ordinary meeting given the format of Swearing in the new Elected Members at the October meeting which prevented this matter from being considered.

Hi Dirk,

Sorry if I didn't get back to you sooner. What you propose is understandable and fine. We await the Shire's response in November 2019.

Thank you
Stuart

From: Dirk Sellenger <ceo@mukinbudin.wa.gov.au>
Subject: Reply required - your Ref MB3-4#04

Hello Stuart,

Further to your correspondence dated 19th August, our intention was for the Audit Committee to consider this at the October Council meeting to be held on 25th. I rang and spoke to Andrew Borrett from your Office earlier today and he suggested that with the format we use of swearing the Councillors in as the first order of Business at the October Council meeting, as all of Council is the Audit Committee at Mukinbudin (historically), the ability for the Audit Committee to consider this matter prior to Council doesn't exist.

I am therefore seeking an extension until the November Council meeting to provide the reply you are seeking. This extension will allow the new Elected Members time to familiarise and consider this matter and ask any questions they might have. Most importantly allow them to make an informed decision as opposed to being sworn in at the commencement of the October Council meeting, needing to close the Ordinary meeting of Council once the swearing in and Election of President and Deputy is completed and Audit Committee members determined (all of Council I would expect) then holding an Audit Committee meeting to consider the serious queries raised in your letter within minutes of becoming elected members in the form of the Audit Committee.

I understand that ideally the swearing in of the Elected Members would take place prior to the Ordinary meeting of Council however with Harvest starting and 8 of 9 Councillors at Mukinbudin Farmers, a separate meeting to allow for the swearing in on Councillors was unfortunately not an option for the Council this month.

I look forward to hearing from you with regards to this matter. Should you have any queries please don't hesitate to discuss them with me.

Regards,

Dirk Sellenger
Chief Executive Officer

Officer Comment

Council needs to review and update several of its Plan For The Future Documents this financial year.

The 2013-2023 Long Term Financial Plan adopted on May 2014 has now been superseded and consistently underestimated depreciation and renewal expenditure.

Strategic & Social Implications

N/A

Consultation

Previous financial statements and the Long-Term Financial Plan adopted on May 2014.

Statutory Environment

General Financial Management of Council, previous decisions of council, the Local Government Act 1995 and associated Local Government Regulations.

Policy Implications

N/A

Financial Implications

There is no direct financial implication in relation to this matter.

OFFICER RECOMMENDATION / AUDIT COMMITTEE DECISION

Council Decision Number – 02 11 19

Moved: Cr Comerford

Seconded: Cr McGlashan

That Council

- 1. endorse the report on the 2017-2018 Compliance Audit Return and the Shire's Operation and the Plan for The Future Documents.**
- 2. forwards a copy of the report on the 2017-2018 Compliance Audit Return and the Shire's Operation and the Plan for The Future Documents to the Minister for the Department of Local Government and Communities within 30 days**
- 3. publishes a copy of the report on the 2017-2018 Compliance Audit Return and the Shire's Operation and the Plan for The Future Documents on the Council's website within 14 days forwarding of the report to the minister.**

Carried 9 / 0

**SHIRE OF MUKINBUDIN
2017-2018 COMPLIANCE AUDIT RETURN
AND
THE SHIRES OPERATION AND THE PLAN FOR THE FUTURE DOCUMENTS**

Summary

Following the report addressing a significant adverse trend in the financial position of the shire presented to the Audit Committee and then council on 17 July 2019 a letter has been received from Department of Local Government, Sport and Cultural Industries (DLGSCI) seeking additional information.

The issues relate to whether "... the Shires current operation as audited, are aligned with the financial and asset management content of the Shire's Plan for the future documents."

Items raised are as follows:

In the 2018 Compliance Audit Return (CAR);

1. The Shire had a Corporate Business Plan and Strategic Community Plan which had both been reviewed since adoption, but the Shire elected not to provide the date of endorsement by Council for those plans and reviews.
2. The Shire elected to not to answer the question on Asset Management Plan as the Compliance Audit return clearly stated that a date wasn't required and it was therefore left blank accordingly.
3. The Shire indicated it had a Long Term Financial Plan (LTFP) that was adopted by Council in May 2014.

A report to the DLGSCI is required to clarify:

1. The currency of the Shires Integrated Planning and Reporting Plans (IPR Plans).
2. When the IPR plans be published on the Shire's website in accordance with recently introduced section 5.96A (e) of the Local Government Act 1995?
3. Detail any plans for the next 12 months to review any existing IPR Plans or create new plans.
4. Whether the Shire's financial Performance for the year ending 30 June 2018 is consistent with the Long Term Financial Plan (LTFP) adopted in May 2014 in relation to the Operating Surplus and Asset Sustainability Ratios?
5. Whether the asset renewal expenditure since July 2014 is tracking under or over the proposed expenditure from the LTFP of May 2014 and to what extent?

A response with respect to the above items was requested within 2 months of 19 August 2019.

An extension of time request, until November 2019, was sent to Stuart Fraser at DLGSCI on 17 October 2019. Approval was received on 8 November 2019.

Compliance Audit Return Information

Please see below information about issues raised from the Compliance Audit Return.

1. The CEO elected not to provide the date of endorsement by Council for the Corporate Business Plan and Strategic Community Plans and reviews as all the questions in Integrated Planning and Reporting section had the notation "*This question is optional, answer N/A if you choose not to respond.*" and it was considered that although all the information was optional some information was better than none. Relevant adoption dates are as follows:

- Corporate Business Plan - Adopted 18 September 2013
 - Strategic Community Plan - Adopted 15 May 2013 and 19 September 2018
2. The Shire elected to not to answer the question on the Asset Management Plan because the question had the notation "*This question is optional, answer N/A if you choose not to respond.*" As the question was optional it was not answered. The Shire had the following Asset Management Plans:
- Recreation Asset Management Plan – Adopted 19 March 2014
 - Transport Asset Management Plan – Adopted 19 March 2014
 - Plant & Equipment Asset Management Plan – Adopted 19 March 2014
 - Property Asset Management Plan – Adopted 19 March 2014

Financial prorata extensions of these plans has been included in the Long term Financial Plan Adopted in May 2014 and more recently in Long term Financial Plan adopted on 19 June 2019.

The Long Term Financial Plan adopted on 19 June 2019 includes a fully funded financial Plant & Equipment Asset Management Plan.

3. The Shire indicated it had a Long Term Financial Plan (LTFP) that was adopted by Council in May 2014. A later version was adopted on 19 June 2019.

DLGSCI Report

1. The currency of the Shires Integrated Planning and Reporting Plans is as follows:

<u>Plan</u>	<u>Adopted</u>	<u>Status</u>
Corporate Business Plan	18/9/2013	Current Last reviewed 17/18
Strategic Community Plan	19/9/2018	Current
Recreation Asset Management Plan	19/9/2014	In need of a review
Transport Asset Management Plan	19/9/2014	Current last reviewed 15/16
Plant & Equipment Asset Management	19/9/2014	In need of a review
Property Asset Management Plan	19/9/2014	In need of a review
Long Term Financial Plan	19/6/2019	Current
Workforce Plan	18/9/2013	In need of a review

2. The IPR plans were published on the Shire's website on 29 September 2019. The website was updated / replaced with a new modern version in October 2018 and the required IPR documents had not been reuploaded. This was a simple oversight and was rectified as soon as we became aware of the problem.
3. The Shire of plans to review all IPR plans identified as "In need of a review" within the next 12 months. There is no plan to create any new IPR plans.
4. The Shire's financial Performance for the year ending 30 June 2018 in relation to the Operating Surplus and Asset Sustainability Ratios and those within Long Term Financial Plan (LTFP) adopted in May 2014 are shown below.

<u>Ratios at 30 June 2018</u>	<u>LTFP May 2014</u>	<u>Financial Statements</u>
Operating Surplus	(.06)	(0.77)

Asset Sustainability	.52	0.78
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The Operating Surplus Ratio is not consistent between the LTFP and the 30/6/2018 Financial Statements. The two most significant differences are shown below:

Item	LTFP	Financial Statements	Difference
Operating Employee Expenses	547,497	1,190,863	643,366
Depreciation	1,428,192	1,792,666	364,474
Total			1,007,840

The increased Operating Employee cost is probably largely due to changes in the allocation of Public Works Overheads since the construction of the original LTFP.

The increased Depreciation cost is largely due to an increase in the depreciating infrastructure assets, by 2018 it was approximately \$17,400,000 more by 2018 than the LTFP predicted due to capital works and revaluations. This equates to about a 47% increase.

The Asset Sustainability ratio in the 30/6/2018 Financial Statements is an improvement compared with the LTFP as a larger proportion of road infrastructure capital expenditure being renewal.

5. Asset renewal expenditure since July 2014 compared to the the proposed expenditure from the LTFP of May 2014 is as follows.

Year	LTFP Renewal Expenditure	Financial Statements Renewal Expenditure	Difference in Renewal Expenditure
2014	293,831	1,003,658	709,827
2015	1,319,809	2,909,022	1,589,213
2016	905,932	1,667,647	761,715
2017	956,707	1,188,716	232,009
2018	747,739	1,410,684	662,945

The actual renewal expenditure has been consistently greater than the LTFP predictions.



Department of
**Local Government, Sport
and Cultural Industries**

SHIRE OF MUKINBUDIN	
Received	
27 AUG 2019	
File No:	
Officer:	Ceo
Copy:	

Our ref	MB3-4#04
Enquiries	Stuart Fraser
Phone	6552 7300
Email	audits@dlgsc.wa.gov.au

Mr Dirk Sellenger
Chief Executive Officer
Shire of Mukinbudin
PO Box 67
MUKINBUDIN WA 6479

Dear Mr Sellenger

REPORT TO MINISTER ON THE SIGNIFICANT ADVERSE TRENDS IN THE FINANCIAL POSITION OF THE SHIRE OF MUKINBUDIN

I refer to your letter dated 17 July 2019 to the Minister for Local Government on the abovementioned matter.

Whilst the Department acknowledges the Shire has addressed the matters identified as significant by the auditor, we do not believe the Shire has adequately addressed what action the Shire intends to take with respect to each of the matters. The missing action is with planning for the future, which is a statutory requirement and is informed by the Integrated Planning and Reporting (IPR) regime. Unfortunately, your report failed to address whether the Shire's current operation as audited, are aligned with the financial and asset management content of the Shire's plan for the future documents.

Additionally, a review of the Shire's responses to the Integrated Planning and Reporting (IPR) questions from the 2018 Compliance Audit Return reveals that:

- The Shire had a Corporate Business Plan and Strategic Community Plan which had both been reviewed since adoption, but the Shire elected not to provide the date of endorsement by Council for those plans and reviews.
- The Shire elected not to answer the question on Asset Management Plans.
- The Shire indicated it had a Long Term Financial Plan that was adopted by Council in May 2014.

Additionally, a search of the Shire's website under Public Documents could not find any of the above mentioned IPR plans available for public or ratepayer viewing.

The requirement for a local government to identify what action it intends to take to address significant issues identified with financial ratios, must ultimately link into the currency of the long-term planning documents and whether the Shire is on track to deliver what has been outlined and/or envisioned in those Council adopted plans, especially for asset renewal.

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PO Box 8349 Perth Business Centre, WA 6849
Telephone (08) 6552 7300
Email info@dlgsc.wa.gov.au
Web www.dlgsc.wa.gov.au

It is acknowledged the plans might not show the Shire meeting some of the ratio standards set by Local Government Operational Guideline Number 18, but what it should show in a transparent and accountable manner, is what the Shire believes it able to achieve given current resources. That then gives the Shire the ability to respond to the auditor and the Minister on whether the Shire is operating within the parameters expressed via its IPR plans and if not, what it is going to do to correct the situation.

Consequently, can the Shire, via its Audit Committee and Council, review the currency of its IPR documents and provide a report to the Department that clarifies:

- The currency of the Shire's IPR Plans.
- When the IPR plans will be published on the Shire's website in accordance with the recently introduced section 5.96A (e) of the Local Government Act 1995?
- Detail of any plans for the next twelve months to review existing IPR Plans or create new plans.
- Whether the Shire's financial performance for the year ending 30 June 2018 is consistent with the Long Term Financial Plan (LTFP) adopted in May 2014 in relation to the Operating Surplus and Asset Sustainability Ratios?
- Whether actual asset renewal expenditure since July 2014 is tracking under or over the proposed expenditure from the LTFP of May 2014 and to what extent?

Your local government's response to the above is requested within two months of the date of this letter.

If you wish to discuss this further, please contact Stuart Fraser on 6552 7300.

Yours sincerely



Narrell Lethorn
Director Industry and Sector Regulation

19 August 2019



Department of
Local Government, Sport
and Cultural Industries

Mukinbudin - Compliance Audit Return 2018

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of section of relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2018.	N/A		Dirk Sellenger
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2018.	N/A		Dirk Sellenger
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2018.	N/A		Dirk Sellenger
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2018.	N/A		Dirk Sellenger
5	s3.59(5)	Did the Council, during 2018, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Dirk Sellenger



Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	Yes		Dirk Sellenger
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes		Dirk Sellenger
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		Dirk Sellenger
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	N/A		Dirk Sellenger
5	s5.18	Has Council reviewed delegations to its committees in the 2017/2018 financial year.	Yes		Dirk Sellenger
6	s5.42(1), 5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Dirk Sellenger
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Dirk Sellenger
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes	In the form of the Delegation Register as adopted by Council.	Dirk Sellenger
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Dirk Sellenger
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	N/A		Dirk Sellenger
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Dirk Sellenger
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2017/2018 financial year.	Yes		Dirk Sellenger
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	No	Delegations are used regularly, purchase orders for example, a register for each time a delegation is used doesn't exist.	Dirk Sellenger

Disclosure of Interest

No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Yes		Dirk Sellenger



Department of
**Local Government, Sport
and Cultural Industries**

No	Reference	Question	Response	Comments	Respondent
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	Yes		Dirk Sellenger
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Dirk Sellenger
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	N/A		Dirk Sellenger
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes		Dirk Sellenger
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2018.	Yes		Dirk Sellenger
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2018.	Yes		Dirk Sellenger
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Dirk Sellenger
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Dirk Sellenger
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Dirk Sellenger
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Dirk Sellenger
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Dirk Sellenger
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Dirk Sellenger



Department of
**Local Government, Sport
and Cultural Industries**

No	Reference	Question	Response	Comments	Respondent
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes		Dirk Sellenger
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	Yes		Dirk Sellenger
16	s5.103(3) Admin Reg 34B	Has the CFO kept a register of all notifiable gifts received by Council members and employees.	Yes		Dirk Sellenger

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	N/A		Dirk Sellenger
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	N/A		Dirk Sellenger

Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		Edward Nind
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	N/A		Edward Nind
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Edward Nind
4	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes		Edward Nind
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government within 30 days of completion of the audit.	Yes	18/12/2018	Edward Nind



Department of
**Local Government, Sport
and Cultural Industries**

No	Reference	Question	Response	Comments	Respondent
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government by 31 December 2018.	Yes	18/12/2018	Edward Nind
7	S7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	N/A		Edward Nind
8	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	N/A		Edward Nind
9	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A		Edward Nind
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes	14/6/2016	Edward Nind
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes	14/6/2016	Edward Nind
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes	14/6/2016	Edward Nind
13	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes	14/6/2016	Edward Nind
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes	14/6/2016	Edward Nind
15	Audit Reg 17	Has the CEO reviewed the appropriateness and effectiveness of the local government's systems and procedures in accordance with regulation 17 of the Local Government (Audit) Regulations 1996.	Yes	Financial Management Review conducted by Moore Stephens, on behalf of the CEO, presented to council on 16 May 2018	Edward Nind
16	Audit Reg 17	If the CEO has not undertaken a review in accordance with regulation 17 of the Local Government (Audit) Regulations 1996, is a review proposed and when.	N/A		Edward Nind



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Integrated Planning and Reporting

No	Reference	Question	Response	Comments	Respondent
1	s5.56 Admin Reg 19DA (6)	Has the local government adopted a Corporate Business Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	Strategic Community Development Plan.	Dirk Sellenger
2	s5.56 Admin Reg 19DA (6)	Has the local government adopted a modification to the most recent Corporate Business Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	Yes		Dirk Sellenger
3	s5.56 Admin Reg 19C (7)	Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes		Dirk Sellenger
4	s5.56 Admin Reg 19C (7)	Has the local government adopted a modification to the most recent Strategic Community Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	Yes		Dirk Sellenger
5	S5.56	Has the local government adopted an Asset Management Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	N/A		Dirk Sellenger
6	S5.56	Has the local government adopted a Long Term Financial Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	May 2014	Dirk Sellenger
7	S5.56	Has the local government adopted a Workforce Plan. If Yes, in Comments please provide date of the most recent Plan plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes		Dirk Sellenger



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Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	N/A		Dirk Sellenger
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	N/A		Dirk Sellenger
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	N/A		Dirk Sellenger
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	N/A		Dirk Sellenger
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	N/A		Dirk Sellenger



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Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	N/A		Dirk Sellenger
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes		Dirk Sellenger
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		Dirk Sellenger
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		Dirk Sellenger
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	Yes		Dirk Sellenger
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c).	Yes		Dirk Sellenger

Tenders for Providing Goods and Services					
No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	No	No Tender was called for Annual Sealing program and purchase of new Loader, WALGA Portal of preferred suppliers was instead used. Sale of Loader was offered as both a trade in and outright purchase via an ordinary Tender process.	Dirk Sellenger
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	N/A		Dirk Sellenger
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	Yes		Dirk Sellenger
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		Dirk Sellenger



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No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	N/A		Dirk Sellenger
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16.	Yes		Dirk Sellenger
7	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	N/A		Dirk Sellenger
8	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		Dirk Sellenger
9	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		Dirk Sellenger
10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Dirk Sellenger
11	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A		Dirk Sellenger
12	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A		Dirk Sellenger
13	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	N/A		Dirk Sellenger
14	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A		Dirk Sellenger
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	Yes	WALGA preferred.	Dirk Sellenger
16	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE.	Yes		Dirk Sellenger



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No	Reference	Question	Response	Comments	Respondent
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application.	Yes		Dirk Sellenger
18	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, notice of the variation.	N/A		Dirk Sellenger
19	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications.	N/A		Dirk Sellenger
20	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application(s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		Dirk Sellenger
21	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG.	Yes		Dirk Sellenger
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted.	Yes	Via Portal	Dirk Sellenger
23	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	N/A		Dirk Sellenger
24	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy.	N/A		Dirk Sellenger
25	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$150,000 or less.	Yes		Dirk Sellenger



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I certify this Compliance Audit return has been adopted by Council at its meeting on

17 April 2019

A blue ink signature, appearing to read "S. J. Malt", written over a horizontal line.

Signed Mayor / President, Mukinbudin

A blue ink signature, appearing to be a stylized "G", written over a horizontal line.

Signed CEO, Mukinbudin

To SmartHub 18/4/2019
Ephraim 18/4/19

9. Urgent business without notice (with the approval of the President or meeting).

Nil

10. Closure of Meeting

10.1 The Chairperson thanked Elected Members and Staff for attending and declared the meeting closed at 12.58pm.



DECLARATION

I declare that these minutes of the Audit Committee Meeting held on the 19th November 2019 were confirmed at the Audit Committee Meeting of Council held on 17th December 2019.

Signed: _____

Being the person presiding at the meeting at which these minutes were confirmed

Date: _____