



**SHIRE OF ASHBURTON
AUDIT COMMITTEE MEETING
MINUTES**

**Onslow Multi-Purpose Centre
Cnr McGrath Road & Hooley Avenue
Onslow**

**10 December 2014
Commencing at 10:00am**

SHIRE OF ASHBURTON
AUDIT COMMITTEE MEETING

Dear Councillor

Notice is hereby given that an Audit Committee Meeting of the Shire of Ashburton will be held on Wednesday 10 December 2014 at the Onslow Multi-Purpose Centre, Cnr McGrath Road & Hooley Avenue, Onslow commencing at 10:00 am.

The business to be transacted is shown in the Agenda.

Neil Hartley
CHIEF EXECUTIVE OFFICER

DISCLAIMER

The recommendations contained in the Agenda are subject to confirmation by Council. The Shire of Ashburton warns that anyone who has any application lodged with Council must obtain and should only rely on written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Ashburton for any act, omission or statement or intimation occurring during a Council meeting.

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1. DECLARATION OF OPENING

The Chairperson opened the meeting at 10.14 am.

2. ATTENDANCE

2.1 PRESENT

Cr K White	Chairperson - Shire President, Onslow Ward
Cr L Rumble	Deputy Shire President, Paraburdoo Ward
Cr A Eyre	Ashburton Ward
Cr I Dias	Paraburdoo Ward

Mr N Hartley	Chief Executive Officer
Mr F Ludovico	Executive Manager Corporate Services
Mrs L Hannagan	Administration Manager

2.2 APOLOGIES

2.2 APPROVED LEAVE OF ABSENCE

Nil

3. ANNOUNCEMENT OF VISITORS

4. DECLARATION BY MEMBERS

Cr White, Cr Rumble, Cr Eyre and Cr Dias gave due consideration to all matters contained in the Agenda presently before the meeting.

5. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

Council Decision

MOVED: Cr L Rumble

SECONDED: Cr A Eyre

That the Minutes of the Audit Committee held on 19 March 2014 be accepted as true and correct.

CARRIED 4/0
Crs White, Rumble, Eyre and Dias voted for the motion

6. TERMS OF REFERENCE

Under the Local Government Act 1995, Local Governments are required to appoint an Audit Committee (section 7.1A of the Local Government Act 1995).

An Audit Committee is to provide guidance and assistance to the Local Government – as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act and as to the development of a process to be used to select and appoint a person to be an auditor and may provide guidance and assistance to the Local Government as to – matters to be audited, the scope of audits, its functions under Part 6 of the Act and the carrying out of its functions relating to other audits and other matters related to financial management. (clause 16 Local Government (Audit) Regulations 1996).

Meeting cycle: At least once a year to recommend adoption of Annual Report.

7. AGENDA ITEMS

7.1 REGULATION 17(3) LOCAL GOVERNMENT (AUDIT) REGULATIONS 1996 - RISK AUDIT

FILE REFERENCE:	FI.AU.13.14
AUTHOR'S NAME AND POSITION:	Lisa Hannagan Administration Manager
NAME OF APPLICANT/RESPONDENT:	Not applicable
DATE REPORT WRITTEN:	24 November 2014
DISCLOSURE OF FINANCIAL INTEREST:	The author has no financial interest in the proposal.
PREVIOUS MEETING REFERENCE:	19 March 2014, Audit Committee Meeting

Summary

New regulations were gazetted for the Local Government (Audit) Regulations 1996 in February 2013. As a result of those amendments Local Government Operational Guideline – 9 – Audit in Local Governments has been revised.

The new Regulation 17 prescribes a number of matters that are to be reviewed by the Audit Committee. These functions now include reviewing the Chief Executive Officer's report on the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance; and reporting the results of the Committee's consideration of that review, to the Council.

Background

This Risk Audit and review process is to occur at least once every two calendar years, with the first review of each of the three areas to be completed by 31 December 2014.

Quotations were advertised via the WALGA E-Quotes system. AMD Chartered Accountants were appointed to conduct the Regulation 17 Audit.

The Audit was conducted onsite, 13 – 17 October 2014. The AMD report is attached.

ATTACHMENT 7.1

Comment

The attached report from AMD Chartered Accountants has been reviewed by the Audit Committee and contains recommendations to improve the Shire of Ashburton's performance in the areas covered by the audit, that being;

1. Risk Management;
2. Internal Controls; and
3. Legislative Compliance.

The Report also contains “Management Comments” which describe what the Shire’s administration will do to see the recommendations implemented.

There were no critical issues raised in the AMD Chartered Accountants Regulation 17 Audit.

Of the 29 recommendations made in the report, all have either already been addressed or are in progress to be completed within the next 6 months. In most cases planning was already under way and/or systems have been put in place to address the issues raised.

Consultation

Chief Executive Officer
Executive Manager – Corporate Services
Administration Manager
AMD Chartered Accountants

Statutory Environment

Regulation 17 Local Government Audit Regulations 1996.

Financial Implications

The cost of the Regulation 17 Review was \$16,500 (including GST).

Implementing the recommendations of the Report will have financial impact that will be processed through normal budgetary processes.

A suitable allocation will be made in the budget for future reviews which are to take place every two years.

Strategic Implications

Shire of Ashburton 10 Year Community Strategic Plan 2012-2022
Goal 5 – Inspiring Governance
Objective 4 – Exemplary Team & Work Environment

Risk Management

Adoption of this item has been evaluated against the Shire of Ashburton’s Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be “Low” risk and can be managed by routine procedures, and is unlikely to need specific application of resources.

Policy Implications

Various policies may need to be amended to become aligned with new process. This will take place over the coming months via now standardized policy review process.

Voting Requirement

Simple Majority Required.

Council Decision

MOVED: Cr A Eyre

SECONDED: Cr D Dias

That the Audit Committee:

- 1. Recommends to Council that it notes the AMD Report – Regulation 17 Risk Audit, including recommendations and the management comments which describe how the recommendations will be implemented; and forwards the AMD Report – Regulation 17 Risk Audit to the Minister for Local Government as required.**

CARRIED 4/0

Crs White, Rumble, Eyre and Dias voted for the motion

8. NEXT MEETING

The next Audit Committee Meeting will be held at a time to be determined.

9. CLOSURE OF MEETING

The Chairperson opened the meeting at 10.17 am.