

SHIRE OF DENMARK

# Agenda

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## SHIRE OF DENMARK AUDIT ADVISORY COMMITTEE

TO BE HELD IN THE COUNCIL CHAMBERS,  
953 SOUTH COAST HIGHWAY, DENMARK,  
TUESDAY, 12 MARCH 2024, COMMENCING 10.00AM.

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**1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

As this will be the first meeting of the Committee following the 2023 Local Government Election, the Executive Manager Corporate Services will open the meeting, and call for nominations for the position of presiding person.

**2. ELECTION OF PRESIDING PERSON**

A Nomination Form is attached to your Agenda and should be received by the Executive Manager Corporate Services immediately following the opening of the meeting.

A Presiding Person is to be elected using the method as detailed in Section 5.12 and Schedule 2.3, Division 1 of the Local Government Act 1995.

**3. RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE****MEMBERS:**

Cr Kingsley Gibson, Shire President  
Cr Clare Campbell  
Cr Donna Carman  
Cr Nathan Devenport  
Cr Jackie Ormsby  
Cr Aaron Wiggins

**STAFF:**

Kellie Jenkins (Executive Manager Corporate Services)  
Claire Thompson (Governance Coordinator)

**APOLOGIES:****ON LEAVE OF ABSENCE:****ABSENT:****VISITORS:**

Nil

**1. DECLARATIONS OF INTEREST**

Name	Item No	Interest	Nature

**2. ANNOUNCEMENTS BY THE PERSON PRESIDING**

### 3. CONFIRMATION OF MINUTES

#### 3.1 AUDIT COMMITTEE MEETING

OFFICER RECOMMENDATION	ITEM 3.1
That the Minutes of the Shire of Denmark Audit Advisory Committee meeting held on 13 June 2023, be confirmed as a true and correct record of the proceedings.	

#### 4. PUBLIC QUESTION TIME

Public Question Time shall be held in accordance with section 5.24 of the Local Government Act 1995 and Regulations 5, 6 and 7 of the Local Government (Administration) Regulations 1996.

Public question time enables members of the public to address the Committee or ask questions of Committee. The procedure for public question time can be found on the wall near the entrance to the Council Chambers or can be downloaded from the Shire's website at <http://www.denmark.wa.gov.au/council-meetings>.

Questions from the public are invited and welcomed at this point of the Agenda.

Questions from the Public

### 5. OFFICER REPORTS

#### 5.1 REVIEW OF FINANCIAL MANAGEMENT, RISK MANAGEMENT, LEGISLATIVE COMPLIANCE AND INTERNAL CONTROLS – IMPLEMENTATION PROGRESS

<b>File Ref:</b>	FIN.8A
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	28 February 2024
<b>Author:</b>	Kellie Jenkins, Executive Manager Corporate Services
<b>Authorising Officer:</b>	Kellie Jenkins, Executive Manager Corporate Services
<b>Attachments:</b>	5.1 – Financial Management Review Progress Report

#### IN BRIEF

- The Audit Advisory Committee to review the attached report on the implementation of proposed actions from the June 2023 Financial Management, Risk Management, Legislative Compliance, and Internal Controls Report. (FMR Reg 17)

## VOTING REQUIREMENTS

1. Simple majority.

### OFFICER RECOMMENDATION

ITEM 5.1

That with respect to the progress of the implementation of the recommendations identified in the Financial Management Review Report (June 2023), the Audit Advisory Committee NOTE the Financial Management Review Progress Report at Attachment 5.1.

## LOCATION

2. Nil

## BACKGROUND

3. At the meeting held on 13 June 2023 the Committee requested Officers “provide a report, on a six-monthly basis, to the Audit Committee to enable the Committee to monitor the Shire’s progress in addressing the recommendations, pursuant to Regulation 16 (d) of the Local Government (Audit) Regulations 1996”.

## DISCUSSION / OFFICER COMMENTS

4. All employees who had any responsibility to progress the tasks were consulted and have provided their comments in the attached report.

## CONSULTATION AND EXTERNAL ADVICE

5. The Officer has considered the requirement for consultation and/or engagement with persons or organisations that may be unduly affected by the proposal and considered Council's Community Engagement Policy P040123 and the associated Framework and believes that no additional external/internal engagement or consultation is required.

## STATUTORY / LEGAL IMPLICATIONS

6. Regulation 16 of the Local Government (Audit) Regulations 1996 prescribes the functions of an Audit Committee which includes;

“16 (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under –

- (i) Regulations 17 (1); and
- (ii) The Local Government (Financial Management) Regulations 1996 regulation 5(2)(c).”

## STRATEGIC / POLICY IMPLICATIONS

7. The report and officer recommendation are consistent with Council’s adopted Strategic Community Plan – Our Future 2023 Community Priority:

### Organisational

Engagement and decision-making

We want the reasons for decisions to be explained and transparent.

## FINANCIAL IMPLICATIONS

- There are no known financial implications upon either the Council's current Budget or Long Term Financial Plan.

## OTHER IMPLICATIONS

### Environmental

- There are no known significant environmental implications relating to the report or officer recommendation.

### Economic

- There are no known significant economic implications relating to the report or officer recommendation.

### Social

- There are no known significant social considerations relating to the report or officer recommendation.

## RISK MANAGEMENT

- A risk assessment has been undertaken per the Shire's Risk Management Governance Framework, and no risks have been identified in relation to the officer recommendation or the report.

## 5.2 COMPLIANCE AUDIT RETURN 2023

<b>File Ref:</b>	FIN.8.A
<b>Applicant / Proponent:</b>	Not applicable
<b>Subject Land / Locality:</b>	Not applicable
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	7 March 2024
<b>Author:</b>	Claire Thompson, Governance Coordinator
<b>Authorising Officer:</b>	David King, Chief Executive Officer
<b>Attachments:</b>	5.2 - Compliance Audit Return 2023

## IN BRIEF

- The Committee is required to consider the 2023 Compliance Audit Return and make a recommendation to Council.

## VOTING REQUIREMENTS

- Simple majority.

COMMITTEE RECOMMENDATION	ITEM 5.2
That Council ADOPT the 2023 Compliance Audit Return, noting the one area of non-compliance, and submit a certified copy to the Director General of the Department of Local Government, Sport and Cultural Industries by 31 March 2023.	

**LOCATION**

2. Not applicable.

**BACKGROUND**

3. Each year a local government is required to conduct a compliance audit for the period 1 January to 31 December on a number of statutory compliance provisions contained within the Compliance Audit Return, provided by the Department of Local Government, Sport and Cultural Industries ('Department').
4. The Department retains the compliance returns for future reference.

**DISCUSSION / OFFICER COMMENTS**

5. The draft 2023 Compliance Audit Return is attached (see Attachment 5.2).
6. There was one area of non-compliance relating to Integrated Planning and Reporting ('IPR'). Regulation 19DA(4) of the Local Government (Administration) Regulations requires a local government to review its corporate business plan annually. The Shire of Denmark's Corporate Business Plan has not been reviewed since its adoption in 2022, mainly due to executive staff changes and perhaps the anticipation of the State's statutory reforms relating to IPR.

**CONSULTATION AND EXTERNAL ADVICE**

7. Relevant Shire employees have been consulted.

**STATUTORY / LEGAL IMPLICATIONS****Local Government Act 1995**

8. Section 7.13(1)(i) requires that an audit of compliance is to be carried out in a prescribed manner and in the form approved by the Minister.

**Local Government (Audit) Regulations 1996**

9. Regulation 13 sets out the statutory requirements for the prescribed form.
10. Regulation 14 requires the compliance audit return be reviewed by the Audit Advisory Committee that the committee must report the result to Council. The compliance audit return must be adopted by the Council [r 14(3)].
11. Regulation 15 requires that a certified copy of the compliance audit return is presented to the Director General of the Department by 31 March.

**STRATEGIC / POLICY IMPLICATIONS**

12. Nil

**FINANCIAL IMPLICATIONS**

13. Nil

## **OTHER IMPLICATIONS**

### **Environmental**

14. There are no known significant environmental implications relating to the report or officer recommendation.

### **Economic**

15. There are no known significant economic implications relating to the report or officer recommendation.

### **Social**

16. There are no known significant social considerations relating to the report or officer recommendation.

## **RISK MANAGEMENT**

17. A risk assessment has been undertaken per the Shire's Risk Management Governance Framework, and no risks have been identified in relation to the officer recommendation or the report.

## **6. GENERAL BUSINESS**

### **7. NEXT MEETING**

The next meeting of the Shire of Denmark Audit Advisory Committee is to be held as required.

### **8. CLOSURE OF MEETING**