

# Minutes



## SHIRE OF DENMARK AUDIT ADVISORY COMMITTEE

HELD IN THE COUNCIL CHAMBERS,  
953 SOUTH COAST HIGHWAY, DENMARK,  
TUESDAY, 10 MARCH 2023.

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

*11.03am – The Presiding Person, Cr Gibson, declared the meeting open and acknowledged the Bibbulmun and Minang people as the traditional custodians of the land on which the meeting was being held.*

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

Cr Kingsley Gibson (Deputy Shire President) (Presiding Person)  
 Cr Donna Carman  
 Cr Donald Clarke  
 Cr Jackie Ormsby

STAFF:

Lee Sounness (Manager Corporate Services)  
 Claire Thompson (Governance Coordinator)

APOLOGIES:

Cr Clare Campbell  
 Cr Nathan Devenport

ON LEAVE OF ABSENCE:

Nil

ABSENT:

Nil

VISITORS:

Nil

**3. DECLARATIONS OF INTEREST**

Nil

**4. ANNOUNCEMENTS BY THE PERSON PRESIDING**

Nil

**5. CONFIRMATION OF MINUTES****5.1 AUDIT COMMITTEE MEETING****COMMITTEE DECISION & OFFICER RECOMMENDATION**

ITEM 6.1

MOVED: CR CLARKE

SECONDED: CR CARMAN

That the minutes of the Shire of Denmark Audit Advisory Committee meeting held on 4 March 2022, be confirmed as a true and correct record of the proceedings.

CARRIED: 4/0

## 6. 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

There were no members of the public present.

## 7. OFFICER REPORTS

### 8.1 2022 COMPLIANCE AUDIT RETURN

<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>	8 February 2023
<b>Author:</b>	Claire Thompson, Governance Coordinator
<b>Authorising Officer:</b>	David King, Acting Chief Executive Officer
<b>Attachments:</b>	8.1 – 2022 Compliance Audit Return

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#### **Summary:**

The Audit Advisory Committee are required to review the 2022 Compliance Audit Return (CAR) and report to Council the results of the review.

#### **Background:**

Each year a local government is required to carry out a compliance audit for the period 1 January to 31 December against the requirements of the Compliance Audit Return provided by the Department of Local Government, Sport and Cultural Industries.

The information derived from the CAR is retained by the Department for future reference.

#### **Consultation:**

Relevant Shire employees who had responsibility to ensure compliance of matters within the CAR have been consulted.

**Statutory Obligations:**

- Section 7.13 (1) (i) of the Local Government Act 1995 requires that the audit of compliance is to be carried out in a prescribed manner and in a form approved by the Minister.
- Regulation 13 sets out the prescribed manner and form of a compliance audit return, which has been approved by the Minister.
- Regulation 14 refers to the compliance audit period, the format and states that the compliance audit return is to be reviewed by the local government's audit committee and that the audit committee must report the result of that review to Council. The audit committee's report must be presented to, and adopted by, the Council.
- Regulation 15 refers to the requirement that a certified copy of the compliance audit return is presented to the Director General of the Department by 31 March.

**Policy Implications:**

There are no policy implications.

**Budget / Financial Implications:**

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

**Strategic & Corporate Plan Implications:**

The report and officer recommendation are consistent with Council's adopted Strategic Community Plan aspirations in the following specific ways:

Denmark 2027

L5.0 Our Local Government

*The Shire of Denmark is recognised as a transparent, well governed and effectively managed Local Government.*

L5.1 To be a high functioning, open, transparent, ethical and responsive.

**Sustainability Implications:****➤ Governance:**

A report and the Committee's recommendation will be submitted to Council on 21 March 2023 to allow sufficient time for the Compliance Audit Return to be submitted to the Department by 31 March.

**➤ 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:**

Nil

**Comment/Conclusion:**

The draft 2022 Compliance Audit Return is attached for the Audit Advisory Committee's review and report to Council.

There were two areas of non-compliance.

One was relating to the timeframe for adopting a code of conduct for Council members, committee members and candidates. The requirement for a new code came into operation on 3 February 2021 and local governments were required to adopt a new code (policy) within 3 months. The new code (policy) was presented to, and adopted by, Council on 20 July 2021.

The second area of non-compliance was with s 7.9(1) as the Shire did not receive the auditor's report by 31 December 2022. This was no fault of the Shire of Denmark but rather due to a significant number of outstanding audits yet to be completed by the Office of the Auditor General. It is expected that the audited financial statements will be received by mid March 2023.

**Voting Requirements:**

Simple majority.

**COMMITTEE & OFFICER RECOMMENDATION**

ITEM 8.1

MOVED: CR ORMSBY

SECONDED: CR CLARKE

That with respect to the 2022 Compliance Audit Return, Council:

1. Note the two areas of non-compliance;
2. Endorse the 2022 Compliance Audit Return; and
3. Submit a certified copy to the Director General of the Department of Local Government, Sport and Cultural Industries by 31 March 2023.

CARRIED: 4/0

**8. GENERAL BUSINESS****8.1 AUDITED ANNUAL FINANCIALS**

The Manager Corporate Services advised that the audited financial statements for the year ending 30 June 2022 had not yet been received as the Office of the Auditor General (OAG) were still finalising them.

Lee said that he was aware that the Shire was one of approximately 50% of local governments in WA that were waiting on the OAG to sign off on their audited financial statements. Lee said that he had raised concerns with the auditor and the OAG regarding the time it was taking.

Once the audited financial statements are received, an exit interview will be scheduled with the Shire President and the OAG, and committee members will be invited to attend, should they wish to do so.

It was noted that following the exit interview, the audited financial statements would be presented to the committee for endorsement and recommendation to Council for adoption.

**8.2 REGULATION 17 AND FINANCIAL MANAGEMENT REVIEW**

The Manager Corporate Services advised that every three years the Shire was required to review the appropriateness and effectiveness of a local government’s systems and procedures, and risk management, internal control and legislative compliance.

The Shire has engaged Andrew Burchfield Consulting to conduct these two reviews with the report to be considered by the committee, once it is completed. The review will be undertaken in March 2023.

**9. NEXT MEETING**

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

**10. CLOSURE OF MEETING**

11.20am – There being no further business to discuss, the Presiding Person declared the meeting closed.

These minutes were confirmed at the meeting of the \_\_\_\_\_

Signed: \_\_\_\_\_

*(Presiding Person at the meeting at which the minutes were confirmed.)*

