

# Shire of Denmark Minutes



## **SHIRE OF DENMARK AUDIT COMMITTEE**

HELD IN THE COUNCIL CHAMBER, SOUTH COAST HIGHWAY, DENMARK,  
TUESDAY 28 FEBRUARY 2012, COMMENCING 3.36PM.

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# Committee Meeting

28 February 2012

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

The presiding Person declared the meeting open at 3.36pm.

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

Cr Ross Thornton  
 Cr John Sampson  
 Cr Kelli Gillies  
 Cr Adrian Hinds  
 Cr Jan Lewis  
 Cr Ian Osborne  
 Cr Dawn Pedro  
 Cr Belinda Rowland  
 Cr Roger Seeney  
 Cr Alex Syme

STAFF:

Mr Dale Stewart (Chief Executive Officer)  
 Mr Garry Bird (Director of Finance and Administration)

APOLOGIES:ON LEAVE OF ABSENCE:ABSENT:

Cr Barbara Marshall

VISITORS:DECLARATIONS OF INTEREST:

Name	Item No	Interest	Nature

**3. ANNOUNCEMENTS BY THE PERSON PRESIDING****4. CONFIRMATION OF MINUTES****4.1 AUDIT COMMITTEE MEETING 6 DECEMBER 2011**

<b>COMMITTEE DECISION AND OFFICER RECOMMENDATION</b>	<b>ITEM 4.1</b>
Moved Cr Samson	Seconded Cr Seeney
That the minutes of the Shire of Denmark Audit Committee meeting held on 6 December 2011, be confirmed as a true and correct record of the proceedings.	
<b>Carried 9:1</b>	

## 5. OFFICER REPORTS

### 5.1 SHIRE OF DENMARK AUDIT COMMITTEE CHARTER

<b>File Ref:</b>	FIN31
<b>Applicant / Proponent:</b>	Shire of Denmark
<b>Subject Land / Locality:</b>	Nil
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	20 February 2012
<b>Author:</b>	Garry Bird, Director of Finance & Administration
<b>Authorising Officer:</b>	Dale Stewart, Chief Executive Officer
<b>Attachments:</b>	Nil

#### Summary:

The Local Government Act ( Audit Regulations) 1996 was amended in December 2011, requiring the annual Compliance Audit return (CAR) to be referred to the Audit Committee of a local authority for consideration.

In accordance with this amendment, the Charter of the Shire of Denmark Audit Committee is recommended to be amended to reflect this additional responsibility.

#### Background:

Regulation 14 of the Audit Regulations was amended to read as follows;

#### 14. Compliance audits by local governments

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.
- (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —
  - (a) presented to the council at a meeting of the council; and
  - (b) adopted by the council; and
  - (c) recorded in the minutes of the meeting at which it is adopted.

*[Regulation 14 inserted in Gazette 23 Apr 1999 p. 1724-5; amended in Gazette 30 Dec 2011 p. 5580-1.]*

#### Comment:

It is recommended that the Audit Committee's Terms of Reference in the Charter be amended by adding a new Part 6.4 as follows;

- 6.4 is to review the annual Department of Local Government Compliance Audit Return and is to report to Council the results of that review (LG (Audit) Regulations 1996, R14 (3A))

#### Consultation:

Nil

**Statutory Obligations:**

Local Government Act 1995

Local Government (Audit) Regulations 1996                      Regulations 14 and 15.

**Policy Implications:**

There are no policy implications arising from this report or officers recommendation.

**Budget / Financial Implications:**

Nil

**Strategic Implications:**

There are no known strategic implications arising from the report or officers recommendation.

**Sustainability Implications:**➤ **Environmental:**

There are no known environmental implications arising from the report or officers recommendation.

➤ **Economic:**

There are no known economic implications arising from the report or officers recommendation.

➤ **Social:**

There are no known social implications arising from the report or officers recommendation.

**Voting Requirements:**

Simple majority

**COMMITTEE DECISION AND OFFICER RECOMMENDATION**

ITEM 5.1

Moved Cr Syme

Seconded Cr Samson

That it be a recommendation to Council that the Shire of Denmark Audit Committee Charter be amended by adding the following clause;

6.4 is to review the annual Department of Local Government Compliance Audit Return and is to report to Council the results of that review (LG (Audit) Regulations 1996, R14 (3A)).

**Carried 10:0****5.2 SHIRE OF DENMARK 2011 COMPLIANCE AUDIT RETURN**

<b>File Ref:</b>	FIN31
<b>Applicant / Proponent:</b>	Shire of Denmark
<b>Subject Land / Locality:</b>	Nil
<b>Disclosure of Officer Interest:</b>	Nil
<b>Date:</b>	20 February 2012
<b>Author:</b>	Garry Bird, Director of Finance & Administration
<b>Authorising Officer:</b>	Dale Stewart, Chief Executive Officer
<b>Attachments:</b>	6.1 a) 2011 Compliance Audit Return

**Summary:**

The Department of Local Government (DLG) has forwarded the 2011 Compliance Audit Return (CAR) for completion.

The Local Government Act 1995 Section 7.13 requires a Local Government to complete the Compliance Audit Return in the form specified by the DLGRD and return by 31 March 2011.

**Background:**

The Compliance Audit Return was an initiative introduced by DLGRD as a means for local authorities to check compliance with the various provisions of the Act. Previously it had been a voluntary exercise for local authorities but amendments to the Act have made it a legal requirement to complete.

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

The Local Government Act 1995 was amended during 2011 requiring the CAR to be referred to the Audit Committee for consideration, prior to adoption by Council.

**Comment:**

Having completed the 2011 Compliance Audit Return, it is hereby attached for the consideration of Elected Members.

Matters identified as being non-compliant during the completion of the Return are summarised as follows;

**Disclosure of Interest (Page 3 of 8)**

**Question 5 Was a Primary Return lodged by all newly designated employees within three months of their start day?**

Response No – There was an oversight in requesting an employee who was transferred internally to a new position in advising that a Primary Return was required. This was corrected as soon as the oversight was apparent and has since been completed by the employee concerned.

**Question 7 Was an Annual Return lodged by all designated employees by 31 August 2011?**

Response No – Some employees who were on annual leave submitted the Annual Return in September 2011, after the due date of 31 August 2011.

**Consultation:**

A draft copy of the Audit was distributed to all senior staff for comment and completion of the sections relevant to their Department.

**Statutory Obligations:**

Local Government Act 1995

Local Government (Audit) Regulations 1996                      Regulations 13,14 and 15.

**14. Compliance audits by local governments**

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.

- (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —
- (a) presented to the council at a meeting of the council; and
  - (b) adopted by the council; and
  - (c) recorded in the minutes of the meeting at which it is adopted.

*[Regulation 14 inserted in Gazette 23 Apr 1999 p. 1724-5; amended in Gazette 30 Dec 2011 p. 5580-1.]*

**15. Compliance audit return, certified copy of etc. to be given to Executive Director**

- (1) After the compliance audit return has been presented to the council in with regulation 14(3) a certified copy of the return together with —
- (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
  - (b) any additional information explaining or qualifying the compliance audit,
- is to be submitted to the Executive Director by 31 March next following the period to which the return relates.
- (2) In this regulation —
- certified** in relation to a compliance audit return means signed by —
- (a) the mayor or president; and
  - (b) the CEO.

*[Regulation 15 inserted in Gazette 23 Apr 1999 p. 1725.]*

**Policy Implications:**

There are no policy implications arising from this report or officers recommendation.

**Budget / Financial Implications:**

Nil

**Strategic Implications:**

There are no known strategic implications arising from the report or officers recommendation.

**Sustainability Implications:**

➤ **Environmental:**

There are no known environmental implications arising from the report or officers recommendation.

➤ **Economic:**

There are no known economic implications arising from the report or officers recommendation.

➤ **Social:**

There are no known social implications arising from the report or officers recommendation.

**Voting Requirements:**

Simple majority

**COMMITTEE DECISION AND OFFICER RECOMMENDATION**

ITEM 5.2

Moved Cr Seeney

Seconded Cr Gillies

That it be a recommendation to Council that with respect to the completion of the 2011 Compliance Audit Return, the Shire of Denmark Audit Committee note the two areas of minor non-compliance and action taken by staff to address such issues and that Council adopt the Return.

**Carried 9:1****6. NEXT MEETING**

The next meeting of the Shire of Denmark Audit Committee is to be held as required or after the completion of the 2011/12 Annual Financial Statement and subsequent audit.

**7. CLOSURE OF MEETING**

There being no further business to discuss, the Presiding person declared the meeting closed at 3.50pm.

The Chief Executive Officer recommends the endorsement of these minutes at the next meeting.

Signed: \_\_\_\_\_  
*Dale Stewart – Chief Executive Officer*

Date: 1 March 2012

These minutes were confirmed at a meeting on the \_\_\_\_\_.

Signed: \_\_\_\_\_  
*(Presiding Person at the meeting at which the minutes were confirmed.)*