

MINUTES

Shire of Nannup - Audit Advisory Committee Meeting held on 22 January 2015

CONFIRMATION OF MINUTES

These minutes comprising pages 1 – 4 were confirmed by
Council on _____ as a true and accurate record.

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Tony Dean
SHIRE PRESIDENT

MINUTES

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The meeting was declared opened by the Shire President at 14.45 hours.

PRESENT:

Dean, Gilbert, Lorkiewicz, Longmore, Stevenson, Steer and Slater.

VISITORS: Maria Cavallo – AMD Chartered Accountants

APOLOGIES: Cr Mellema.

2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (previously approved)

Nil

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil.

4. APPLICATIONS FOR LEAVE OF ABSENCE

Slater/Steer

Cr Longmore June

Carried 6/0

Gilbert/Steer

Cr Stevenson July

Carried 6/0

5. PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

6. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

Longmore/Gilbert

That the Minutes of the Audit Advisory Committee Meeting of the Shire of Nannup held in Council Chambers on 27 February 2014 and 27 November 2014 be confirmed as a true and correct record.

Carried 7/0

7. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Nil

8. REPORTS BY MEMBERS ATTENDING COMMITTEES

Nil

9. REPORTS OF OFFICERS

AGENDA NUMBER:	9.1
SUBJECT:	Acceptance of Shire of Nannup Annual Report 2013/14
LOCATION/ADDRESS:	Shire of Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	ADM 17
AUTHOR:	Vic Smith – Manager Corporate Services
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	23 December 2014

Attachment 9.1.1: Annual Report 2013/14 is included as a separate document.

Attachment 9.1.2: Auditor's Management Report 30 June 14

BACKGROUND:

The Terms of Reference of the Audit Advisory Committee define its objectives as:

-) Review the Audit Management Report of the local authority.
-) Make recommendations to Council on the appointment of the Auditor.
-) Review the effectiveness of the Council's governance arrangements.

Ms Maria Cavallo, from the Council's auditors, will be present to outline the audit process undertaken in the development of the financial report, the management report and the audit recommendations.

COMMENT:

The Annual Report for the Shire of Nannup for the financial year 2013/14 will be circulated to members prior to this committee meeting. It contains all statutory information required, including the audited Annual Financial Statements for the year under review.

The Local Government (Audit) Regulations 1996 require the Chief Executive Officer to carry out a review at least biennially of the appropriateness and effectiveness of a local government's systems and procedures in relation to —

- (a) risk management; and
- (b) internal control; and
- (c) legislative compliance.

This requirement has been met by the inclusion in the Annual Report of a Review of Corporate Governance by the CEO. This review was accepted by this committee at its meeting on 27 November 2014.

STATUTORY ENVIRONMENT:

Section 7.12A of the Local Government Act 1995 deals with the duties of Local Government with respect to audits as follows:

- (3) A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to —
 - (a) determine if any matters raised by the report, or reports, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those matters.
- (4) A local government is to —
 - (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and
 - (b) forward a copy of that report to the Minister, by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.

Regulation 16(c) of the Local Government (Audit) Regulations 1996 requires the Audit Committee to review a report given to it by the CEO under regulation 17(3) (the **CEO's report**) and is to —

- (i) report to the council the results of that review; and
- (ii) give a copy of the CEO's report to the council.

POLICY IMPLICATIONS: None.

FINANCIAL IMPLICATIONS: None.

STRATEGIC IMPLICATIONS: None.

VOTING REQUIREMENTS: Simple Majority.

RECOMMENDATION:

That Council accept the audited Annual Financial Statements for the Shire of Nannup, including the Review of Corporate Governance, for the financial year 2013/14.

Steer/Slater

That Council accept the audited Annual Financial Statements for the Shire of Nannup, including the Review of Corporate Governance, for the financial year 2013/14.

Carried 7/0

AGENDA NUMBER:	9.2
SUBJECT:	Compliance Audit Return 2014
LOCATION/ADDRESS:	Shire of Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	ADM 14
AUTHOR:	Vic Smith – Manager Corporate Services
REPORTING OFFICER:	Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST:	None
DATE OF REPORT	9 January 2015

Attachment 9.2.1: Completed 2014 Compliance Audit Return.

BACKGROUND:

Council is required by section 14 of the Local Government Audit Regulations 1996 to complete a Compliance Audit Return each year covering the period 1 January to 31 December. The Compliance Audit Return is to be:

1. Presented to Council at a meeting of the Council.
2. Adopted by the Council.
3. The adoption recorded in the minutes of the meeting at which it is adopted.
4. Signed by the Shire President and Chief Executive Officer and returned to the Department of Local Government with a copy of the Council minutes of the meeting at which it was received.
5. Submitted to the Department for Local Government by 31 March each year.

The return must also be reviewed by the Audit Committee prior to its adoption by Council.

COMMENT:

The Annual Compliance Audit Return contains 78 questions of which:

-) 50 were complied with;
-) 27 were not applicable to the Shire of Nannup during the year under review; and
-) 1 area of non-compliance.

The area of non-compliance related to the receipt of the auditor’s report. The statutory deadline for the receipt of the report is 31 December but the report was not received until 7 January 2015. Although the audit was scheduled to take place in mid October officers agreed at the request of the auditor to delay the audit until mid November, to allow them to accommodate other clients.

There were a number of audit queries that needed to be resolved following the audit and the final amendments were submitted to the auditor on the afternoon of Friday 19

December. Unfortunately the auditors had closed for their Christmas break prior to receiving the final amendments and were not able to issue the final report until after the Christmas and New Year holidays.

STATUTORY ENVIRONMENT: Local Government Audit Regulations 1996.

POLICY IMPLICATIONS: Nil.

FINANCIAL IMPLICATIONS: Nil.

STRATEGIC IMPLICATIONS: Nil.

VOTING REQUIREMENTS: Simple Majority

RECOMMENDATION:

That the Audit Advisory Committee accept the Local Government Compliance Audit Report for the Shire of Nannup for the period 1 January 2014 to the 31 December 2014 and submits the report to Council for adoption.

Longmore/Stevenson

That the Audit Advisory Committee accept the Local Government Compliance Audit Report for the Shire of Nannup for the period 1 January 2014 to the 31 December 2014 and submits the report to Council for adoption.

Carried 7/0

10. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

11. CLOSURE OF MEETING

There being no further business to discuss the Chairperson declared the meeting closed at 15:02 hours.