



Shire of
Nannup
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Audit Committee Minutes

CONFIRMATION OF MINUTES

These minutes comprising pages 1 – 3 were confirmed by
Council on _____ as a true and accurate record.

.....
Tony Dean
SHIRE PRESIDENT

AUDIT COMMITTEE MINUTES

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The meeting was declared opened by the Shire President at 2.00pm.

PRESENT:

Councillors; Dean, Camarri, Dunnet, Gilbert, and Longmore.

VISITORS: None.

APOLOGIES:

Councillors: Mellema, Steer and Lorkiewicz.

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

None.

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

None.

4. APPLICATIONS FOR LEAVE OF ABSENCE

None.

5. PETITIONS/DEPUTATIONS/PRESENTATIONS

None.

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 28 June 2012 be confirmed as a true and correct record.

CARRIED 5/0

7. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

None.

8. REPORTS BY MEMBERS ATTENDING COMMITTEES

None.

9. REPORTS OF OFFICERS

| Agenda No. | Description |
|---------------|-----------------------------------------------------|
| 9.1 | Acceptance of Shire of Nannup Annual Report 2011/12 |
| 9.2 | Compliance Audit Return 2012 |

AGENDA NUMBER: 9.1
SUBJECT: Acceptance of Shire of Nannup Annual Report 2011/12
LOCATION/ADDRESS: N/A
NAME OF APPLICANT: N/A
FILE REFERENCE: ADM 17
AUTHOR: Vic Smith - Manager Corporate Services
DISCLOSURE OF INTEREST: Nil
DATE OF REPORT: 17 January 2013

Attachment: 1. Annual Report 2011/12 - separate cover
2. Financial Report for year ending 30 June 2012 – separate cover
3. AMD Accountants Auditor's Report

BACKGROUND:

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

“...to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.”

Mr Tim Partridge, Council's auditor, 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 2011/12 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 and will form the basis of Mr Partridge's presentation.

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.

POLICY IMPLICATIONS: Nil.

FINANCIAL IMPLICATIONS: Nil.

STRATEGIC IMPLICATIONS: Nil.

VOTING REQUIREMENTS: Simple Majority.

RECOMMENDATION:

That Council accept the audited Annual Financial Statements for the Shire of Nannup for the financial year 2011/12.

LONGMORE/DUNNET

That Council accept the audited Annual Financial Statements for the Shire of Nannup for the financial year 2011/12.

CARRIED 5/0

12 December 2012

Cr T. Dean
President
Shire of Nannup
PO 11
NANNUP WA 6275

PARTNERS

| | |
|-------------------------------------------------------------------|---------------------------|
| Clifton M Anderson FCA, JP | Stuart Fricker CPA, GAICD |
| Stephen FJ Down CA | Tim Partridge FCA |
| Shaun G O'Callaghan CA | Maria Cavallo CA |
| Peter Manolas CPA, CTA <small>(Master of Taxation Law)</small> | |

ASSOCIATES

| | |
|-------------------|------------------|
| Steven Cluning CA | Shane Kaurin CPA |
|-------------------|------------------|

Dear Tony

30 JUNE 2012 MANAGEMENT REPORT

Following completion of our 30 June 2012 audit, we provide our Management Report and audit recommendations.

1.0 Our Audit Approach

Our audit was conducted in accordance with Australian Auditing Standards, with testing designed solely to enable the expression of an opinion on the financial report of Shire of Nannup. This involved us making an assessment of the risk of material misstatement, whether due to fraud or error, and then using our professional judgement, applying audit procedures to mitigate that risk.

Australian Auditing Standards require us to obtain an understanding of the internal control structure and accounting system relevant to Shire of Nannup financial reporting. We have carried out audit procedures necessary for us to comply with the requirements of the auditing standards; however, we have not tested and therefore do not issue an opinion on the operating effectiveness of the internal controls. Those weaknesses identified during the course of our audit however have been reported within Appendix 1 of this report.

There were no areas where we were unable to perform procedures which would enable us to comply with Australian Auditing Standards.

Our audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and judgements made by the Council, as well as evaluating the overall presentation of the financial report. There were no areas of disagreement either in the accounting estimates or judgements or in the presentation and disclosures made in the financial report.

2.0 Assessment of Fraud and Error

In accordance with Australian Auditing Standards we are required to obtain reasonable assurance that the financial report taken as a whole is free from material misstatement, whether caused by fraud or error.

While our procedures are designed to identify any material weakness and detect misstatements from fraud and error, there is an unavoidable risk that even some material misstatements may remain undiscovered. This unavoidable risk is due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system.

Through discussion with management, we have confirmed that nothing has come to management's attention that may constitute an incident of fraud. Our audit procedures did not identify any instances of suspected or actual fraud. We take this opportunity to remind you that our audit is not designed to detect fraud and therefore our audit procedures are not designed for that purpose.



**Chartered
Accountants**

Independent Member of
BKR
INTERNATIONAL

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3.0 Audit Adjustments

During the course of our audit, we identified misstatements considered to be material at a financial report level which have been adjusted and therefore reflected within the final audited financial report. Details of the adjusted audit differences are provided within Appendix 2.

4.0 Going Concern

We have undertaken a review of the ability of Shire of Nannup to continue as a going concern for twelve months from the date of signing our audit report and therefore whether the going concern basis for the preparation of the financial report is appropriate.

The assumption of going concern was concluded as appropriate following a review of operating budgets and information provided by management.

5.0 Accounting Policies

We confirm to you that we are not aware of any changes to the accounting policies of Shire of Nannup since 30 June 2011 in respect of the preparation of the 30 June 2012 financial report.

6.0 Commitments and Contingencies

On completion of our audit and subsequent discussions with management, we did not identify any additional commitments or contingencies that required disclosure within the financial report of Shire of Nannup, apart from those already disclosed.

7.0 Subsequent Events

We did not identify any additional subsequent events up until the date of this report that required disclosure within the financial report of Shire of Nannup, apart from those already disclosed.

8.0 Other Matters

Please refer to Appendix 1 for recommendations arising from our audit.

In addition to recommendations raised within Appendix 1 of this report, we draw attention to our 2012 Financial Management Systems Review report issued on 18 May 2012. Our discussions with management have indicated that appropriate action has been taken, or is in the process of being taken to address the matters outlined within this report.

Our management report is on an exception basis, and therefore we have not commented on the various internal controls in place within your accounting systems.

We would like to take this opportunity to thank Vic and Tracie for the assistance provided to us during our audit.

Should you have any questions concerning the above or would like to discuss any other aspect of our audit, please do not hesitate to contact me.

Yours sincerely

AMD Chartered Accountants



TIM PARTRIDGE FCA
Partner

APPENDIX 1
Audit Recommendations for the year ended 30 June 2012

GUIDANCE TO FINDINGS RATING / IMPLICATION

Findings identified during the final audit have been weighted in accordance with the following scale:

Significant: Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.

Moderate: Those findings which are of sufficient concern to warrant action being taken by the entity as soon as possible.

Minor: Those findings that are not of primary concern but still warrant action being taken.

AUDIT FINDINGS

1. MONTHLY FINANCIAL REPORTING

Finding Rating: Significant

We noted monthly financial activity statement reports were not presented to Council in a timely manner in accordance with Regulation 34 of the Local Government (Financial Management) Regulations 1996, as follows:

| Monthly Financial Report | Presented to Council |
|---------------------------------|-----------------------------|
| • July 2011 | October 2011 |
| • October 2011 | February 2012 |
| • November 2011 | February 2012 |

Implication

Breach of statutory requirement.

Recommendation

To ensure compliance with statutory requirements, monthly financial activity statement reports should be presented to Council within two months after the end of month to which the statements relate.

Management Comment

Agreed.

APPENDIX 1
Audit Recommendations for the year ended 30 June 2012

2. YEAR END ACCOUNTING

Finding Rating: Significant

As your auditors, we require various year end reconciliations and supporting accounting information to be provided to us in order to audit the financial statements.

We noted discrepancies in the following reconciliations at the commencement of our audit:

- Reconciliation of fixed assets as at 30 June 2012;
- Reconciliation of accrued expenses as at 30 June 2012;
- Rateable values reconciliation at 30 June 2012; and
- Reconciliation of employee entitlements as at 30 June 2012.

Implication

Risk of material misstatement or omission within accounting records.

Recommendation

We recommend the above year end accounting reconciliations and procedures be performed at 30 June each year, prior to the commencement of the annual audit.

Management Comment

In general effective work on the statements was hampered by a lack of procedure notes and a lack of familiarity with the IT systems. With respect to the individual points identified:

- Fixed assets had been reconciled but some transactions needed to be transferred from 2012/13 to 2011/12. This was an issue related to lack of familiarity with the capabilities of the IT system
- Problems with the accruals of income and expenditure were caused by transactions made in 2010/11 not being reversed in 2011/12
- Rateable values had been reconciled to Landgate but there were problems agreeing the output from the rating system to the note in the accounts

Work has now commenced to produce a detailed procedure manual to ensure that all processes are carried out correctly and comprehensive documentation produced for the auditor.

3. RATES DEBT RECOVERY

Finding Rating: Significant

Our inquiries indicated that limited follow up action was taken in respect to outstanding rates debtors from September 2011 to 30 June 2012.

We note rates debtors (excluding deferred pensioner rates outstanding) have increased from \$42,444 at 30 June 2011, to \$141,316 at 30 June 2012.

Implication

Risk that rates debtors are not collected as and when they fall due, which may adversely impact Council's cashflow and working capital position.

Recommendation

We recommend debt recovery procedures be performed on a timely basis to ensure outstanding rates and sundry debtors are collected as and when due.

Management Comment

Staff time was significantly impacted by responding to the two significant bush fires in 2011/12 and this delayed many of the administrative processes, including the recovery of outstanding rates. Outstanding rates had fallen by half by the end of August 2012. Regular recovery processes will be applied in 2012/13 to keep arrears to a minimum.

APPENDIX 1
Audit Recommendations for the year ended 30 June 2012

4. INFRASTRUCTURE ASSETS - UNIT COSTS AND CONDITION ASSESSMENT

Finding Rating: Significant

Unit costs relating to the cost of individual road components, and the condition rating of Council's existing road network system, underpin the road valuations calculated by the Romans road valuation system.

We are aware that unit costs and road conditions have not been reassessed and updated as required for a number of years.

We also note that Council's other infrastructure assets recorded at valuation (including footpaths, drains, parks and ovals) also have not been revised for a number of years.

Implication

Risk of material misstatement in respect to the value of Council's infrastructure assets.

Recommendation

Road unit costs and respective road conditions should be revised and updated on a regular basis to ensure correct costings are applied in respect to infrastructure assets, particularly where costs relating to road construction (including fuel, traffic management etc) have increased over recent years. Road conditions should also be reassessed and updated periodically (we suggest every three years).

Accordingly, we recommend current road unit costs and road conditions be reassessed and updated in Romans prior to 30 June 2013.

We also recommend Council's other infrastructure assets be revalued prior to 30 June 2013.

Management Comment

Agreed that regular revaluation is good practice. There have been problems in developing the new software for recording valuations and conditions of infrastructure assets and the Council is reliant on an external consultant to produce data from the existing system. This recommendation will be implemented for June 2013 if it is practical and cost effective to do so.

5. GST RECONCILIATION

Finding Rating: Moderate

During our audit we identified GST payable as per the general ledger as at 30 June 2012 was not reconciled to GST payable as reported on the June 2012 Business Activity Statement ("BAS"), the variance being \$6,391.

Implication

Risk of material misstatement or omission within accounting records.

Recommendation

We recommend GST payable or receivable per the BAS be reconciled on a monthly basis to the general ledger to ensure the correct amount of GST is paid to (or received from) the Australian Taxation Office.

APPENDIX 1
Audit Recommendations for the year ended 30 June 2012

Management Comment

The GST Control Accounts are reconciled on a monthly basis already; however this does not include a reconciliation to the trial balance. Problems in achieving a reconciliation may therefore be due to errors in the balances brought forward from previous years. The process is being reviewed to improve transparency.

6. ANNUAL LEAVE AND LONG SERVICE LEAVE PROVISION

Finding Rating: Moderate

Employee Provision Reconciliations

Annual leave and long service leave provisions were not correctly reconciled at the commencement of our audit.

Long Service Leave Variances

Following adjustments to the annual leave and long service leave provisions, for a sample of employees tested we identified an error in long service leave entitlement hours accrued for the 2011/2012 year.

Implication

Risk of material misstatement of employee entitlement balances.

Recommendation

We recommend annual leave and long service leave provisions be correctly reconciled to payroll records and balances correctly reflected within the balance sheet prior to the commencement of the audit.

We recommended a review of long service leave hours due (by employee) be reviewed to ensure the correct provision is accrued from commencement date to 30 June 2012.

Management Comment

Employee leave entitlements were incorrectly assessed because closedown procedures were not fully documented and the payroll system had been amended at the beginning of the year and was calculating leave accruals incorrectly for some staff.

APPENDIX 1
Audit Recommendations for the year ended 30 June 2012

7. MONIES HELD IN TRUST

Finding Rating: Minor

We noted an amount of \$20,000 is held in restricted assets, which represents cash in lieu of public open space.

Implication

Non-compliance with the Planning and Development Act 2005 in respect to public open space funds held.

Recommendation

Cash in lieu of public open space is specifically required to be kept in trust by virtue of the Planning and Development Act 2005 (Section 154(1)).

Accordingly, we recommend monies received in lieu of public open space be held and recorded in trust.

Management Comment

Agreed. Funds will be moved into the Trust Account.

8. SUNDRY DEBTORS

Finding Rating: Minor

We noted various sundry debtors which have been outstanding for a significant period of time and have been identified by management as 'doubtful debts'. Debtors identified as doubtful totalled \$4,334.60.

Implication

Risk of material misstatement or omission within accounting records.

Recommendation

If it is unlikely that sundry debtors will be collected, we recommend they be written off prior to 30 June to ensure Council's sundry debtors are not overstated.

All remaining sundry debtors on the debtor's ledger should be subject to regular follow-up, to ensure outstanding amounts are collected on a timely basis.

Management Comment

Agreed. However it should be noted that this sum is primarily made up of three significant debts and all are still being actively pursued.

APPENDIX 1
Audit Recommendations for the year ended 30 June 2012

9. OLD OUTSTANDING CHEQUES

Finding Rating: Minor

We noted that the 30 June 2012 bank reconciliation included old outstanding cheques which had been outstanding for greater than twelve months as follows:

| Cheque Number | Date | Amount |
|----------------------|-------------|---------------|
| 22473 | 22/08/11 | \$ 160.00 |
| 18172 | 29/06/10 | \$ 416.19 |
| 18196 | 23/07/10 | \$ 125.00 |
| 18593 | 22/06/11 | \$ 8.24 |
| 18665 | 30/08/11 | \$ 761.40 |

Implication

Future bank reconciliations will continue to carry forward these old reconciling items until cleared.

Recommendation

Bank reconciliations should be regularly reviewed for old outstanding cheques and where applicable, appropriate action taken (i.e. cancel the cheque or re-issue).

Management Comment

Agreed.

10. EXCESSIVE ANNUAL LEAVE BALANCES

Finding Rating: Minor

We noted five employees who have accrued in excess of 6 weeks annual leave at year end.

Implication

- 1.) The cost to Council is greater if annual leave is not paid out on a regular basis due to the cumulative effect of salary increases over a period of time.
- 2.) Recreational leave enhances employee performance.
- 3.) It is a fundamental principle of good internal control that all employees take regular holidays.

Recommendation

We recommend leave balances be managed to reduce the number of employees with excess leave due.

Management Comment

Noted. One of the employees has now taken the leave owing.

APPENDIX 2
Audit Adjustments for the year ended 30 June 2012

Summary of Audit Adjustments

The following audit adjustments were raised upon completion of our audit and are reflected within Shire of Nannup 30 June 2012 financial report.

| SHIRE OF NANNUP AUDIT ADJUSTMENTS 30 JUNE 2012 | | |
|----------------------------------------------------------------------------|---------------------|----------------------|
| Description | \$ Debit | \$ Credit |
| Accrued Income | 9,516 | |
| Interest Income | | 9,516 |
| <i>Bring to account interest received after 30 June</i> | | |
| Accrued Expenses | | 57,408 |
| Various Expense Accounts | 57,408 | |
| <i>Unrecorded Creditors at 30 June</i> | | |
| Sundry Debtors | | 20,000 |
| Restricted Assets | 20,000 | |
| <i>Remove bank guarantee previously recognised as a debtor at 30/06/12</i> | | |

AGENDA NUMBER: 9.2
SUBJECT: Compliance Audit Return 2012
LOCATION/ADDRESS:
NAME OF APPLICANT: Shire of Nannup
FILE REFERENCE: ADM 14
AUTHOR: Vic Smith – Manager Corporate Services
DISCLOSURE OF INTEREST: Nil
DATE OF REPORT: 17 January 2013

Attachment: Completed 2012 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.

A new requirement has been introduced in that the 2011 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; and
- 28 were not applicable to the Shire of Nannup during the year under review.

There were no areas of non-compliance.

STATUTORY ENVIRONMENT: Local Government Audit Regulations 1996.

POLICY IMPLICATIONS: Nil.

FINANCIAL IMPLICATIONS: Nil.

STRATEGIC IMPLICATIONS: Nil.

VOTING REQUIREMENTS: Simple Majority

RECOMMENDATION:

That Council adopt the Local Government Compliance Audit Report for the Shire of Nannup for the period 1 January 2012 to the 31 December 2012, and submits the report to the Department of Local Government as required.

DUNNET/LONGMORE

That Council adopt the Local Government Compliance Audit Report for the Shire of Nannup for the period 1 January 2012 to the 31 December 2012, and submits the report to the Department of Local Government as required with the corrected text.

CARRIED 5/0



Nannup - Compliance Audit Return 2012

| Commercial Enterprises by Local Governments | | | | | |
|---------------------------------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|------------|
| No | Reference | Question | Response | Comments | Respondent |
| 1 | s3.59(2)(a)(b)(c) F&G Reg 7,9 | Has the local government prepared a business plan for each major trading undertaking in 2012. | N/A | | Vic Smith |
| 2 | s3.59(2)(a)(b)(c) F&G Reg 7,10 | Has the local government prepared a business plan for each major land transaction that was not exempt in 2012. | N/A | | Vic Smith |
| 3 | s3.59(2)(a)(b)(c) F&G Reg 7,10 | Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2012. | N/A | | Vic Smith |
| 4 | s3.59(4) | Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2012. | N/A | | Vic Smith |
| 5 | s3.59(5) | Did the Council, during 2012, resolve to proceed with each major land transaction or trading undertaking by absolute majority. | N/A | | Vic Smith |



| Delegation of Power / Duty | | | | | |
|----------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|------------|
| No | Reference | Question | Response | Comments | Respondent |
| 1 | s5.16, 5.17, 5.18 | Were all delegations to committees resolved by absolute majority. | N/A | | Vic Smith |
| 2 | s5.16, 5.17, 5.18 | Were all delegations to committees in writing. | N/A | | Vic Smith |
| 3 | s5.16, 5.17, 5.18 | Were all delegations to committees within the limits specified in section 5.17. | N/A | | Vic Smith |
| 4 | s5.16, 5.17, 5.18 | Were all delegations to committees recorded in a register of delegations. | N/A | | Vic Smith |
| 5 | s5.18 | Has Council reviewed delegations to its committees in the 2011/2012 financial year. | N/A | | Vic Smith |
| 6 | s5.42(1),5.43 Admin Reg 18G | Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act. | Yes | | Vic Smith |
| 7 | s5.42(1)(2) Admin Reg 18G | Were all delegations to the CEO resolved by an absolute majority. | Yes | | Vic Smith |
| 8 | s5.42(1)(2) Admin Reg 18G | Were all delegations to the CEO in writing. | Yes | | Vic Smith |
| 9 | s5.44(2) | Were all delegations by the CEO to any employee in writing. | Yes | | Vic Smith |
| 10 | s5.45(1)(b) | Were all decisions by the Council to amend or revoke a delegation made by absolute majority. | Yes | | Vic Smith |
| 11 | s5.46(1) | Has the CEO kept a register of all delegations made under the Act to him and to other employees. | Yes | | Vic Smith |
| 12 | s5.46(2) | Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2011/2012 financial year. | Yes | | Vic Smith |
| 13 | s5.46(3) Admin Reg 19 | Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required. | Yes | | Vic Smith |

| Disclosure of Interest | | | | | |
|------------------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|------------|
| No | Reference | Question | Response | Comments | Respondent |
| 1 | s5.67 | If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68). | Yes | | Vic Smith |
| 2 | s5.68(2) | Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings. | Yes | | Vic Smith |



Government of Western Australia
Department of Local Government

| No | Reference | Question | Response | Comments | Respondent |
|----|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|------------|
| 3 | s5.73 | Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made. | Yes | | Vic Smith |
| 4 | s5.75(1) Admin Reg 22 Form 2 | Was a primary return lodged by all newly elected members within three months of their start day. | N/A | | Vic Smith |
| 5 | s5.75(1) Admin Reg 22 Form 2 | Was a primary return lodged by all newly designated employees within three months of their start day. | N/A | | Vic Smith |
| 6 | s5.76(1) Admin Reg 23 Form 3 | Was an annual return lodged by all continuing elected members by 31 August 2012. | Yes | | Vic Smith |
| 7 | s5.76(1) Admin Reg 23 Form 3 | Was an annual return lodged by all designated employees by 31 August 2012. | Yes | | Vic Smith |
| 8 | s5.77 | On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return. | Yes | | Vic Smith |
| 9 | s5.88(1)(2) Admin Reg 28 | Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76 | Yes | | Vic Smith |
| 10 | s5.88(1)(2) Admin Reg 28 | Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28. | Yes | | Vic Smith |
| 11 | s5.88 (3) | Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76. | Yes | | Vic Smith |
| 12 | s5.88(4) | Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee. | Yes | | Vic Smith |
| 13 | s5.103 Admin Reg 34C & Rules of Conduct Reg 11 | Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes. | Yes | | Vic Smith |
| 14 | s5.70(2) | Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report. | Yes | | Vic Smith |



| No | Reference | Question | Response | Comments | Respondent |
|----|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|------------|
| 15 | s5.70(3) | Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee. | Yes | | Vic Smith |
| 16 | s5.103(3) Admin Reg 34B | Has the CEO kept a register of all notifiable gifts received by Council members and employees. | Yes | | Vic Smith |

Disposal of Property

| No | Reference | Question | Response | Comments | Respondent |
|----|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|------------|
| 1 | s3.58(3) | Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)). | N/A | | Vic Smith |
| 2 | s3.58(4) | Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property. | N/A | | Vic Smith |

Elections

| No | Reference | Question | Response | Comments | Respondent |
|----|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|------------|
| 1 | Elect Reg 30G (1) | Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates. | N/A | | Vic Smith |

Finance

| No | Reference | Question | Response | Comments | Respondent |
|----|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|------------|
| 1 | s7.1A | Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act. | Yes | | Vic Smith |
| 2 | s7.1B | Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority. | Yes | | Vic Smith |
| 3 | s7.3 | Was the person(s) appointed by the local government to be its auditor, a registered company auditor. | Yes | | Vic Smith |
| 4 | s7.3 | Was the person(s) appointed by the local government to be its auditor, an approved auditor. | Yes | | Vic Smith |
| 5 | s7.3, 7.6(3) | Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council. | Yes | | Vic Smith |



| No | Reference | Question | Response | Comments | Respondent |
|----|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|------------|
| 6 | Audit Reg 10 | Was the Auditor's report for the financial year ended 30 June 2012 received by the local government within 30 days of completion of the audit. | Yes | | Vic Smith |
| 7 | s7.9(1) | Was the Auditor's report for 2011/2012 received by the local government by 31 December 2012. | Yes | | Vic Smith |
| 8 | S7.12A(3), (4) | Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken. | N/A | | Vic Smith |
| 9 | S7.12A(3), (4) | Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken. | N/A | | Vic Smith |
| 10 | S7.12A(3), (4) | Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time. | N/A | | Vic Smith |
| 11 | Audit Reg 7 | Did the agreement between the local government and its auditor include the objectives of the audit. | Yes | | Vic Smith |
| 12 | Audit Reg 7 | Did the agreement between the local government and its auditor include the scope of the audit. | Yes | | Vic Smith |
| 13 | Audit Reg 7 | Did the agreement between the local government and its auditor include a plan for the audit. | Yes | | Vic Smith |
| 14 | Audit Reg 7 | Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor. | Yes | | Vic Smith |
| 15 | Audit Reg 7 | Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor. | Yes | | Vic Smith |



| Local Government Employees | | | | | |
|----------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|------------|
| No | Reference | Question | Response | Comments | Respondent |
| 1 | Admin Reg 18C | Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised. | N/A | | Vic Smith |
| 2 | s5.36(4) s5.37(3), Admin Reg 18A | Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A. | N/A | | Vic Smith |
| 3 | s5.37(2) | Did the CEO inform council of each proposal to employ or dismiss a designated senior employee. | N/A | | Vic Smith |
| 4 | Admin Reg 18F | Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4). | N/A | | Vic Smith |
| 5 | Admin Regs 18E | Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only). | N/A | | Vic Smith |

| Official Conduct | | | | | |
|------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------|------------|
| No | Reference | Question | Response | Comments | Respondent |
| 1 | s5.120 | Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer. | N/A | | Vic Smith |
| 2 | s5.121(1) | Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c). | Yes | No complaints received | Vic Smith |
| 3 | s5.121(2)(a) | Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made. | Yes | No complaints received | Vic Smith |
| 4 | s5.121(2)(b) | Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint. | Yes | No complaints received | Vic Smith |
| 5 | s5.121(2)(c) | Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred. | Yes | No complaints received | Vic Smith |
| 6 | s5.121(2)(d) | Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) (c). | Yes | No complaints received | Vic Smith |



| Tenders for Providing Goods and Services | | | | | |
|-------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-------------------|
| No | Reference | Question | Response | Comments | Respondent |
| 1 | s3.57 F&G Reg 11 | Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)). | Yes | | Vic Smith |
| 2 | F&G Reg 12 | Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract. | N/A | | Vic Smith |
| 3 | F&G Reg 14(1) | Did the local government invite tenders via Statewide public notice. | Yes | | Vic Smith |
| 4 | F&G Reg 14, 15 & 16 | Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16. | Yes | | Vic Smith |
| 5 | F&G Reg 14(5) | If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation. | N/A | | Vic Smith |
| 6 | F&G Reg 18(1) | Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender. | N/A | | Vic Smith |
| 7 | F&G Reg 18 (4) | In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria. | Yes | | Vic Smith |
| 8 | F&G Reg 17 | Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17. | Yes | | Vic Smith |
| 9 | F&G Reg 19 | Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted. | Yes | | Vic Smith |
| 10 | F&G Reg 21 & 22 | Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22. | Yes | | Vic Smith |
| 11 | F&G Reg 23(1) | Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice. | N/A | | Vic Smith |



Government of Western Australia
Department of Local Government

| No | Reference | Question | Response | Comments | Respondent |
|----|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|------------|
| 12 | F&G Reg 23(4) | After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services. | Yes | | Vic Smith |
| 13 | F&G Reg 24 | Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24. | Yes | | Vic Smith |
| 14 | F&G Reg 24E | Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council). | Yes | | Vic Smith |
| 15 | F&G Reg 11A | Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$100,000 or less. | Yes | | Vic Smith |

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

None.

11. CLOSURE OF MEETING

There being no further business to discuss the Chairperson declared the meeting closed at 14:31 hours