



# Special Audit and Risk Committee Meeting

Gordon MacMile  
Chief Executive Officer

A handwritten signature in black ink, appearing to read "G MacMile".

Minutes  
15 March 2023

## Committee Members:

Chair	Cr Kaara Andrew
Deputy Chair	Cr Rosina Mogg
	Cr Doug Kitchen
	Cr Kieran Noonan
	Cr Christine Terrantroy
	Dr Kenneth Parker

## Acknowledgement of Country

We wish to acknowledge the traditional custodians of the land we are meeting on, the Wadandi people. We wish to acknowledge and respect their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their culture; and to Elders past and present, their descendants who are with us today, and those who will follow in their footsteps.

## Our Vision

A future focused and resilient community that benefits from good governance, responsive services and appropriate facilities to deliver positive social, environmental and economic outcomes for everyone.

## Our Values

### Respect

We are respectful in all that we do, and all interactions we have, while being inclusive and mindful of differences.



### Honesty

We are truthful, trustworthy and genuine in all that we say and do.



### Accountability

We are transparent in all that we do, and stay true to our word by taking responsibility for our actions.



### Teamwork

We are cooperative, collaborative and united while working towards common goals of our Shire.



### Empathy

We are kind and show understanding of people's circumstances, perspectives and differences.



## SHIRE OF CAPEL

# MINUTES

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

*The Presiding Member opened the meeting at 4.53pm and made the following Acknowledgement of Country.*

'We wish to acknowledge the traditional custodians of the land we are meeting on, the Wadandi people. We wish to acknowledge and respect their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their culture; and to Elders past and present, their descendants who are with us today, and those who will follow in their footsteps. '

**2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE**

Present:	Chair	Cr Kaara Andrew
	Deputy Chair	Cr Rosina Mogg
		Cr Doug Kitchen
		Cr Kieran Noonan
		Cr Christine Terrantroy
		Dr Kenneth Parker via phone
	Chief Executive Officer	G MacMile
	Director Community and Corporate	S Chamberlain
	Strategic Governance and Risk Coordinator	T Stowell
	Governance Support Officer	B Facey

**3. PUBLIC QUESTION TIME**

Nil.

**4. DISCLOSURE OF INTEREST**

Nil.

**5. PETITIONS/DEPUTATIONS/PRESENTATIONS**

Nil.

## 6. COMMUNITY AND CORPORATE REPORTS

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### 6.1 Compliance Audit Return 2022

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<b>Location:</b>	Capel
<b>Applicant:</b>	Shire of Capel
<b>File Reference:</b>	GR.LI.1
<b>Disclosure of Interest:</b>	Nil
<b>Date:</b>	10.03.2023
<b>Author:</b>	Governance Officer, Amanda Lorrimar
<b>Senior Officer:</b>	Director Community & Corporate, Samantha Chamberlain
<b>Attachments:</b>	2022 Draft Compliance Audit Return. Corporate Business Plan. Strategic Community Plan. Endorsed Auditor Report. Council Meeting Minute Extract - Compliance with Interest Disclosures.

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#### **PROPOSAL**

To accept and review the 2022 Compliance Audit Return (CAR) and recommend it to the Council.

#### **OFFICER'S RECOMMENDATION**

That the Audit and Risk Committee:

- Receive the completed 2022 Compliance Audit Return.
- Recommend the 2022 Compliance Audit Return to the Council for adoption as the official Shire of Capel return at the Ordinary Council Meeting on 29 March 2023.

#### **BACKGROUND**

The Department of Local Government Sport & Cultural Industries (DLGSCI) requires that all local governments complete and submit an annual CAR. The return consists of a set of questions that are specifically designed to test the level of statutory compliance in each local government.

The 2022 CAR questionnaire incorporates sections on:

- Commercial enterprises by local governments.
- Delegation of power/duty.
- Disclosure of interest.
- Disposal of property.
- Elections.
- Finance.
- Integrated planning & reporting.
- Employees.
- Official conduct.
- Optional questions.
- Tenders for providing goods and services.

Relevant Officers contribute the required information, which is then collated into the official response presented to the Audit Committee and Council for endorsement.

A certified copy of the CAR document and an extract of the Council meeting minutes at which it was endorsed, must be provided to the DLGSCI by 31 March each year.

Additionally, the following supporting documentation is required and attached to substantiate some of the responses detailed in the CAR report:

- Corporate Business Plan.
- Strategic Community Plan.
- Endorsed Auditor Report.
- Council meeting minute extracts showing compliance to Interest Disclosure.

## **DECISION FRAMEWORK**

- **Shire of Capel Strategic Community Plan 2021 – 2031.**

Direction 4 – ‘Deliver good leadership, governance, and decision-making.’

Community Outcomes:

- 4.1 Effective and compliant governance.
- 4.2 Informed and transparent decision-making.

- **Corporate Business Plan 2022 – 2026**

FIN4 Financial Auditing - Ensure compliance of financial systems with all relevant legislation.

## **STATUTORY FRAMEWORK**

- **State Framework**

*Local Government Act 1995*

*Regulations as to audits*

*(1) Regulations may make provision –*

- (i) Requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are*
  - (i) of a financial nature or not: or*
  - (ii) under this act or another written law*

*Local Government (Audit) Regulations 1996*

### **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 sub-regulation (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.

## 15 Certified copy of compliance audit return and other documents to be given to Departmental CEO

- (1) After the compliance audit return has been presented to the council in accordance 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 14(3)(c), and
  - (b) any additional information explaining or qualifying the compliance audit, (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,
- is to be submitted to the Department CEO by 31 March next following the period to which the term 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.

*Local Government Act 1995, (Act s. 7.13(1)(i)) Local Government (Audit) Regulations 1996 13*

### POLICY IMPLICATIONS

- Risk Management Framework.
- Compliance.
- Internal Controls.

### RISK IMPLICATIONS

Risk	Likelihood	Consequence	Mitigation
<b>Risk 1</b> Financial  <b>Rating:</b> Medium	Unlikely	Moderate	Controlled procedures and processes
<b>Risk Description: Adverse impact on budget</b>			
<b>Risk 2</b> Legislative Compliance  <b>Rating:</b> Medium	Unlikely	Moderate	Apply compliance practices as legislated and ensure annual CAR is completed and lodged before the due date.
<b>Risk Description: Failure to understand and meet legislative requirements</b>			
<b>Risk 3</b> Reputation  <b>Rating:</b> Medium	Possible	Moderate	Alignment and commitment to meeting compliance through clear processes and procedures.
<b>Risk Description: Failure to comply leads to poor standing in the community and potential prosecution</b>			
<b>Opportunity:</b> The introduction of the Attain program provides Councillors and staff with a faster and more effective compliance process.			

## **FINANCIAL IMPLICATIONS**

### **Budget**

There is no impact on the budget, as the CAR responses are compiled utilising existing staff hours.

### **Long Term**

As no assets/infrastructure is being created, there are no long-term financial implications relevant to this proposal.

## **SUSTAINABILITY IMPLICATIONS**

Continued legislative compliance meets the community's expectation of effective governance and contributes to the social and economic sustainability of the Shire.

## **CONSULTATION**

### **External Consultation**

No external consultation is required.

### **Internal Consultation**

Contributions toward the preparation of the 2022 CAR were made by:

- Director Community and Corporate Services, Manager of Finance, Procurement Officer, the CEO and Governance Officer.

## **COMMENT**

A 2022 draft Compliance Audit Return was initially presented to the Audit and Risk Committee meeting on 22 February 2023.

The Audit and Risk Committee did not adopt the report as it was felt that more detail was required to enable adequate assurance of the Officers' responses. A new draft of the document has been compiled to address these concerns, with more information included in the 'Comment' column of the report.

Furthermore, the former draft 2022 Compliance Audit Return identified 1 instance of non-compliance which related to the Disclosure of Interest section, question 5, s5.56 Admin Reg 23, Form 3, "Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022". However, following further investigations, this item is no longer a non-compliance instance as all relevant persons had lodged all prescribed forms within the required time. The attached CAR now reflects this decision.

The attached 2022 Compliance Audit Return is commended to the committee for review, with the recommendation to present the report to the Council at the March Ordinary Council Meeting.



## **VOTING REQUIREMENTS**

Simple Majority.

### **OFFICER'S RECOMMENDATION – 6.1**

That the Audit and Risk Committee:

- Receive the completed 2022 Compliance Audit Return.
- Recommend the 2022 Compliance Audit Return to Council for adoption as the official Shire of Capel return at the Ordinary Council meeting on 29 March 2023.

### **AC007/2023 - ALTERNATIVE MOTION/COMMITTEE DECISION – 6.1**

*Moved Cr Kitchen, Seconded Cr Noonan*

**That the Audit and Risk Committee:**

- **Receive the completed 2022 Compliance Audit Return as circulated to the Committee at 4.30pm on 15 March 2023.**
- **Recommend the 2022 Compliance Audit Return to Council for adoption as the official Shire of Capel return at the Ordinary Council meeting on 29 March 2023.**

**Carried 6/0**

*For – Cr Andrew, Cr Kitchen, Cr Mogg, Cr Noonan, Dr Parker  
Against - Nil*

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## **6.2 Quarterly Audit Management Report - Nil (Scheduled for the June 2023 Agenda)**

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Nil

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## **6.3 Quarterly Regulation 17 Progress Report - Nil (Scheduled for the June 2023 Agenda).**

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Nil

## **7. GENERAL BUSINESS**

Nil

## **8. MEETING CLOSURE**

*There being no further business, the Presiding Member declared the meeting closed at 5.00pm.*