



# MINUTES

Audit Committee Meeting

27 May 2020

Shire of Victoria Plains  
Council Chambers, Calingiri  
AND  
via E-Meeting Protocol

Commencing – 12.08 pm

## DISCLAIMER:

The recommendations contained in this document are officers' recommendations only and should not be acted upon.

The decisions of the Committee are not considered final until the minutes of the Committee meeting are adopted by Council at a subsequent meeting or advised in writing by the CEO or authorised person.

Members of the public should also note that they act at their own risk if they enact any resolution prior to receiving official written notification.

Please note that meetings may be recorded for minute taking purposes.

### E – Disclaimer

It is the Presiding Member's responsibility to preserve order in the meeting and this can be more difficult in an eMeeting. Therefore, each Council Member must consistently and respectfully follow the Local Government's Meeting Procedures Local Law, any additional eMeeting guidance provided by the Local Government and support the Presiding Member in their conduct of the eMeeting.

The pace of an eMeeting should be slow and orderly. The following practices will help avoid confusion and support effective eMeetings:

Speak clearly and slowly, as connections may be distorted or delayed;

Always state your name to indicate to the Presiding Member that you wish to speak. Restate your name if the Presiding Member has not heard you at first;

In debate, only speak after the Presiding Member has acknowledged you. Then state your name, so that others know who is speaking;

Follow the Presiding Member's directions and rulings;

If you are unclear about what is happening in an eMeeting, immediately state your name to draw the Presiding Member's attention and enable you to then seek clarification from the Presiding Member;

Avoid looking for opportunities to call Points of Order; instead, politely and respectfully gain the Presiding Member's attention and explain any deviation from your Meeting Procedures, the Local Government Act or any other relevant matter.

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# Minutes

## Shire of Victoria Plains Audit Committee Meeting

Held in the Council Chambers and via E-meeting protocol, Cavell Street, Calingiri  
on Wednesday 27 May 2020 commencing at 12.08pm.

### 1. DECLARATION OF OPENING

#### 1.1 Opening

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The Shire President declared the meeting open at 12.08pm welcoming Elected members and staff and confirming all parties attending via tele-conference could hear attendees within Chambers.

#### 1.2 Announcements by Presiding Member

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Nil

### 2. RECORD OF ATTENDANCE

Members	Cr P Bantock Ms Lou Witham Cr J King Cr S Penn – via teleconference
Staff	CEO - Ms Glenda Teede Interim Finance Officer – Ms Megan Shirt Interim Finance Officer – Ms Jill Brazil Interim Governance Officer – Mr Sean Fletcher Ordinary Council Meeting Officer – Mrs Julie Klobas
Apologies	Mr Gary McGill
Approved leave of absence	Nil
Visitors	Nil

Members of the public N/A

### 3. DISCLOSURES OF INTEREST

	<i>Type</i>	<i>Item</i>	<i>Person / Details</i>
3.1	Financial		Nil
3.2	Proximity		Nil
3.3	Impartiality		Nil

### 4. PUBLIC QUESTION TIME

Not required – Committee has no delegated authority

### 5. CONFIRMATION OF MINUTES

#### VOTING REQUIREMENTS

Absolute Majority Required: No

<b>2005-01</b>	<b>Officer Recommendation / Committee Recommendation</b>
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**Moved: Cr J King**

**Seconded: Ms L Witham**

That the Minutes of the Audit Committee Meeting held 21 April 2020 as circulated, be confirmed as a true and correct record.

**CARRIED BY UNANIMOUS DECISION OF THE COMMITTEE**

**6. REPORTS REQUIRING DECISION****6.1 Compliance Audit Return 2019**

<b>File reference</b>	
<b>Report date</b>	5 May 2020
<b>Applicant/proponent</b>	Department of Local Government, Sport and Cultural Industries
<b>Officer disclosure of interest</b>	Nil
<b>Previous meeting references</b>	Item 10.5, 27 March 2019
<b>Prepared by</b>	Sean Fletcher, Interim Governance Officer
<b>Authorised by</b>	CEO
<b>Attachments</b>	
Attachment 1	Page
	SoVP CAR 2019

**PURPOSE**

As per the Local Government (Audit) Regulations, this item is presented to the Audit Committee to make appropriate recommendations to Council.

**BACKGROUND**

It is a requirement of all local governments to complete the Compliance Audit Return by 31 March for the preceding calendar year and submit it to the Department of Local Government, Sports and Cultural industries as part of its regulatory obligations.

**COMMENT****Matters That Required Clarification**

The Compliance Audit Return has been completed for the 2019 year and is submitted for review. The former Governance Officer, Manager Finance and Administration, the Officer responsible for providing agenda and minutes (OCM Officer – Mrs Julie Klobas) and the Author reviewed the practices and procedures of the administration, as required under the CAR (Attachment 1).

Due to the change in staff, it was not realised the 2019 CAR was incomplete until the former Manager Finance and Administration received a query from the Department of Local Government regarding the CAR's status. Mrs Edwardson subsequently notified the author by email on 17 April 2020 to seek answers to the matters outstanding on the CAR noting once received, she would then upload these to the Department's Smart Hub. The author advised that corrections were required to the attachment.

On 22 April 2020, Mrs Edwardson notified the CEO (cc to the author) that the CAR was ready for submission.

**Audit Findings**

The following is a summary of the audit findings and suggested course of action for non-compliant actions regarding the CAR for 2019:

Subject	Page	Question of Non-Compliance	Finding
<b>Commercial Enterprises by Local Government</b>			
	1	N/A	SoVP did not undertake any such activity for 2019
<b>Delegation of Power or Duty</b>			
	2	9	<p>Section 5.44 (2) requires a delegation to be in writing and may be general (considering or including only the main features or elements of something) or as provided in the instrument of delegation.</p> <p>Although a letter was issued to staff on 16 October 2019 regarding a delegation for purchasing limits, it does not quote the relevant legislative section, regulation and/or policy that is applicable. The issue of correct delegations in writing was identified as an action under the procurement improvement plan considered by the Audit Committee and Council on 21 April 2020.</p> <p><b>Action</b> CEO to issue letters of delegation in an appropriate form as soon as possible</p>
	2	11	<p>The current delegations register identifies delegations by Council to the CEO. There are some secondary delegates mentioned, but this does not read as from the CEO to the delegate.</p> <p><b>Action</b> The delegations register is updated to reflect clearly:</p> <ul style="list-style-type: none"> <li>• A Delegation Register re Council delegations to the CEO;</li> <li>• A Delegations Register re CEO delegations to other staff.</li> </ul>
	2	12	<p>The last review of the Delegations Register was conducted in June 2018 and adopted by Council on 18 July 2018. The issue is whether the adoption in the next financial year satisfies meeting the review criteria</p> <p><b>Action</b> The delegations register is updated as part of the review for 2019/2020 during May 2020 to reflect clearly:</p> <ul style="list-style-type: none"> <li>• A Delegation Register re Council delegations to the CEO;</li> <li>• A Delegations Register re CEO delegations to other staff.</li> </ul>
	2	13	<p>It is unclear whether such records were kept:</p> <ul style="list-style-type: none"> <li>• The use of financial delegations is captured by approval flags in the Shire's Financial</li> </ul>

			<p>Management System. This is satisfactory;</p> <ul style="list-style-type: none"> <li>• However, it is not clear within the Shire's Record Keeping System when other delegations were used. This includes keeping Council informed re the use of a delegation by the CEO.</li> </ul> <p><u>Note:</u> the CEO has commenced the first part of a review regarding the Shire's record keeping practices.</p> <p><b>Action</b> The CEO to implement appropriate practices for the recording of the use of delegations:</p> <ul style="list-style-type: none"> <li>• Within the Shire's Record Keeping System including appropriate systems and files;</li> <li>• To report to Council in the CEO report each month when her delegations were used.</li> </ul>
<b>Disclosure of Interests</b>			
	3	N/A	No matters of non-compliance
<b>Disposal of Property</b>			
	4	N/A	No matters of non-compliance
<b>Elections</b>			
	5	N/A	No matters of non-compliance
<b>Finance</b>			
	5	7	<p>Although the Shire did not take appropriate action by 31 December 2020 re the procurement breaches, it has now done so through both the Audit Committee and Council considering a plan of action at their respective meetings on 21 April 2020.</p> <p><b>Action</b> As per the procurement action plan</p>
	6	8	<p>Although the Shire did not take appropriate action by 31 December 2020 re a report and a plan regarding the Shire's Operating Surplus Ratio, it has now done so through both the Audit Committee and Council considering a plan of action at their respective meetings on 21 April 2020.</p> <p><b>Action</b> As per the report and plan for Shire's Operating Surplus Ratio</p>
<b>Integrated Planning and Reporting</b>			
	7	N/A	Compliant
<b>Local Government Employees</b>			
	8	N/A	There was no CEO appointment made in 2019 and there were no senior employees employed or dismissed
<b>Official Conduct</b>			
	9	N/A	Compliant



Optional Questions			
	10	N/A	Compliant
Tenders for Providing Goods and Services			
	10	1	<p>This matter of where tenders were not invited has been addressed as part of the action plan regarding the improvement to procurement practices in the report considered by the Audit Committee and Council on 21 April 2020 including:</p> <ul style="list-style-type: none"> <li>• Improvement to the purchasing framework;</li> <li>• Implementation of executive policies and templates.</li> </ul> <p><b>Action</b> No further action</p>
	10	2	<p>This matter of where multiple contracts without using a single tender has been addressed as part of the action plan regarding the improvement to procurement practices in the report considered by the Audit Committee and Council on 21 April 2020 including:</p> <ul style="list-style-type: none"> <li>• Improvement to the purchasing framework;</li> <li>• Implementation of executive policies and templates.</li> </ul> <p><b>Action</b> No further action</p>
	11	4	<p>Staff have not been exposed to the requirements of time as defined in the Interpretation Act previously.</p> <p><b>Action</b> Staff to undertake training regarding the definition of time under the Interpretation Act. This will now form part of the Procurement "Accreditation" Training that staff receive.</p>
	13	27	<p>This matter of staff not obtaining or seeking the appropriate number of quotes has been addressed as part of the action plan regarding the improvement to procurement practices in the report considered by the Audit Committee and Council on 21 April 2020 including:</p> <ul style="list-style-type: none"> <li>• Improvement to the purchasing framework;</li> <li>• Implementation of executive policies and templates.</li> </ul> <p><b>Action</b> No further action</p>

In all there were 10 matters of non-compliance. However, the issues outstanding are:

- Issue of appropriate letters/instruments of delegation as soon as possible;
- Immediate review of the Shire's Delegations Registers;
- Better recording of when delegations are used;
- The CEO to upgrade the Shire's procurement accreditation training to include the definition of time as per the *Interpretation Act 1984*.

**CONSULTATION**

CEO  
OCM Officer  
Manager Finance and Administration

**STATUTORY CONTEXT**

*Local Government (Audit) Regulations 1996 –*

- r.14 – Compliance Audit Return to be reviewed by Audit Committee and report to Council;
- r.15 – once considered by Council, the Return is to be signed by the President and CEO and lodged with the Department by 31 March.

**CORPORATE CONTEXT**

**Corporate Business Plan**

<b>Civic Leadership</b>		<b><i>to better allocate scarce resources and effectively interact with the community</i></b>
5.1	Implement measures to improve relationship and communication between Council and community	<ul style="list-style-type: none"> <li>• <i>Implementation of initiatives to better connect Council with the community and associated matters.</i></li> </ul>
5.2	Improve elected member performance	
5.3	Develop an advocacy and lobbying capacity	
5.4	Measures to improve organisational efficiency	

**Risk Management (Risk Governance Framework)**

Consequence:	Likelihood:	Risk	Risk Acceptance	Outcome
<b>Compliance</b>	<b>Likely</b>			
<b>Major (4) ie Imposed penalties to Shire/Officers</b>	At least once in 3 years (3)	H (12)	Senior Management Team/CEO	Existing controls to be improved as follows: <ul style="list-style-type: none"> <li>• Issue of appropriate letters/instruments of delegation as soon as possible;</li> <li>• Immediate review of the Shire’s Delegations Registers;</li> <li>• Better recording of when delegations are used;</li> <li>• The CEO to upgrade the Shire’s procurement accreditation training to include the definition of time as per the <i>Interpretation Act 1984</i>.</li> </ul>

**FINANCIAL IMPLICATIONS**

Nil

**VOTING REQUIREMENTS**

No

## Officer's Recommendation

That the Audit Committee in accordance with Regulation 14 of the *Local Government (Audit) Regulations 1996*:

1. has identified 10 matters of non-compliance that includes the following questions as set out in Attachment 1:

Subject	Page	Question	Finding
<b>Delegation of Power or Duty</b>			
	2	9	<p>Section 5.44 (2) requires a delegation to be in writing and may be general (considering or including only the main features or elements of something) or as provided in the instrument of delegation.</p> <p>Although a letter was issued to staff on 16 October 2019 regarding a delegation for purchasing limits, it does not quote the relevant legislative section, regulation and/or policy that is applicable. The issue of correct delegations in writing was identified as an action under the procurement improvement plan considered by the Audit Committee and Council on 21 April 2020.</p> <p><b>Action</b> CEO to issue letters of delegation in an appropriate form as soon as possible</p>
	2	11	<p>The current delegations register identifies delegations by Council to the CEO. There are some secondary delegates mentioned, but this does not read as from the CEO to the delegate.</p> <p><b>Action</b> The delegations register is updated to reflect clearly:</p> <ul style="list-style-type: none"> <li>• A Delegation Register re Council delegations to the CEO;</li> <li>• A Delegations Register re CEO delegations to other staff.</li> </ul>
	2	12	<p>The last review of the Delegations Register was conducted in June 2018 and adopted by Council on 18 July 2018. The issue is whether the adoption in the next financial year satisfies meeting the review criteria</p>

			<p><b>Action</b></p> <p>The delegations register is updated as part of the review for 2019/2020 during May 2020 to reflect clearly:</p> <ul style="list-style-type: none"> <li>• A Delegation Register re Council delegations to the CEO;</li> <li>• A Delegations Register re CEO delegations to other staff.</li> </ul>
	2	13	<p>It is unclear whether such records were kept:</p> <ul style="list-style-type: none"> <li>• The use of financial delegations is captured by approval flags in the Shire's Financial Management System. This is satisfactory;</li> <li>• However, it is not clear within the Shire's Record Keeping System when other delegations were used. This includes keeping Council informed re the use of a delegation by the CEO.</li> </ul> <p><u>Note:</u> the CEO has commenced the first part of a review regarding the Shire's record keeping practices.</p> <p><b>Action</b></p> <p>The CEO to implement appropriate practices for the recording of the use of delegations:</p> <ul style="list-style-type: none"> <li>• Within the Shire's Record Keeping System including appropriate systems and files;</li> <li>• To report to Council in the CEO report each month when her delegations were used.</li> </ul>
<b>Disclosure of Interests</b>			
<b>Finance</b>			
	5	7	Auditor's Report was received by the CEO on 18 December 2020.
	6	8	Significant findings re tenders (and procurement) considered in March 2020
<b>Tenders for Providing Goods and Services</b>			
	10	1	<p>This matter of where tenders were not invited has been addressed as part of the action plan regarding the improvement to procurement practices in the report considered by the Audit Committee and Council on 21 April 2020 including:</p> <ul style="list-style-type: none"> <li>• Improvement to the purchasing framework;</li> <li>• Implementation of executive policies and templates.</li> </ul> <p><b>Action</b></p> <p>No further action</p>
	10	2	This matter of where multiple contracts without using a single tender has been addressed as part

			<p>of the action plan regarding the improvement to procurement practices in the report considered by the Audit Committee and Council on 21 April 2020 including:</p> <ul style="list-style-type: none"> <li>• Improvement to the purchasing framework;</li> <li>• Implementation of executive policies and templates.</li> </ul> <p><b>Action</b> No further action</p>
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	13	27	<p>This matter of staff not obtaining or seeking the appropriate number of quotes has been addressed as part of the action plan regarding the improvement to procurement practices in the report considered by the Audit Committee and Council on 21 April 2020 including:</p> <ul style="list-style-type: none"> <li>• Improvement to the purchasing framework;</li> <li>• Implementation of executive policies and templates.</li> </ul> <p><b>Action</b> No further action</p>

2. Reports to Council that it has completed the review of the Compliance Audit Return 2019.

<b>2005-02</b>	<b>Committee Recommendation</b>
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**Moved: Ms L Witham****Seconded: Cr J King**

That the Audit Committee in accordance with Regulation 14 of the *Local Government (Audit) Regulations 1996*:

- has identified 10 matters of non-compliance that includes the following questions as set out in Attachment 1:

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2. Reports to Council that it has completed the review of the Compliance Audit Return 2019

**CARRIED BY UNANIMOUS DECISION OF THE COUNCIL**

***Reason for Variation***

Amendment under Disclosures of Interests Finance (Page 5, Question 7) to read 18 December 2019, not 18 December 2020 as noted in the Officer’s Recommendation.



**7. MEMBER MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**8. NEW BUSINESS OF AN URGENT NATURE REQUIRING DECISION**

Nil

**9. MEETING CLOSED TO PUBLIC**

*Matters for which the meeting may be closed in accordance with the Local Government Act 1995 s.5.23(2).*

*Public reading of resolutions made during a closed meeting.*

**10. CLOSURE OF MEETING**

There being no further business, the presiding member declared the meeting closed at 12.13pm.

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**CERTIFICATION**

These minutes were confirmed at the Audit Committee Meeting held on \_\_\_\_\_

Signed \_\_\_\_\_ Date \_\_\_\_\_  
(Presiding member at the meeting which confirmed the minutes)

**Committee –**

- **Minutes are unconfirmed until adopted at the following meeting of Committee**
- **Committee decisions may be authorised by Council, or by CEO authority**