



# Agenda Audit Committee Meeting 15 February 2017

*Notice of an Audit Committee Meeting*

*The next Audit Committee Meeting of the Shire of Coorow will be held on Wednesday 15 February 2017, at the Leeman Recreation Centre, from 3.30pm.*

**Peter Crispin**  
Chief Executive Officer

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Signed on behalf of Council

A handwritten signature in black ink, appearing to read 'Peter Crispin', with a long horizontal line extending to the right.

**Peter Crispin**  
**Chief Executive Officer**

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

Councillor Rob Clement, the Presiding Member welcomed those present and opened the meeting at \_\_\_\_ pm.

**2. RECORD OF ATTENDANCE/APOLOGIES:**

Councillor R J Clement  
Councillor M J Girando  
Councillor B A Jack  
Councillor E M Cullen  
Councillor M R Bothe  
Councillor V R Oakes  
Councillor D A Rackemann  
Councillor G C Sims

Chairperson  
President  
Deputy President

Mr P J Crispin  
Mrs L J Parola  
Mr T B Brandy  
Mr K L Bean

Chief Executive Officer  
Deputy Chief Executive Officer  
Manager Regulatory Services  
Manager of Works & Services

Apologies:



## **5. REPORTS:**

### **5.1 CHIEF EXECUTIVE OFFICER'S REPORT:**

#### **5.1.1 REG 17 REVIEW**

<b>AUTHOR</b>	Peter Crispin
<b>DISCLOSURE OF INTEREST</b>	Nil
<b>DATE OF REPORT</b>	27 January 2017
<b>ATTACHMENT</b>	10.1.1A Review of Risk Management, Legislative Compliance and Internal Controls 10.1.1B Risk Management, Legislative Compliance and Internal Controls Implementation Plan
<b>FILE</b>	ADM0081 – Financial Management, Audit, External

#### **SUMMARY:**

**Presentation of the 2016 Review of Risk Management, Legislative Compliance and Internal Controls to Council's Audit Committee for review.**

#### **BACKGROUND:**

The Chief Executive Officer is required to review the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal control and legislative compliance at least once every two years.

The last review was carried out in 2014 by the then Chief Executive Officer. It was considered appropriate to engage an external consultant to review the Shire's systems and procedures in relation to risk management, internal control and legislative compliance to ensure an independent and impartial review.

#### **COMMENT:**

Moore Stephens were engaged to carry out the review and have now provided their report as attached.

In summary, the report found that in relation to risk management, the current systems are not considered to be effective and required further development. The current systems relating to internal control and legislative compliance were considered to be generally operating effectively.

The report has recommended an Improvement Plan which is made up of 51 improvement opportunities. Some of the recommended actions can be easily achieved, whilst others will require more time and/or resources to implement.

The attached table provides a list of the recommended actions in the Improvement Plan and the associated action/timeframe proposed by staff.

## **STATUTORY REQUIREMENTS:**

Local Government (Audit) Regulations 1996, Regulation 17 states:

CEO to review certain systems and procedures

- (1) The CEO is to review 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.
- (2) The review may relate to any or all of the matters referred to in subregulation (1) (a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.
- (3) The CEO is to report to the audit committee the results of that review.

## **POLICY IMPLICATIONS:**

The Risk Management, Legislative Compliance and Internal Controls Implementation Plan includes a number of recommendations to delete current policies and adopt several new ones as follows:

Delete:

- 1.1.1 Matters to be discussed at Council Meetings/Tabling of Reports
- 1.1.2 Press Statements/Media Interviews
- 1.1.8 Members Meeting Fees and Allowances
- 2.1.2 Entertainment Expenses
- 2.1.5 Authorisation to Purchase Goods and Services
- 3.2.2 Payment of Accounts
- 3.2.7 Rates Discount

Amend:

- 1.1.12 Complaints Policy
- 1.2.1 Use of Council Administration Facilities
- 2.1.9 Occupational Health and Safety
- 2.1.19 Bullying and Harassment
- 2.1.26 Personal Use of Council Plant
- 2.1.30 Shire of Coorow Staff Uniforms (Outside Staff)
- 3.2.9 Allocation of Vehicle Licence Plate Funds to Community Groups
- 3.3.1 Council Investments
- 3.6.1 Regional Price Preference
- 3.6.2 Purchases of Goods & Services

New:

- Tender Policy
- Internal Control Policy
- Legislative Compliance Policy

A separate report will be presented to Council to consider these recommendations.

**FINANCIAL IMPLICATIONS:**

The majority of the recommendations within the Review can be addressed within the current budget or included in future budgets.

**STRATEGIC IMPLICATIONS:**

One of the values expressed in the Shire of Coorow Community Strategic Plan is that of accountability. Many of the recommendations from the Report would support this value.

The largest area for improvement relates to risk management. The recommended improvements in this area will impact on future versions of integrated planning documents.

**VOTING REQUIREMENT:**

Simple Majority

**OFFICER RECOMMENDATION:**

That the:

- 1) 2016 Review of Risk Management, Legislative Compliance and Internal Controls be received.
- 2) Proposed Risk Management, Legislative Compliance and Internal Controls Implementation Plan be endorsed.

**RESOLUTION:**

**2017/**

***Moved: Cr***

***Seconded: Cr***

***CARRIED /  
Simple Majority***



**6. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN:**

**7. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION:**

**8. DATE OF NEXT MEETING:**

**8.1 NEXT MEETING OF AUDIT COMMITTEE**

The Audit Committee will meet again as required, such as when the compliance return is completed, or after the receipt of Council's Annual Audit Report for the 2016/17 financial year.

**9. CLOSURE:**

There being no further business, the Presiding Member closed the meeting at \_\_\_\_\_ pm.