



SHIRE OF
MERREDIN
INNOVATING THE WHEATBELT

AGENDA

Audit Committee Meeting

To be held in Council Chambers
Corner King & Barrack Street's, Merredin
Tuesday 7 February 2017
Commencing 5.30pm



Notice of Meeting



Dear President and Councillors,

The next meeting of the Audit Committee of the Shire of Merredin will be held on Tuesday 7 February 2017 in the Council Chambers, Corner King & Barrack Streets, Merredin. The format will be:

5.30pm Audit Committee Meeting

6.00pm Annual Electors Meeting

GREG POWELL
CHIEF EXECUTIVE OFFICER

1 February 2017

DISCLAIMER

PLEASE READ THE FOLLOWING IMPORTANT DISCLAIMER BEFORE PROCEEDING:

Statements or decisions made at this meeting should not be relied or acted on by an applicant or any other person until they have received written notification from the Shire. Notice of all approvals, including planning and building approvals, will be given to applicants in writing. The Shire of Merredin expressly disclaims liability for any loss or damages suffered by a person who relies or acts on statements or decisions made at a Council or Committee meeting before receiving written notification from the Shire.

The advice and information contained herein is given by and to Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

Common Acronyms Used in this Document	
WEROC	Wheatbelt East Regional Organisation of Councils
GECZ	Great Eastern Country Zone
WALGA	Western Australian Local Government Association
CEACA	Central East Aged Care Alliance
CEO	Chief Executive Officer
DCEO	Deputy CEO
EMDS	Executive Manager of Development Services
EMES	Executive Manager of Engineering Services
EMCS	Executive Manager of Corporate Services
EA	Executive Assistant to CEO
LPS	Local Planning Scheme
LGIS	Local Government Insurance Services
SRP	Strategic Resource Plan
CBP	Corporate Business Plan
CSP	Community Strategic Plan
MRCLC	Merredin Regional Community and Leisure Centre
CWVC	Central Wheatbelt Visitors Centre
MoU	Memorandum of Understanding

<p>Shire of Merredin</p> <p>Audit Committee Meeting</p> <p>5.30pm Tuesday 7 February 2017</p>	
1.	Official Opening
2.	Record of Attendance / Apologies and Leave of Absence
	<p>Councillors:</p> <p style="padding-left: 40px;">Cr KA Hooper President</p> <p style="padding-left: 40px;">Cr BJ Anderson</p> <p style="padding-left: 40px;">Cr JP Flockart</p> <p style="padding-left: 40px;">Cr ML Young</p> <p>Staff:</p> <p style="padding-left: 40px;">G Powell CEO</p> <p style="padding-left: 40px;">V Green EA to CEO</p> <p>Members of the Public:</p> <p>Apologies:</p> <p>Approved Leave of Absence: Nil</p>
3.	Public Question Time
	Members of the public are invited to present questions about matters affecting the Shire of Merredin and its residents.
4.	Disclosure of Interest
5.	Confirmation of Minutes of the Previous Meeting
5.1	<u>Audit Committee Meeting held on 20 December 2016</u>
6.	Officer's Reports – Corporate Services
6.1	<u>2016 Compliance Audit Return</u>
7.	Closure



5. Confirmation of Minutes of the Previous Meeting

5.1 Audit Committee Meeting held on 20 December 2016
[Attachment 5.1A](#)

Voting Requirements

Simple Majority Absolute Majority

Officer's Recommendation

That the minutes of the Audit Committee Meeting held on 20 December 2016 be confirmed as a true and accurate record of proceedings.

6. Officer's Reports – Corporate Services

6.1 2016 Compliance Audit Return

<h2 style="margin: 0;">Corporate Services</h2> 	
Responsible Officer:	Greg Powell, CEO
Author:	Vanessa Green, EA to CEO
Legislation:	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>
File Reference:	GR/17/19
Disclosure of Interest:	Nil
Attachments:	<u>Attachment 6.1A</u> – Compliance Audit Return
Maps / Diagrams:	Nil

Purpose of Report

- Executive Decision
 Legislative Requirement

Background

Each year every local government is required to carry out a compliance audit in relation to the period 1 January to 31 December against the requirements of the Compliance Audit Return (CAR).

After the CAR has been reviewed by the Audit Committee and presented to Council, a copy certified by the President and CEO, along with the relevant section of the minutes and any additional information explaining or qualifying the CAR, is to be submitted to the Department of Local Government and Communities (DLGC) by 31 March.

Comment

The CAR is one of the tools available to Council in its governance monitoring role. The CAR also forms part of the DLGC's monitoring program. The 2016 CAR once again places emphasis on the need for Council to be aware of and acknowledge instances of non-compliance or where full compliance was not achieved. In addition, the CAR requires Council to endorse details of remedial action either taken or proposed to prevent future like occurrences.

For the 2015 CAR an external consultant was appointed to complete it. It should be noted that the consultant's report on the 2015 CAR contained a number of recommendations, all of which have been implemented and completed.

The 2016 CAR has been completed in-house and has identified 1 area of non-compliance being:

Disposal of Property

Q1 - 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))?

The *Local Government Act 1995* defines disposal as including "to sell, lease or otherwise dispose of, whether absolutely or not" and property as "the whole or any part of the interest of a local government in property, but does not include money".

There are currently 4 Council houses provided to doctors or other health professionals working in Merredin under rental agreements in accordance with the *Residential Tenancies Act 1987*. The agreements commenced in 2011, 2014, 2015 and 2016 respectively. While technically a "lease", the intention to "dispose" of these properties was not advertised via local public notice prior to the time of the rental agreements commencing. This was simply an oversight by staff at the time.

The DLGC were contacted to discuss the implications of the oversight and they advised there may well be many local governments, particularly in the Wheatbelt region, providing housing to medical personnel and that the proposal(s) to provide that housing were not likely advertised via the required local public notice. The DLGC also suggested that it could be argued that providing such housing was in the community interest as it enabled doctors and other health professionals to work and stay in the community, providing essential services and economic benefit to the town.

As staff are now aware that in consideration of Section 3.58 of the *Local Government Act 1995* these residential tenancy agreements constitute a lease and therefore a disposal of property, a "lease" procedure will be developed ensuring any similar future proposals to provide Council housing to any persons other than employees will be advertised in compliance with the *Local Government Act 1995*.

The 2016 CAR demonstrates the Shire's ongoing commitment to statutory compliance and adequate response to non-compliance throughout the organisation.

Policy Implications

Nil

Statutory Implications

The CAR is required pursuant to Section 7.13(i) of the *Local Government Act 1995* and Regulation 14 of the *Local Government (Audit) Regulations 1996*.

Strategic Implications

➤ Strategic Community Plan

Vision Element: Developing
Strategic Goal: The population and economic base is expanding sustainably
Key Priority: Governance

➤ Corporate Business Plan

Strategy: SP.D4.1 – Implement accountable and good governance
Action #: 1
Action: Ensure policies, procedures and practices are effective, transparent and aligned with program delivery
Directorate: Corporate and Financial Services
Timeline: Ongoing

Sustainability Implications

➤ Strategic Resource Plan

Nil

➤ Workforce Plan

Directorate: Nil
Activity: Nil
Current Staff: Nil
Focus Area: Nil
Strategy Code: Nil
Strategy: Nil
Implications: Nil

Risk Implications

Council would be contravening the *Local Government Act 1995* and *Local Government (Audit) Regulations 1996* if this item was not presented to the Audit Committee for recommendation to Council.

The whole process of the CAR is about identifying risks to the organisation where non-compliant activities may have taken place enabling processes and procedures to be developed or reviewed and amended, if required.

Financial Implications

Nil

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation

That the Audit Committee:

- 1. receives the 2016 Compliance Audit Return;**
- 2. notes the area of non-compliance and the proposed actions to prevent future like occurrences; and**
- 3. recommends to Council that it adopt the 2016 Compliance Audit Return and it be submitted to the Department of Local Government and Communities by 31 March 2017.**

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