



AUDIT COMMITTEE MEETING

AGENDA

21 February 2019

**14 White Street
Brookton, WA 6306**

2.00	pm	COMMENCEMENT OF MEETING
3.00	pm	CLOSURE OF MEETING



NOTICE OF MEETING

AUDIT COMMITTEE MEETING

21 February 2019

**14 White Street
Brookton, WA 6306**

Dear Councillor, Resident or Ratepayer,

Notice is hereby given that the Audit Committee Meeting of the Brookton Shire Council will be held on 21 February 2019 in the Council Chambers at the Shire Administration Centre commencing at 2.00 pm.

The business to be transacted is shown in the Agenda.

Ian D'Arcy
CHIEF EXECUTIVE OFFICER
15/02/2019

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1.02.19 DECLARATION OF OPENING / ATTENDANCE

Mr Jordan Langford-Smith (Senior Director Financial for Office of Auditor General, Western Australia).

2.02.19 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

3.02.19 PUBLIC QUESTION TIME

4.02.19 CONFIRMATION OF PREVIOUS MINUTES

That the minutes of the Audit Committee meeting held in the Shire of Brookton Council Chambers, on 13 December 2018 be confirmed as a true and correct record of the proceedings.

5.02.19 DECLARATIONS BY MEMBERS AND OFFICERS

Members and Officers to declare Financial, Proximity or Impartiality Interests & submit forms to the Chief Executive Officer at the commencement of the meeting and also prior to the item.

Disclosure of Financial & Proximity Interests

- a. Members must disclose the nature of their interest in matters to be considered at the meeting. (Sections 5.60B and 5.65 of the *Local Government Act 1995*).
- b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the *Local Government Act 1995*).

Disclosure of Interest Affecting Impartiality

- a. Members and staff must disclose their interest in matters to be considered at the meeting in respect of which the member or employee has given or will give advice.

6.02.19	REVIEW OF OAG ACTIONS & STATUS REPORT 2019
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File No:	ADM
Date of Meeting:	21/02/2019
Location/Address:	N/A
Name of Applicant:	N/A
Name of Owner:	N/A
Author/s:	Vicki Morris – Deputy Chief Executive Officer
Authorising Officer:	Ian D’Arcy – Chief Executive Officer
Declaration of Interest:	The author & authorising officer have no interest in this matter.
Voting Requirements:	Simple Majority
Previous Report:	N/A

Summary of Item:

This report provides a summary of the actions identified by the Shire’s Auditors (OAG) in the financial management letter from the 2017/2018 Audit findings and the progress on the finding to date. This summary is proposed to be presented to every Audit Committee meeting for discussion and information.

This is also a legislative requirement under the *Local Government Act 1995*, where the local government must examine its audit report and implement appropriate action/s in respect to the significant matters raised. In addition, the final audit letter from the OAG details what action will be taken and this report must be made public.

Description of Proposal:

The final management letter between the OAG and the Shire gives the Shire the opportunity to highlight the issues that have been raised by the OAG audit team.

The summary forms the basis of the Shire administration team making changes to policies or procedures, and provides a foundation for continuous improvement.

In the future, the OAG will take over the responsibility for financial audits for all local governments across Western Australia. In the next financial year the OAG will take oversight of 100 local government financial audits.

In addition to the financial audits, the OAG will also conduct performance audits. In this case, the audits will focus on the economic, efficiency and effectiveness of both programs and organisations including a look at the legislative compliance provisions and internal policies held by each local government.

Recent changes to the legislation (the *Local Government (Financial Management) Regulations 1996* and the *Local Government (Audit) Regulations 1996*), also highlight the changes in the role and functions of Audit Committees. These are discussed further in the section below.

Background:

Changes to the auditing requirements since the introduction of changes in the legislation in September 2017, now mean that the OAG takes over role of auditor for all Local Governments in Western Australia. From 2020-2021 all local governments will be audited by the OAG regardless of their auditing contracts. The Shire of Brookton has been with the OAG since the legislation changes and the OAG will be the Shire’s auditor for a period of seven (7) years.

Consultation:

Consultation has been undertaken with Council, the Finance team and the staff within the Shire.

Statutory Environment:

Local Government Act 1995

Local Government (Audit) Regulations 1996

Local Government (Financial Management) regulations 1996

Relevant Plans and Policy:

This matter falls under the Shire of Brookton Corporate Compendium – Auditing & Financial management.

Financial Implications:

The Shire has allocated considerable funds in the current year's budget to remediate the issues that have been raised in the OAG final audit report. However it will be expected that more funds will be required to further improve the procedures and address the shortfalls in remediating current issues.

Risk Assessment:

The OAG index of findings has assessed each area against a risk criteria.

The OAG have highlighted that the User Access Management (IT) is a significant risk for the Shire.

The index of the findings for the year ending 30 June 2018 as shown in **Attachment 6.02.19**.

Community & Strategic Objectives:

This proposal generally aligns with the Shire of Brookton Corporate Compendium – Financial Management & Auditing.

Comment

The index of findings and the resulting progress of action taken to date is replicated below for the information and review by the Audit Committee.

As required by the legislation, this table will be updated and presented to the Audit Committee every quarter.

In addition to the Shire's findings, the review of the *Local Government Act 1995*, has also highlighted several amendments that will require Shire action. These are:

- A register of assets valued under \$5000.00 (as a result of an amendment to regulation 17A) is required to be done. The Shire has yet to commence this register.
- The timeframe for the revaluation of assets – regulation 17A (4) (b) will be amended to allow all local governments to revalue assets to between 3 and five years. In the review of the Local Government Act 1995 this seen as reducing the red tape for local governments and has generally been supported across the industry.

STATUS UPDATE

FINDINGS	ACTION TAKEN	EXPECTED TIMEFRAME	STATUS	IMPLEMENTATION
Purchasing polices & procedures (delegations)	Register of delegations updated and approvals authorised	Completed as a result of the new purchasing policy adopted by Council in November 2018	Completed	Completed
Purchase Orders	Written quotes and completion of the PO's procedures tightened. Open PO's now included as a part of the Responsible Officers reports.	Completed.	Completed.	Completed.
Maintenance of the Supplier Master file	List was reviewed and amended. New procedures now introduced to authorise new suppliers. Review required every 2 years.	Completed	Completed	Completed
User Access Management	Shared access software accounts (except for the front counter) reviewed.	Ongoing	Ongoing	Not yet completed
Unsupported Software	Part of the IT RFQ	By June 2019	In progress	Expected by 30 June 2019
Information Technology Security Policy	Policy developed and adopted by Council 16 August 2018 – part of IT RFQ	See above	See above	See above
Management of Third Party IT services	See above	See above	See above	See above
Business Continuity Management	See above	See above	See above	See above
Server Security	See above	See above	See above	See above
Management of Issued infringements	Register of Infringements is to be developed.	Ongoing	In progress	Not yet completed
Cash & Cheque Collections	Process for cash collection & checking has been amended.	Completed	Completed	Completed
Physical Security	Process has been	Completed.	Completed.	Completed.

of Cash	amended and keys and float now secured with a new safe and access restricted.			
Review of Risk Register	Risk register requires review but not yet completed. Discussions have taken place (LGIS etc.) but register not yet updated.	By 30 June 2019	Ongoing	Not yet completed
Review of Financial Management Systems	Not yet commenced.	By 30 June 2019	Ongoing	Not yet completed
Finance Procedures and process updated – Debtors & Creditors	Documented financial procedures and processes completed and updated	Completed	Completed	Completed.
Other – Finance Process's to be review include payroll etc.	To be completed	By 30 June 2019	Ongoing	Not yet completed

Shire staff are working progressively on achieving many of the areas identified in the OAG findings report. However it needs to be noted that with the limited staff resources, it is difficult to review financial procedures and process as thoroughly as possible given time and financial constraints. It should also be noted that the role of the Audit Committee will continue to be strengthened by the OAG and the increased compliance and oversight by the Audit Committee over audits and risk will continue to dominate the findings by the OAG in local government. The Audit Committee will take on a greater involvement in assisting the CEO to carry out the reviews as required under Regulation 17 and will incorporate risk management not just from a financial perspective but also on a performance audit basis.

The Audit Committee is clearly charged with reflecting the importance of the risk and governance oversight on the Shire. The specific responsibilities for the Audit committee are expected to be much stronger and the OAG has encouraged Council to consider inviting appropriate external people with expertise in financial management and audit to be members of the Audit Committee to enhance its oversight and strength.

OFFICER'S RECOMMENDATION

That the Audit Committee:

- 1. Recommends to Council that the Audit Committee formally meets every quarter and that dates be set for the next four meetings;***
- 2. Reviews the audits systems and procedures as identified by the Shire Auditor and notes the progress to date of the findings;***
- 3. Recommends to Council that Council reviews the membership of the Audit Committee after the October 2019 Municipal election with the options of seeking external membership to the Audit Committee &***
- 4. Continues to review the progress of the Status Report at every Audit Committee meeting.***

Attachments

Attachment 6.02.19

ATTACHMENT

SHIRE OF BROOKTON

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2018

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Purchasing Policies and Procedures		✓	
2. Purchase Orders		✓	
3. Maintenance of the Supplier Masterfile		✓	
4. User Access Management	✓		
5. Unsupported Software		✓	
6. Information Technology Security Policy		✓	
7. Management of Third-Party IT Services		✓	
8. Business Continuity Management		✓	
9. Server Security		✓	
10. Management of Issued Infringements		✓	
11. Cash and Cheque Collections		✓	
12. Physical Security of Cash		✓	
13. Review of Risk Register		✓	
14. Review Financial Management Systems		✓	

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

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

7.02.19	2018 COMPLIANCE AUDIT RETURN
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File No:	ADM 0333
Date of Meeting:	21/02/2019
Location/Address:	N/A
Name of Applicant:	N/A
Name of Owner:	Shire of Brookton
Author/s:	Kelly D’Arcy – Governance Officer
Authorising Officer	Vicki Morris – Deputy Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirements:	Simple Majority
Previous Reports:	Nil

Summary of Item:

This report relates to the Audit Committee’s consideration of the Shire of Brookton’s annual Compliance Audit Return for 2018.

Description of Proposal:

Present to the Audit Committee the annual Compliance Audit Return 2018 for consideration. The Compliance Audit Return is to assist Council in monitoring its organisational functions.

Background:

On an annual basis respective Western Australia Local Governments are required under legislation to complete an annual Compliance Audit Return that largely represents a self-audit of the Shires compliance. These statutory obligations are listed in regulation 13 of the Local Government (Audit) Regulations. The compliance audit review considers the business of Council for a full calendar year, in this instance being from 1 January 2018 to 31 December 2018.

Pursuant to regulation 14, each Local Government must complete a CAR against the checklist of statutory compliance issues included in the 2018 return. Once completed, the Compliance Audit Return is to be;

- (a) presented at a meeting of the Audit Committee;
- (b) presented to Council at a meeting of the Council;
- (c) adopted by the Council; and
- (d) the adoption recorded in the minutes of the meeting at which it is adopted.

After the Compliance Audit Return has been presented to the Council at the February ordinary Council Meeting, a certified copy of the Return along with the relevant section of the minutes and any additional information explaining or qualifying the compliance audit is to be submitted to the Director General, Department of Local Government, Sport and Cultural Industries by 31 March 2018.

For the 2018 calendar year, the Shire of Brookton was non-compliant in the following areas:

Delegation of Power / Duty

As per questions 8, 9 and 13 not all delegations to CEO and officers were notified in writing and not all officers recorded the exercising of the delegations. To ensure compliance in 2019 a procedure will be put into place.

Disclosures of Interest

As per questions 10 and 11 all disclosure forms held in a file but no register maintained, Reg 28 of the Local Government (Administration) Regulations 1996 and old declarations not removed after employee left the Shire.

Local Government Employees

As per question 2 of this section, recruitment advertisement for a senior employee did not list a contact person for further information. To ensure compliance in future years a template will be created with all required details.

A copy of the Compliance Audit Return 2018 is provided at **Attachment 7.02.19**.

Consultation:

Consultation has been undertaken in house with confirmation from various officers in regards to compliance requirements being met, or not.

Statutory Environment:

The Council is obliged to complete and submit the Brookton Compliance Audit Return 2017 in accordance with the *Local Government Act 1995* - s7.13(1)(i), and the Local Government (Audit) Regulations 1996, Regulations 13, 14 and 15.

Relevant Plans and Policy:

Nil

Financial Implications:

Nil

Risk Assessment:

There is a risk that Council will be in breach of its statutory obligations should it not complete and adopt the Brookton - Compliance Audit Return 2018. Accordingly, it has been assessed that the level of risk is high.

Community & Strategic Objectives:

There are no specific implications relevant to the Strategic Community Plan 2027 or the Corporate Business Plan 2021.

Comment

The Compliance Audit Return is seen as an internal control monitoring process and as such is a useful tool for the Chief Executive Officer to report to Council and the Department of Local Government, Sport and Cultural Industries on performance against the Shire's statutory obligations.

In general, it has been assessed that the performance of the Shire of Brookton generally accords with the statutory compliance requirements under the *Local Government Act, 1995* and subsidiary

legislation.

OFFICER'S RECOMMENDATION

That the Audit Committee Recommend to Council that it:

- 1. Pursuant to Regulation 14(3) of the Local Government (Audit) Regulations 1996 adopt the Brookton– Compliance Audit Return 2018 as presented in Attachment 7.02.19 of this report***
- 2. Forward a certified copy of the Shire of Brookton– Compliance Audit Return 2018 to the 'Executive Director' of the Department of Local Government, Sport and Cultural Industries in accordance with Regulation 15(1) of the Local Government (Audit) Regulations 1996.***

Attachments

Attachment 7.02.19

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
Local Government, Sport
and Cultural Industries

Brookton - Compliance Audit Return 2018

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of section of relevant minutes.

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 2018.	N/A		Kelly D'Arcy
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 2018.	Yes	Business Plan prepared for possible sale of Kalkarni Age Facility and Saddleback Medical Centre.	Kelly D'Arcy
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 2018.	N/A		Kelly D'Arcy
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 2018.	Yes	advertised in the Western Australian on 8 December 2018 and 5 January 2019.	Kelly D'Arcy
5	s3.59(5)	Did the Council, during 2018, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	No	advertised period for submissions does not close until end January 2019	Kelly D'Arcy



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	no new delegations to committees exercised in 2018	Kelly D'Arcy
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	N/A	no new delegations to committees exercised in 2018	Kelly D'Arcy
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	N/A	no new delegations to committees exercised in 2018	Kelly D'Arcy
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	N/A	no new delegations to committees exercised in 2018	Kelly D'Arcy
5	s5.18	Has Council reviewed delegations to its committees in the 2017/2018 financial year.	Yes	May Ordinary Council Meeting Minute Ref: OCM 05.18-10	Kelly D'Arcy
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		Kelly D'Arcy
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Kelly D'Arcy
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	No	delegations by absolute majority from Council to CEO but not notified in writing	Kelly D'Arcy
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	No	Officers not notified in writing	Kelly D'Arcy
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		Kelly D'Arcy
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Kelly D'Arcy
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 2017/2018 financial year.	Yes	May Ordinary Council Meeting Minute Ref: OCM 05.18-10	Kelly D'Arcy
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.	No	not all officers kept records of exercised delegations	Kelly D'Arcy
Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent



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	members who disclosed an interest left the meeting except when permitted to remain	Kelly D'Arcy
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.	No	Decisions under sec 5.68 (1) recorded in minutes but extent of participation not recorded	Kelly D'Arcy
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		Kelly D'Arcy
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	no new members in 2018	Kelly D'Arcy
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.	Yes		Kelly D'Arcy
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2018.	Yes		Kelly D'Arcy
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2018.	Yes		Kelly D'Arcy
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		Kelly D'Arcy
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		Kelly D'Arcy
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.	No	disclosure forms held in file but no register as per Admin Reg 28 exists	Kelly D'Arcy
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.	No	Works Supervisor left employment 3/7/2018 declarations still in current folder.	Kelly D'Arcy
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		Kelly D'Arcy



No	Reference	Question	Response	Comments	Respondent
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.	No	no circumstances existed	Kelly D'Arcy
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		Kelly D'Arcy
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		Kelly D'Arcy
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes	viewable on website	Kelly D'Arcy

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	no disposal took place	Kelly D'Arcy
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	no disposal took place	Kelly D'Arcy

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	Audit Committee members appointed 30/10/2017 Minute Ref: SCM 10.17-2	Kelly D'Arcy
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	Delegations reviewed May 2018 Minute Ref: OCM 05.18-10 Absolute majority	Kelly D'Arcy
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	N/A	Local Government Amendment (Auditing) Act 2017 negates the Local Government appointing Auditors	Kelly D'Arcy



No	Reference	Question	Response	Comments	Respondent
4	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.	N/A	Local Government Amendment (Auditing) Act 2017 negates the Local Government appointing Auditors	Kelly D'Arcy
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government within 30 days of completion of the audit.	Yes	Auditors report received 20 Dec 2018 Put to December Audit Committee and Council meeting	Kelly D'Arcy
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government by 31 December 2018.	Yes	Auditors report received 20 Dec 2018 Put to December Audit Committee and Council meeting	Kelly D'Arcy
7	S7.12A(3)	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.	Yes	required actions acknowledge and are in progress	Kelly D'Arcy
8	S7.12A (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.	No	required actions acknowledge and are in progress	Kelly D'Arcy
9	S7.12A (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.	No	required actions acknowledge and are in progress. No report written	Kelly D'Arcy
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	N/A	Local Government Amendment (Auditing) Act 2017 negates the Local Government appointing Auditors	Kelly D'Arcy
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	N/A		Kelly D'Arcy
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	N/A		Kelly D'Arcy
13	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.	N/A		Kelly D'Arcy
14	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.	N/A		Kelly D'Arcy



Department of
Local Government, Sport
and Cultural Industries

No	Reference	Question	Response	Comments	Respondent
15	Audit Reg 17	Has the CEO reviewed the appropriateness and effectiveness of the local government's systems and procedures in accordance with regulation 17 of the Local Government (Audit) Regulations 1996.	Yes	Continuous improvement system set by Office Auditor General (OAG) as part of the auditing regime	Kelly D'Arcy
16	Audit Reg 17	If the CEO has not undertaken a review in accordance with regulation 17 of the Local Government (Audit) Regulations 1996, is a review proposed and when.	N/A	OAG audits and reviews all areas of the Local Government	Kelly D'Arcy



Integrated Planning and Reporting					
No	Reference	Question	Response	Comments	Respondent
1	s5.56 Admin Reg 19DA (6)	Has the local government adopted a Corporate Business Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	adopted at April Ordinary Council Meeting Minute Ref: OCM 04.18-13	Kelly D'Arcy
2	s5.56 Admin Reg 19DA (6)	Has the local government adopted a modification to the most recent Corporate Business Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	No	Adopted a new plan	Kelly D'Arcy
3	s5.56 Admin Reg 19C (7)	Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	adopted at April Ordinary Council Meeting Minute Ref: OCM 04.18-13	Kelly D'Arcy
4	s5.56 Admin Reg 19C (7)	Has the local government adopted a modification to the most recent Strategic Community Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	No	Adopted a new plan	Kelly D'Arcy
5	S5.56	Has the local government adopted an Asset Management Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	Asset Management Plan 2016-2027 Existing asset management plan under full and extensive review.	Kelly D'Arcy
6	S5.56	Has the local government adopted a Long Term Financial Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	Long Term Financial Plan 2016/17 - 2016/27 Adopted July 2016 Minute Ref: 12.07.16.04 Absolute Majority Existing Plan is under full and extensive review	Kelly D'Arcy
7	S5.56	Has the local government adopted a Workforce Plan. If Yes, in Comments please provide date of the most recent Plan plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	N/A	under full review as very outdated.	Kelly D'Arcy



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	No recruitment of CEO occurred	Kelly D'Arcy
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.	No	Advertised on Seek and Shire WEB page. Advertisement fail to list a contact person for further information.	Kelly D'Arcy
3	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	No recruitment of CEO occurred	Kelly D'Arcy
4	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	No recruitment of CEO occurred	Kelly D'Arcy
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	Yes	July Special Council Meeting Minute Ref: SCM 07.18-02	Kelly D'Arcy



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.	Yes	Deputy Chief Executive Officer designated complaints officer	Kelly D'Arcy
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	Kelly D'Arcy
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	Kelly D'Arcy
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	Kelly D'Arcy
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	Kelly D'Arcy
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) or (c).	Yes	no complaints received	Kelly D'Arcy

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)).	N/A	Local Government (Functions and General) Regulation 11(2)(b) WALGA Preferred Suppliers Program used in all tenders and quotes	Kelly D'Arcy
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	no multiple contracts entered into	Kelly D'Arcy
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	N/A	Local Government (Functions and General) Regulation 11(2)(b) WALGA Preferred Suppliers Program used in all tenders and quotes	Kelly D'Arcy



No	Reference	Question	Response	Comments	Respondent
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	N/A	Local Government (Functions and General) Regulation 11(2)(b) WALGA Preferred Suppliers Program used in all tenders and quotes	Kelly D'Arcy
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.	Yes	Local Government (Functions and General) Regulation 11(2)(b) WALGA Preferred Suppliers Program used in all tenders and quotes	Kelly D'Arcy
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16.	Yes		Kelly D'Arcy
7	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.	Yes		Kelly D'Arcy
8	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		Kelly D'Arcy
9	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	N/A	Local Government (Functions and General) Regulation 11(2)(b) WALGA Preferred Suppliers Program used in all tenders and quotes	Kelly D'Arcy
10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes	Via WALGA EQuote portal	Kelly D'Arcy
11	F&G Reg 21 & 22	Did the local governments' advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A	No invite issued for expressions of interest	Kelly D'Arcy
12	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	No invite issued for expressions of interest	Kelly D'Arcy
13	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.	N/A	No invite issued for expressions of interest	Kelly D'Arcy
14	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.	N/A	No invite issued for expressions of interest	Kelly D'Arcy
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	N/A	No invite issued for Panel of prequalified suppliers	Kelly D'Arcy



No	Reference	Question	Response	Comments	Respondent
16	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE.	N/A	No invite issued for Panel of prequalified suppliers	Kelly D'Arcy
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application.	N/A	No invite issued for Panel of prequalified suppliers	Kelly D'Arcy
18	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, notice of the variation.	N/A	No invite issued for Panel of prequalified suppliers	Kelly D'Arcy
19	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications.	N/A	No invite issued for Panel of prequalified suppliers	Kelly D'Arcy
20	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application(s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria.	N/A	No invite issued for Panel of prequalified suppliers	Kelly D'Arcy
21	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG.	N/A	No invite issued for Panel of prequalified suppliers	Kelly D'Arcy
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted.	N/A	No invite issued for Panel of prequalified suppliers	Kelly D'Arcy
23	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).	N/A	No regional price preference offered	Kelly D'Arcy
24	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy.	N/A	No regional price preference policy	Kelly D'Arcy



Department of
Local Government, Sport
and Cultural Industries

No	Reference	Question	Response	Comments	Respondent
25	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, \$150,000 or less.	Yes		Kelly D'Arcy

I certify this Compliance Audit return has been adopted by Council at its meeting on _____

Signed Mayor / President, Brookton

Signed CEO, Brookton

8.02.19	ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN
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9.02.19	NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING
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10.02.19	NEXT MEETING & CLOSURE
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