



Agenda

Audit Committee Meeting

Thursday
25 June 2020

10.30am



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Harry Hawkins
Chief Executive Officer

15/06/2020

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WRITTEN DECLARATION OF INTEREST IN MATTER BEFORE COUNCIL

NOTE: USE ONE FORM PER DECLARATION

I, (1) _____ wish to declare an interest in the following item to be considered by council at its meeting to be held on (2)

Agenda item (3) _____

The type of interest I wish to declare is (4)

- Financial pursuant to Sections 5.60A of the Local Government Act 1995
- Proximity pursuant to Section 5.60B of the Local Government Act 1995
- Indirect Financial pursuant to Section 5.61 of the Local Government Act 1995
- Impartiality pursuant to Regulation 11 of the Local Government (Rules of Conduct) Regulation 2007

The nature of my interest is (5)

The extent of my interest is (6)

I understand that the above information will be recorded in the Minutes of the meeting and recorded by the Chief Executive Officer in an appropriate Register.

Signature

Date

RECEIVED BY:

Chief Executive Officer

Date

- (1) Insert your name.
- (2) Insert the date of the Council Meeting at which the item it to be considered.
- (3) Insert the Agenda Item Number and Title.
- (4) Tick the box to indicate the type of interest.
- (5) Describe the nature of your interest.
- (6) Describe the extent of your interest (if seeking to participate in the matter under the s.5.68 of the Act)

Financial pursuant to Sections 5.60A of the Local Government Act 1995

5.60A – Financial Interest

For the purpose of this Subdivision, a person has a financial interest in a matter if it is reasonable to expect that the matter will if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person.

[Section 5.60A inserted by No. 64 of 1998 s. 30; amended by No. 49 of 2004 s. 50.]

Proximity pursuant to Section 5.60B of the Local government Act 1995

5.60B – Proximity Interest

- (1). For the purposes of this Subdivision, a person has a proximity interest in a matter if the matter concerns –
 - (a). a proposed change to a planning scheme affecting land that adjoins the person's land;
 - (b). a proposed change to zoning or use of land that adjoins that person's land; or
 - (c). a proposed development (as defined in section 5.63 (5)) of land that adjoins the person's land.
- (2). In this section, land ("**the proposal land**") adjoins a person's land if –
 - (a). the proposal land, not being a thoroughfare, has a common boundary with the person's land;
 - (b). the proposal land, or any part of it, is directly across a thoroughfare from, the person's land; or
 - (c). the proposal land is that part of a thoroughfare that has a common boundary with the person's land.
- (3). In this section a reference to a person's land is a reference to any land owned by the person or in which the person has any estate or interest.

[Section 5.60B inserted by No 64 of 1998 s. 30.]

Indirect Financial pursuant to Section 5.61 of the Local Government Act 1995

5.61 – Indirect financial interest

A reference in this Subdivision to an indirect financial interest of a person in a matter includes a reference to a financial relationship between that person and another person who requires a local government decision in relation to the matter.

Impartiality pursuant to Regulation 11 of the Local Government (Rules of Conduct) Regulation 2007

11 – Disclosure of interest

- (1). In this regulation –
Interest means an interest that could, or could reasonably be perceived to; adversely affect the impartiality of the person having the interest arising from kinship friendship or membership of an association.
- (2). A person who is a council member and who has an interest in any matter to be discussed at a council or committee meeting attended by the member must disclose the nature of the interest –
 - (a). in a written notice given to the CEO before the meeting;
or

- (b). at the meeting immediately before the matter is discussed.
- (3). Sub-regulation (2) does not apply to an interest referred to in section 5.60 of the Act.
- (4). Sub-regulation (2) does not apply if –
 - (a). A person who is a council member fails to disclose an interest because the person did not know he or she has an interest in the matter; or
 - (b). A person who is a council member fails to disclose an interest because the person did not know the matter in which he or she had an interest would be discussed at the meeting and the person disclosed the interest as soon as possible after the discussion began.
- (5). If, under sub-regulation (2)(a), a person who is a council member discloses an interest in a written notice given to the CEO before a meeting then –
 - (a). Before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; and
 - (b). At the meeting the person presiding is to bring the notice and its contents to the attention of the persons present immediately before a matter to which the disclosure related is discussed.
- (6). If –
 - (a). Under sub-regulation (2)(b) or (4)(b) a person’s interest in a matter is disclosed at a meeting; or
 - (b). Under sub-regulation (5) (b) notice of a person’s interest in a matter is brought to the attention of the persons present at a meeting.

The nature of the interest is to be recorded in the minutes of the meeting.

Describe the extent of your interest (If seeking to participate in the matter under the s.5.68 of the act)

5.68 – Councils and committees may allow members disclosing interests to participate etc. in meetings

- (1). If a member has disclosed, under section 5.65, an interest in a matter, the members present at the meeting who are entitled to vote on the matter
 - (a). may allow the disclosing member to be present during any discussion or decision making procedure relating to the matter; and
 - (b). may allow, to the extent decided by those members, the disclosing member to preside at the meeting (if otherwise qualified to preside) or to participate in discussions and the decision making procedures relating to the matter if –
 - (i) the disclosing member also discloses the extent of the interest; and
 - (ii) those members decide that the interest –
 - (I) is so trivial or insignificant as to be unlikely to influence the disclosing member’s conduct in relation to the matter; or
 - (II) is common to a significant number of electors or ratepayers
- (2). A decision under this section is to be recorded in the minutes of the meeting relating to the matter together with the extent of any participation allowed by the council or committee.
- (3). This section does not prevent the disclosing member from discussing, or participating in the decision making process on, the question on whether an application should be made to the Minister under section 5.69.



Councilors Claim for Sitting Fees and Travel

Councilor _____

Creditor No _____

<i>Date</i>	<i>Meeting</i>	<i>Sitting Fees</i>	<i>Travel Km's</i>	<i>Amount</i> 74 cents per km
Date of Meeting	Type of Meeting	\$170/ \$340	No of km's	Office Use
25/06/2020	Audit Committee			

Fees payable are in accordance with the Local Government Act (5.98) – Administration Regulations (30)

Total	Total
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>
04109	Line Item 370 04100
TOTAL: <input style="width: 100%;" type="text"/>	

OTHER MEETINGS ATTENDED IN MONTH

Date	Meeting	Km's	Vehicle supplied?

Signature Date ←

Calculations Checked _____ Date _____

Goods Received / Payment Approved _____



AUDIT COMMITTEE MEETING TO BE HELD ON 25 June 2020
AGENDA SUMMARY and TABLE OF CONTENTS

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**SHIRE OF SANDSTONE
AUDIT COMMITTEE MEETING
TO BE HELD IN THE COUNCIL CHAMBERS, SANDSTONE,
ON THURSDAY 25TH JUNE 2020**

1.0 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Presiding Member, Cr Bethel Walton, will declare the meeting open at 10.30am.

VISITORS

Nil

2.0 ANNOUNCEMENTS FROM THE PRESIDING MEMBER

Nil

3.0 ATTENDANCE

3.1 PRESENT

Cr B Walton	Presiding Member
Cr C Hodshon	Committee Member
Cr D Lefroy	Committee Member
Cr F May	Committee Member
Cr K Key	Committee Member
Cr V McQuie	Committee Member

3.2 STAFF ATTENDING

Mr Harry Hawkins	Chief Executive Officer
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3.3 APOLOGIES

Nil

3.4 APPROVED LEAVE OF ABSENCE

Nil

4.0 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

5.0 DECLARATION OF INTEREST

Nil

6.0 PUBLIC QUESTION TIME

6.1 RESPONSE TO PREVIOUSPUBLIC QUESTIONS TAKEN ON NOTICE

Nil

6.2 PUBLIC QUESTIONS WITHOUT NOTICE

7.0 CONFIRMATION OF PREVIOUS MEETING MINUTES

Staff Recommendation

Moved Cr
Seconded Cr

That the minutes of the Audit Committee Meeting held on 27 February 2020 are confirmed as a true and accurate record of proceedings

CARRIED

8.0 PRESENTATIONS

8.1 PETITIONS

Nil

8.2 PRESENTATIONS

Nil

8.3 DEPUTATIONS

Nil

8.4 DELEGATES REPORTS

Nil

9.0 OFFICERS REPORTS

9.1 CHIEF EXECUTIVE OFFICER'S REPORTS

Agenda Reference:	CEO 06/20
Location/Address:	Shire of Sandstone
Name of Applicant:	Chief Executive Officer
Disclosure of Interest:	Nil
Date of Report:	15 June 2020
Author:	Harry Hawkins Chief Executive Officer

Summary

The Audit Committee is asked to review the Audit Regulation 17 report and recommend it to Council for Acceptance.

Attachments

A copy of the completed review is attached to this item.

Background

The CEO of a local government is to review certain systems and procedures once every 3 financial years as per Local Government (Audit) Regulation 17 below;

17. *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 not less than once in every 3 financial years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

Moore Stephens were engaged by acting CEO Eddie Piper to carry out the review and have recently provided the final report to the CEO for presentation to the Audit Committee.

Comment

The previous review of Audit Regulation 17 conducted by Civic Legal was recommended to Council for acceptance by the Audit Committee at their meeting in December 2016. The review carried out by Moore Stephens in February 2020 into Audit Regulation 17 looked at the financial management, risk management and internal controls in the shire's administration office.

The review has been conducted looking at controls for local government on a one size fits all basis and not specific to Sandstone as matters identified and improvements suggested are not always practical in a shire our size.

Examples of this are where the Shire President approves and signs the CEO credit card statement and the President and Deputy President are signatories on the shire bank accounts. With only 4 staff in the shire administration office to achieve separation of duties and have 2 signatories on bank accounts although technically the Shire President and Deputy President have no administrative authority they are the next best available people to act as the second signatory and to sign and review the credit card statement.

While there are several examples of controls that are not practical for a shire the size of Sandstone there are others such as Risk Management and some policies and procedures that have highlighted deficiencies in the processes at the shire that will need to be addressed. The lack of a Business Continuity Plan is also acknowledged as an important omission in the risk management area.

There are controls that are in place but that are not always followed particularly in the purchasing area some of these have been exacerbated by the turnover of works supervisors in recent years. There are also procedures in place that are practiced but are not documented and with the review being overseen by an acting CEO these were not brought to the attention of the reviewer. Some processing errors in work done by external consultants have also highlighted the need to review certain processes in the preparation of financial reports and associated registers. An example of this relates to the asset register where on the sale of an item of plant the wrong item was disposed of on the asset register and this was only discovered when the item of plant incorrectly disposed of was actually disposed of in a later year. The financial process relating to the disposal was correct and there were no errors in the financial reports however the asset register was incorrect for 2 years.

A meeting of officers involved in the areas of concern will be held as soon as practicable and appropriate changes and additional processes put in place. It should also be noted that some changes have already been initiated since the review was undertaken and before this report was received.

Consultation

Nil

Statutory Environment

Local Government (Audit) Regulations 1996 Regulation 17

Policy Implications

Some policies will need to be reviewed in the light of this report and some new policies added to the policy manual.

Financial Implications

Nil

Strategic Implications

Nil

Voting Requirements

Simple Majority

Staff Recommendation

**MOVED:
SECONDED:**

That the Audit Committee advises Council it has considered the Audit Regulation 17 review prepared by Moore Stephens and recommends:

That Council accept the Audit Regulation 17 review report as attached.

Carried/Not Carried (?!?)

11. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

Nil

12. MEETING CLOSED TO THE PUBLIC

12.1 MEETING CLOSED TO THE PUBLIC

12.2 PUBLIC READING OF RESOLUTIONS THAT MAY BE MADE TO THE PUBLIC

TIME AND DATE OF NEXT MEETING

Meetings will be called as required.

13 CLOSURE OF MEETING

There being no further business, the Presiding member closed the meeting at _____ AM

CERTIFICATION

I, Cr Beth Walton, certify that the minutes of the meeting held on the 27th February 2020 as shown were confirmed as a true record at the meeting held on the 25th June 2020

Presiding Member

Date: _____