



Western Australia

Minutes of the Meeting of the Audit Committee  
Held in the Council Chambers, Carnarvon Mullewa Road, Murchison  
On **Thursday 28<sup>th</sup> March 2019**, commencing at 10:30 am.

Purpose: To consider the Audit Planning Memorandum for 2018/19 and to receive the Annual Compliance Return.

**TABLE OF CONTENTS**

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS .....3

2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE .....3

3. CONFIRMATION OF MINUTES .....3

    3.1 Audit Committee Meeting – 15<sup>th</sup> December 2018 .....3

4. ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION .....3

5. REPORTS .....3

    5.1 Audit Entry Meeting 2018-19.....3

    5.2 Annual Compliance Return 2018 .....5

6. URGENT BUSINESS .....6

7. MEETING CLOSURE.....6

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

The President opened the meeting at 10:30 am

**2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE**

R Foulkes-Taylor – President  
 A Whitmarsh – Deputy President  
 Cr E Foulkes-Taylor  
 Cr G Mead  
 Cr Q Fowler  
 Cr P Squires

P Dittrich – CEO

**3. CONFIRMATION OF MINUTES**

**3.1 Audit Committee Meeting – 15<sup>th</sup> December 2018**

**Background:**

Minutes of the Audit Committee Meeting of Council have previously been circulated to all Audit Committee Members.

**Recommendation:**

That the minutes of the Audit Committee meeting held on 15<sup>th</sup> December 2018 be confirmed as an accurate record of proceedings

**Voting Requirements:**

Simple majority

<b>Committee Decision:</b>		
<b>Moved: Councillor Q Fowler</b>		<b>Seconded: Councillor A Whitmarsh</b>
That the minutes of the Audit Committee meeting held on 15th December 2018 be confirmed as an accurate record of proceedings		
<b>Carried</b>	<b>For: 6</b>	<b>Against: 0</b>

**4. ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION**

Nil

*The following three people joined the meeting by telephone at 10:33am:*  
 Subha Gunalan - Director Financial Audit - Office of the Auditor General  
 David Wall – Audit Director - RSM Australia  
 Travis Bate – Principal – RSM Australia

**5. REPORTS**

**5.1 Audit Entry Meeting 2018-19**

File:	2.2
Author:	Peter Dittrich - Chief Executive Officer
Interest Declared:	No interest to disclose
Date:	13 <sup>th</sup> March 2019
Attachments:	Audit Planning Memorandum for 2018/19

**Matter for Consideration:**

Consideration of the Audit Planning Memorandum for 2018/19

**Background:**

The purpose of the meeting is to discuss the Audit Planning Memorandum for 2018/19 financial year audit of the Shire of Murchison with the CEO, DCEO and Audit Committee.

OAG and RSM will join the meeting via conference call arranged by RSM.

**Comment:**

RSM will conducted the interim audit of the 2018-19 Financial Year in accordance with Australian Auditing Standards on behalf of the OAG.

In conducting the audit, RSM will follow applicable independence requirements of Australian professional ethical pronouncements.

**Statutory Environment:**

Local Government Act 1995

**Strategic Implications:**

Nil

**Policy Implications:**

Nil

**Financial Implications:**

The cost of the annual audit is included in the 2018-19 Budget.

**Consultation:**

Nil

**Recommendation:**

That the Audit Planning Memorandum for 2018/19 be received and adopted.

*Discussion: Subha Gunalan explained the purpose of the meeting and invited questions in relation to the audit. David Wall then spoke to the audit plan, highlighting key areas.*

*President R Foulkes-Taylor requested that the calling of Audit Committee Meetings be kept to a minimum.*

*S Gunalan referred the Committee to OAG reports available on the OAG website.*

**Voting Requirements:**

Simple Majority

<b>Committee Decision:</b>		
<b>Moved: Councillor E Foulkes-Taylor</b>		<b>Seconded: Councillor P Squires</b>
That the Audit Planning Memorandum for 2018/19 be received and adopted.		
<b>Carried</b>	<b>For: 6</b>	<b>Against: 0</b>

*The following three people left the meeting 10:55 am:*

*Subha Gunalan - Director Financial Audit - Office of the Auditor General*

*David Wall – Audit Director - RSM Australia*

*Travis Bate – Principal – RSM Australia*

**5.2 Annual Compliance Return 2018**

File:	4.18
Author:	Peter Dittrich, Chief Executive Officer
Interest Declared:	Nil.
Date:	13 March 2019
Attachments:	Compliance Audit Return 2018

**Matter for Consideration:**

The Audit Committee is to review the Compliance Audit Return 2018 and report to Council.

**Background:**

A Compliance Audit Return for the period 1 January to 31 December in each year is to be carried out and presented to the Audit Committee for review. The Audit Committee is to report to the Council the results of that review. The Compliance Audit Return is to be then adopted by Council and the certified copy is to be sent to the Executive Director of the Department of Local Government, Sport & Cultural Industries by 31 March of the following year.

**Comment:**

The Compliance Audit Return has been completed in consultation with the DCEO and is attached for the Audit Committee's Review.

**Statutory Environment:**

14. Compliance audits by local governments

(1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.

(2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.

(3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.

(3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —

- (a) presented to the council at a meeting of the council;
- (b) adopted by the council; and
- (c) recorded in the minutes of the meeting at which it is adopted.

15. Compliance audit return, certified copy of etc. to be given to Executive Director.

(1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —

- (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
- (b) any additional information explaining or qualifying the compliance audit, is to be submitted to the Executive Director by 31 March next following the period to which the return relates.

(2) In this regulation — certified in relation to a compliance audit return means signed by —

- (a) the mayor or president; and
- (b) the CEO.

**Strategic Implications:**

N/A

**Sustainability Implications**

- **Environmental**  
There are no known significant environmental implications.
- **Economic**  
There are no known significant economic implications.
- **Social**  
There are no known significant social considerations.

**Policy Implications:**

N/A

**Financial Implications:**

N/A

**Consultation:**

DCEO

**Recommendation:**

That:

1. the Audit Committee reports to the 28 March 2019 Ordinary Meeting of Council that the Compliance Audit Return 2018 has been prepared by the CEO as required;
2. the Audit Committee recommends that Council adopt the Compliance Audit Return 2018 as presented.

*Discussion: The CEO highlighted the single area of non-compliance that had been identified, explained the mitigation of risk and the associated corrective action that had been taken.*

**Voting Requirements:**

Simple Majority

<b>Committee Decision:</b>		
<b>Moved: Councillor A Whitmarsh</b>	<b>Seconded: Councillor P Squires</b>	
That:		
<ol style="list-style-type: none"> <li>1. the Audit Committee reports to the 28 March 2019 Ordinary Meeting of Council that the Compliance Audit Return 2018 has been prepared by the CEO as required;</li> <li>2. the Audit Committee recommends that Council adopt the Compliance Audit Return 2018 as presented.</li> </ol>		
<b>Carried:</b>	<b>For: 6</b>	<b>Against: 0</b>

**6. URGENT BUSINESS**

Nil

*Discussion: Cr E Foulkes-Taylor asked that the structure of the Audit Committee membership be reviewed at the April 2019 Ordinary Meeting of Council with a view to increasing the probity and independence of the Audit Committee as part of the commitment by the Shire of Murchison to continual improvement.*

**7. MEETING CLOSURE**

The meeting was declared closed at 11:08 am.

<p>These minutes were confirmed at the Audit Committee Meeting held on</p> <p>Signed..... Presiding Officer</p>
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