

# **SHIRE OF MT MARSHALL**



## **Mt Marshall Audit Committee**

**Minutes of the  
Mt Marshall Audit Committee Meeting  
held on Friday 13 February 2015  
in Council Chambers,  
80 Monger St, Bencubbin  
commencing at 1:02pm.**

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Chairman

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intentionally**

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Dirk Sellenger  
Chief Executive Officer

**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

**TABLE OF CONTENTS**

- 1.0 Declaration of Opening / Announcement of Visitors**
- 2.0 Record of Attendance / Apologies**
- 3.0 Confirmation of Minutes of Previous Meeting**
  - 3.1 Minutes of Audit Committee Meeting held  
Wednesday 18 March 2014**
- 4.0 Petitions / Deputations / Presentations / Submissions**
  - 4.1 Presentation by the Shire's Auditor, Mr Greg Godwin**
- 5.0 Reports of Officers**
  - 5.1 2013/2014 Annual Financial Report and Audit Report**
  - 5.2 2014 Compliance Audit Return**
- 6.0 Next Meeting – to be advised**
- 7.0 Closure of Meeting**

**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

<b>1.0</b>	<b>Declaration of Opening / Announcement of Visitors</b>
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The Chairman opened the meeting at 1:02 pm and welcomed Mr Greg Godwin to the Shire of Mt Marshall.

<b>2.0</b>	<b>Record of Attendance / Apologies</b>
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**Attendance**

Cr AJ Dunne	Councillor/Chairman
Cr RN Breakell	President
Cr IC Sanders	Deputy President
Cr DA Miguel	Councillor
Mr Dirk Sellenger	Chief Executive Officer
Ms Nadine Richmond	Executive Assistant
Mr Jack Walker	Finance and Administration Manager
Mr Greg Godwin	UHY Haines Norton (Auditor)

**Apologies**

Cr PA Gillett	Councillor
Cr WJ Beagley	Councillor
Cr JW Munns	Councillor

<b>3.0</b>	<b>Confirmation of Minutes of Previous Meetings</b>
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<b>3.1</b>	<b>Minutes of Mt Marshall Audit Committee</b>
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**Audit2015/001 COMMITTEE DECISION:**

**That the Minutes of the Audit Committee Meeting held on Tuesday 18 March 2014 be confirmed as a true and correct record of proceedings.**

<b>Moved Cr Breakell</b>	<b>Seconded Cr Sanders</b>	<b>Carried 4/0</b>
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<b>4.0</b>	<b>Meeting with Council's Auditor</b>
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The Shire's Auditor, Mr Greg Godwin, UHY Haines Norton addressed the meeting. Mr Godwin discussed with Council the Audit Report and Management Report for the financial year ended 30 June 2014.

Mr Godwin stated that the Shire of Mt Marshall Financial Statement is a true and fair representation of the shire's position in 2013/2014.

Discussion took place regarding possible future changes to the format of the audit report.

**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

Lengthy discussion took place regarding the Shire's financial ratios and the importance of improving these over the coming years.

Minutes of the Mt Marshall Audit Committee Meeting held  
Friday 13 February 2015

<b>5.0</b>	<b>Reports of Officers</b>
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<b>5.1</b>	<b>2013/2014 Annual Financial Report and Audit Report</b>
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<b>LOCATION/ADDRESS:</b>	Mt Marshall District
<b>NAME OF APPLICANT:</b>	N/A
<b>FILE REFERENCE:</b>	A1/3 & F1/2
<b>AUTHOR:</b>	Dirk Sellenger – Chief Executive Officer Jack Walker – Finance and Admin Manager
<b>DISCLOSURE OF INTEREST:</b>	Nil
<b>DATE:</b>	12 February 2015
<b>ATTACHMENT NUMBER:</b>	5.1a – Independent Auditors Report and Management Letter 5.1b – Financial Report year ended 30 June 2014
<b>CONSULTATION:</b>	Jack Walker – Finance and Admin Manager
<b>STATUTORY ENVIRONMENT:</b>	

**7.1A. Audit committee**

- (1) A local government is to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.
- (2) The members of the audit committee of a local government are to be appointed\* by the local government and at least 3 of the members, and the majority of the members, are to be council members.  
  
*\* Absolute majority required.*
- (3) A CEO is not to be a member of an audit committee and may not nominate a person to be a member of an audit committee or have a person to represent him or her as a member of an audit committee.
- (4) An employee is not to be a member of an audit committee.

*[Section 7.1A inserted by No. 49 of 2004 s. 5.]*

**Division 3 — Conduct of audit**

**7.9. Audit to be conducted**

- (1) An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —

**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

**STATUTORY ENVIRONMENT**  
**(continued):**

- (a) the mayor or president; and
    - (b) the CEO of the local government; and
    - (c) the Minister.
  - (2) Without limiting the generality of subsection (1), where the auditor considers that —
    - (a) there is any error or deficiency in an account or financial report submitted for audit; or
    - (b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or
    - (c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.
  - (3) The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —
    - (a) prepare a report thereon; and
    - (b) forward a copy of that report to the Minister,and that direction has effect according to its terms.
  - (4) If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government to be dealt with under section 7.12A.
- [Section 7.9 amended by No. 49 of 2004 s. 7.]*

<b>POLICY IMPLICATIONS:</b>	Nil
<b>FINANCIAL IMPLICATIONS:</b>	Nil
<b>STRATEGIC IMPLICATIONS:</b>	Nil
<b>VOTING REQUIREMENT:</b>	Simple Majority



**Audit2015/002 OFFICER RECOMMENDATION / COMMITTEE DECISION:**

**That the Audit Committee receive the**

- 1. Audited Financial Report for the year ended 30 June 2014;**
- 2. Independent Audit Report for the year ended 30 June 2014 and;**
- 3. Management Letter**

**Moved Cr Miguel**

**Seconded Cr Breakell**

**Carried 4/0**

**BACKGROUND:**

The Shire's auditor, UHY Haines Norton conducted the annual financial audit of the Shire of Mt Marshall in early January 2015 for the period of 1 July 2013 to 30 June 2014. A copy of the audited Financial Statement is attached (5.2) and the Independent Audit Report and Management Letter is included within this document for consideration by the Audit Committee.

**COMMENT:**

Council has breached section 7.9 of the Local Government Act by failing to provide the Audited Financial Statement to the Department of Local Government by 31<sup>st</sup> December as required.

The CEO discovered the pending breach upon commencement with the Shire of Mt Marshall and advised the Department of Local Government by way of email on 31<sup>st</sup> October 2014 as follows:

*"Hello Vern,*

*Further to our conversation yesterday, please be advised that the Shire of Mt Marshall is unfortunately not in the position to adhere to Section 7.9 of the LGA in the 2014 year.*

*The reason for the inability to meet this requirement is largely due to a number of CEO's and Acting CEO's at the Shire of Mt Marshall since October 2013.*

*With the recent departure of the Deputy CEO last week, Mr Bob Waddell has been commissioned to bring the fair value to account as well as complete the 2013/2014 Annual Financial statements and Bob has given me an assurance these will be completed and ready for Audit by the first week in December 2014. I have spoken with Council's Audits (UHY Haines Norton) and they are due to carry out the Audit in mid-December, a timeframe which does not allow for the Audit Report to be completed in time for Council consideration at the December Ordinary Council Meeting.*

*Like many smaller Local Government the Shire of Mt Marshall does not have a January Council meeting, meaning the Audit report would not be presented to Council until February 2015.*

*I wish to apologise for this pending breach. Should you have any questions please don't hesitate to discuss them with me.*

*Regards*

*Dirk Sellenger  
Chief Executive Officer*

## ATTACHMENT 5.1a



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### **INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF MOUNT MARSHALL**

#### **REPORT ON THE FINANCIAL REPORT**

We have audited the accompanying financial report of the Shire of Mount Marshall, which comprises the statement of financial position as at 30 June 2014, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT**

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **AUDITOR'S OPINION**

In our opinion, the financial report of the Shire of Mount Marshall is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a giving a true and fair view of the Shire's financial position as at 30 June 2014 and of its financial performance and its cash flows for the year ended on that date; and
- b complying with Australian Accounting Standards (including Australian Accounting Interpretations).

**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**



**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF MOUNT MARSHALL (CONTINUED)**

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

During the course of the audit we became aware of the following instances where the Council did not comply with the Local Government (Financial Management) Regulations 1996 (as amended):

**Budget Review**

A copy of the budget review was not submitted to the Department within 30 days of its adoption as required by Local Government (Financial Management) Regulation 33A(4).

**Submission of Financial Report**

The Annual Financial Report for the year ended 30 June 2013 was not submitted to Department of Local Government within 30 days of the auditor's report becoming available as required by Local Government (Financial Management) Regulation 51 (2).

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 62 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
  - i) reasonably calculated; and
  - ii) based on verifiable information.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

Date: 2 February 2015  
Perth, WA

UHY HAINES NORTON  
CHARTERED ACCOUNTANTS

  
GREG GODWIN  
PARTNER



**Minutes of the Mt Marshall Audit Committee Meeting held  
Friday 13 February 2015**



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2 February 2015

The Shire President  
Shire of Mount Marshall  
80 Monger Street  
BENCUBBIN WA 6477

Dear Cr Breakell



**MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2014**

We advise that we have completed our audit procedures for the year ended 30 June 2014 and enclose our Audit Report.

We are required under the Local Government Audit Regulations to report certain compliance matters in our audit report. Other matters which arise during the course of our audit that we wish to bring to Council's attention are raised in this management report.

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements and therefore may not bring to light all weaknesses in systems and procedures which may exist. However, we aim to use our knowledge of the Shire's organisation gained during our work to make comments and suggestions which, we hope, will be useful to you.

**COMMENT OF RATIOS**

Last year (the year ended 30 June 2013) we saw the introduction of new financial reporting ratios for local governments in Western Australia.

This year (the year ended 30 June 2014) is the second year of these new ratios and the information relating to these ratios is summarised below:

	Target Ratio <sup>1</sup>	Council's Actual Ratios			3 Year Trend <sup>2</sup>
		2014	2013	2012	
Current Ratio	≥ 1	1.06	2.66	5.96	↓
Asset Sustainability Ratio	≥ 1.1	0.82	0.74	0.74	↑
Debt Service Cover Ratio	≥ 15	(1.59)	7.81*	8.24	↓
Operating Surplus Ratio	≥ 0.15	(1.72)	(0.79)*	-0.74	↓
Own Source Revenue Coverage Ratio	≥ 0.9	0.29	0.32*	0.29	↓
Asset Consumption Ratio	≥ 0.75	0.54	0.62	N/A	↓
Asset Renewal Funding Ratio	≥ 1.05	1.02	0.93	N/A	↑

**Above target as per  
guidelines**

**Within acceptable  
banding as per  
guidelines**

**Below acceptable  
banding as per  
guidelines**

<sup>1</sup> Target ratios per Department of Local Government and Communities Guidelines (DLGC) except the Debt Service Cover Ratio which is a target devised by UHY Haines Norton (and based on experience). For information, DLGC Guidelines establish a target Debt Service Cover Ratio of 5.

<sup>2</sup> The 3 year trend compares the 2014 ratio to the average of the last 3 years (except for the Asset Consumption Ratio and Asset Renewal Funding Ratio which is compared to the 2 year trend).

\* Adjusted for "one-off" non-cash items.

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**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**



**COMMENT OF RATIOS (CONTINUED)**

Ratios provide useful information when compared to industry and internal benchmarks and assist in identifying trends. Whilst not conclusive in themselves, understanding ratios, their trends and how they interact is beneficial for the allocation of scarce resources and planning for the future.

We provide commentary on specific ratios (identified as red in the table above) as follows:

**Asset Sustainability Ratio**

This ratio is below target levels but trending upwards.

This ratio measures the extent to which assets are being renewed/replaced as compared to the amount consumed (depreciation). A review of Council's capital expenditure during the year ended 30 June 2014 indicates a reduction in capital renewal expenditure due partly to Council's resources being utilised on new capital projects. Capital expenditure on new projects is not taken into account in calculating this ratio.

Another consideration is the recent revaluation of land and buildings (during the current year ended 30 June 2014) and future revaluation of infrastructure (during the coming year ended 30 June 2015). The resultant effect the depreciation expense will have on these ratios following the revaluation will also need to be monitored.

A final point is the interpretation of these ratios is much improved if they are calculated as an average over time (at least 5 years) as this reduces skewing by large scale intermittent investment in major infrastructure.

**Debt Service Cover Ratio**

This ratio is below target levels and trending downwards.

The Debt Service Cover Ratio measures Council's ability to service debt out of its uncommitted or general purpose funds available from its operations.

Whilst we acknowledge borrowings have not increased in recent years (in fact the overall level of borrowings has decreased) the downward trend in the ratio has occurred as a result of increased operating expenditure pressures (refer to our comments regarding the Operating Surplus Ratio below).

**Operating Surplus Ratio**

This ratio is below target levels and trending downwards.

A negative ratio indicates the local government is experiencing an operating deficit. A sustained period of deficits will erode Council's ability to service debt and maintain both its operational service level and asset base over the longer term whilst a positive ratio which is consistently above 0.15 provides the Shire with greater flexibility in meeting operational service levels and asset management requirements.

Council's Statement of Comprehensive Income indicates the main reason for the downward trend to be a decrease in operating revenue without a corresponding decrease in operating expenditure.

Council's 2015 budget indicates this negative trend is budgeted to continue.

**Own Source Revenue Coverage Ratio**

This ratio is below target levels and trending downwards.

This ratio measures the Shire's ability to cover operating expenses from its own source revenue. The higher the ratio, the more self-reliant the Shire is.

As this ratio is below the industry benchmark of 0.6, Council needs to examine the level of its own source revenue given current levels of operating expenses in order to maintain and/or improve the current service level of its asset base.



**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**



**COMMENT OF RATIOS (CONTINUED)**

**Summary**

Whilst all ratios (with the exception of the Current Ratio) are new and it may take some time for their implication to be fully understood, they should be duly considered in the context of the Shire's particular circumstances as part of its overall financial management.

We will continue to monitor the ratios in future financial years and suggest it is prudent for Council and management to do so also as they strive to manage the scarce resources of the Shire.

**ACTUAL CARRIED FORWARD SURPLUS COMPARED TO 2014/2015 BUDGETED BROUGHT FORWARD SURPLUS**

As the 2014/2015 budget was adopted prior to the 2013/2014 audited Financial Report being finalised, actual amounts were not available when calculating the surplus to be brought forward. The closing position determined as per the audited 2013/2014 financial report is a surplus of \$477,345 whereas the amount used in the budget was a surplus of \$702,961. Given the Shire has adopted a balanced budget for 2014/2015, this has resulted in the Shire having \$225,616 less than expected to fund its budgeted expenditure for the 2014/2015 financial year.

To help ensure the Shire is able to meet its short term commitments as and when they fall due, the 2014/2015 budget should be carefully reviewed and expenditure modified in line with available resources.

Management has advised us they will be undertaking a budget review prior to the statutory mid-year review to address the shortfall.

We will continue to monitor the situation during our interim audit visit for the year ended 30 June 2015 and suggest it is prudent for Council to do so also.

We noted no other matters we wish to bring to your attention.

**UNCORRECTED MISSTATEMENTS**

We advise there were no uncorrected misstatement noted by us during the course of our audit.

We take this opportunity to thank the Chief Executive Officer and all staff for the assistance provided during the audit.

Should you wish to discuss any matter relating to the audit or any other matter, please do not hesitate to contact us.

Yours faithfully

  
GREG GODWIN  
PARTNER

<b>5.2</b>	<b>Compliance Audit Return 2014</b>
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<b>LOCATION/ADDRESS:</b>	N/A
<b>NAME OF APPLICANT:</b>	N/A
<b>FILE REFERENCE:</b>	A2/27
<b>AUTHOR:</b>	Nadine Richmond – Executive Assistant
<b>DISCLOSURE OF INTEREST:</b>	Nil
<b>DATE:</b>	11 February 2015
<b>ATTACHMENT NUMBER:</b>	5.2 – Compliance Audit Return 2014
<b>CONSULTATION:</b>	Dirk Sellenger – Chief Executive Officer
<b>STATUTORY ENVIRONMENT:</b>	Local Government Act 1995 Local Government (Audit) Regulations 1996
<b>POLICY IMPLICATIONS:</b>	Nil
<b>FINANCIAL IMPLICATIONS:</b>	Nil
<b>STRATEGIC IMPLICATIONS:</b>	Nil
<b>VOTING REQUIREMENT:</b>	Simple Majority

<b>Audit2015/003 OFFICER RECOMMENDATION / COMMITTEE DECISION:</b>
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**That the Audit Committee:**

- 1. adopt the Compliance Audit Return (as attached) for the period from 1 January 2014 to 31 December 2014, being recorded as required by the Local Government (Audit) Regulations 1996 and;**
- 2. note the items of non-compliance within the return.**

**Moved Cr Sanders**

**Seconded Cr Miguel**

**Carried 4/0**

**BACKGROUND:**

The Local Government (Audit) Regulations 1996 require that the Shire carry out a Compliance Audit Return (CAR) for the period 1 January to 31 December each year, and after carrying out the Audit prepare a Compliance Audit Return in a form approved by the Minister.

The Audit Committee is required to review the annual CAR and report to the Council the results of that review prior to adoption of the CAR by Council.

The CAR is then to be presented to the Council for adoption and recorded in the minutes of the meeting at which it is adopted.

The return, once adopted by Council is to be certified by the Shire President and the Chief Executive Officer and forwarded to the Director General of the Department of Local Government and Regional Development.

**COMMENT:**

The compliance audit is comprehensive and gives the Council an indication of the shire's level of compliance with legislative requirements. The audit has been completed by the Chief Executive Officer and the shire is compliant in most areas.

**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

## ATTACHMENT 5.2

### Mount Marshall - Compliance Audit Return 2014

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 2014.	N/A		Dirk Sellenger
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 2014.	N/A		Dirk Sellenger
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 2014.	N/A		Dirk Sellenger
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 2014.	N/A		Dirk Sellenger
5	s3.59(5)	Did the Council, during 2014, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Dirk Sellenger



**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

<b>Mount Marshall - Compliance Audit Return 2014</b>					
<b>Delegation of Power / Duty</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	Yes		Dirk Sellenger
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes		Dirk Sellenger
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		Dirk Sellenger
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes		Dirk Sellenger
5	s5.18	Has Council reviewed delegations to its committees in the 2013/2014 financial year.	Yes		Dirk Sellenger
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		Dirk Sellenger
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Dirk Sellenger
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Dirk Sellenger
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Dirk Sellenger
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	N/A		Dirk Sellenger
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Dirk Sellenger
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 2013/2014 financial year.	Yes		Dirk Sellenger
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.	Yes		Dirk Sellenger

**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

**Mount Marshall - Compliance Audit Return 2014**

<b>Disclosure of Interest</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
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		Dirk Sellenger
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.	Yes		Dirk Sellenger
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		Dirk Sellenger
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.	Yes		Dirk Sellenger
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		Dirk Sellenger
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2014.	Yes		Nadine
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2014.	Yes		Nadine Richmond
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		Nadine Richmond
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		Nadine Richmond
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.	Yes		Dirk Sellenger

**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

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.	Yes	Nadine Richmond
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	Nadine Richmond
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.	Yes	Nadine Richmond
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	Dirk Sellenger
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	Dirk Sellenger
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes	Nadine Richmond

**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

**Mount Marshall - Compliance Audit Return 2014**

**Disposal of Property**

<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
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		Dirk Sellenger
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.	Yes		Dirk Sellenger

**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

**Mount Marshall - Compliance Audit Return 2014**

<b>Elections</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	Elect Reg 30G (1)	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates.	N/A	Register Mantained, No gift received to be recorded.	Dirk Sellenger

**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

**Mount Marshall - Compliance Audit Return 2014**

<b>Finance</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
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		Jack Walker
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		Jack Walker
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Jack Walker
4	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	Yes		Jack Walker
5	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.	Yes		Jack Walker
6	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2014 received by the local government within 30 days of completion of the audit.	Yes		Jack Walker
7	s7.9(1)	Was the Auditor's report for 2013/2014 received by the local government by 31 December 2014.	No		Jack Walker
8	S7.12A(3), (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 that action undertaken.	N/A		Dirk Sellenger
9	S7.12A(3), (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.	N/A		Dirk Sellenger
10	S7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9(1) of the	N/A		Dirk Sellenger

**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

		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.		
11	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes	Jack Walker
12	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes	Jack Walker
13	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes	Jack Walker
14	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.	Yes	Jack Walker
15	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.	Yes	Jack Walker

**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

**Mount Marshall - Compliance Audit Return 2014**

<b>Local Government Employees</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
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.	Yes		Dirk Sellenger
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.	Yes		Dirk Sellenger
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).	Yes		Dirk Sellenger
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).	Yes		Dirk Sellenger
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	Yes		Dirk Sellenger



**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

**Mount Marshall - Compliance Audit Return 2014**

<b>Official Conduct</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
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.	N/A		Dirk Sellenger
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).	No	To be implimented by June 2015.	Dirk Sellenger
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.	N/A		Dirk Sellenger
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.	N/A		Dirk Sellenger
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.	N/A		Dirk Sellenger
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)(c).	N/A		Dirk Sellenger

**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

**Mount Marshall - Compliance Audit Return 2014**

<b>Tenders for Providing Goods and Services</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
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	No Tenders called in the period.	Dirk Sellenger
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		Dirk Sellenger
3	F&G Reg 14(1)	Did the local government invite tenders via Statewide public notice.	N/A		Dirk Sellenger
4	F&G Reg 14, 15 & 16	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	N/A		Dirk Sellenger
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.	N/A		Dirk Sellenger
6	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.	N/A		Dirk Sellenger
7	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.	N/A		Dirk Sellenger
8	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		Dirk Sellenger
9	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful	N/A		Dirk Sellenger

**Minutes of the Mt Marshall Audit Committee Meeting held**  
**Friday 13 February 2015**

		tender or advising that no tender was accepted.			
10	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A	No EOI called in Period.	Dirk Sellenger
11	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		Dirk Sellenger
12	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		Dirk Sellenger
13	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		Dirk Sellenger
14	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		Dirk Sellenger
15	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, \$100,000 or less.	N/A		Dirk Sellenger

Minutes of the Mt Marshall Audit Committee Meeting held  
Friday 13 February 2015

<b>6.0</b>	<b>Next Meeting – to be advised</b>
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<b>7.0</b>	<b>Closure of Meeting</b>
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The Chairman thanked the committee and Mr Godwin for their participation in the meeting and declared the meeting closed at 1:50pm.

These Minutes were confirmed by the Mt Marshall Audit Committee at its meeting held on

\_\_\_\_\_  
Date

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Chairman