



**MINUTES**

**OF THE AUDIT COMMITTEE MEETING**

**HELD ON**

**21 MARCH 2012**

**AT 2pm**

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**Minutes of the Audit Committee Meeting**  
 held in the Council Chambers, 37 Gibbons Street, Yalgoo,  
 on Wednesday 21 March 2012, commencing at 2:00pm.

*The Shire of Yalgoo audit committee was established by resolution C2011-1005 following the 2011 general election in accordance with s7.1A of the Act. The members of the Audit Committee are the full Council being Crs Iturbide, Terry, Valenzuela, Grinham, L Hodder and T Hodder.*

*The Audit Committee, at a meeting held 13 December 2011, elected Cr Neil Grinham as presiding member and Cr Raul Valenzuela as deputy presiding member.*

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

Cr Neil A Grinham, as presiding member, declared the meeting open at 2.05pm.

**2. RECORD OF ATTENDANCE/APOLOGIES**

MEMBERS	Cr Neil A Grinham Cr Terry K Iturbide, Shire President Cr Len J Terry, Deputy Shire President Cr Laurence Hodder Cr M Raul Valenzuela Cr Tom Hodder
STAFF	Sharon Daishe, Chief Executive Officer Heather Boyd, Deputy CEO Christine Harvey, Finance Consultant
GUESTS	
OBSERVERS	
APOLOGIES	

**3. DISCLOSURE OF INTERESTS**

Disclosures of interest made before the Meeting

**4. CONFIRMATION OF MINUTES OF THE AUDIT COMMITTEE**

**Background**

Minutes of the Audit Committee meeting held Tuesday 13 December 2011 were previously distributed to members and received by the Ordinary Meeting of Council held on the same date.

**Voting Requirements**

Simple majority

**OFFICER RECOMMENDATION/COUNCIL DECISION**

A2012-0301 Minutes of the Audit Committee Meeting

**That the minutes of the Audit Committee meeting held on Tuesday 13 December 2011, as circulated, be confirmed as a true and correct record of proceedings.**

**Moved: Cr Terry K Iturbide                      Seconded: Cr M Raul Valenzuela                      Motion put and carried 6/0**

**5. BUSINESS AS NOTIFIED**

**5.1 Audit Management Letter**

File:	A14-2 Audit Report
Author:	Sharon Daishe, Chief Executive Officer
Interest Declared:	No interest to disclose
Date:	13 March 2012
Attachments (yellow)	P 1-4 Letter from Auditors, RSM Bird Cameron, received 4 January 2012 P 5-11 Report of Project Executive Ron Adams, invoices N&N Carpentry 44 and 45 and purchase orders 6317 and 6319

**Matter for Consideration**

To receive the auditor’s management report for the financial year ended 30 June 2011 and note the actions taken by the executive to address the matters identified in the management report.

**Background**

The Local Government Act (s.7.9) requires the auditor to present two mandatory documents following the annual audit, being audited financial statements and statutory audit report. RSM Bird Cameron presented these documents to the CEO by email on 2 December 2011.

The Local Government Regulations (r10. (4)) provide for the auditor to also choose to present a non compulsory management report at the same time as presenting the mandatory reports.

No management report was received at the time, however RSM Bird Cameron subsequently prepared a management report on 12 December 2011. This report, received at the Shire on 4 January 2012, is attached and the matters raised in the report are addressed under Comments.

Note that RSM Bird Cameron advised the CEO on 14 March that they presented the audited financial statements, audit report and management report to the Department of Local Government in February 2012. They are now aware of their obligations under s.7.9.

## **Statutory Environment**

### *Local Government Act 1996*

#### 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 —
- (a) the mayor or president;
  - (b) the CEO of the local government; and
  - (c) the Minister.

### *Local Government (Audit) Regulations 1996*

#### 10. Report by auditor

- (4) Where it is considered by the auditor to be appropriate to do so, the auditor is to prepare a management report to accompany the auditor's report and to forward a copy of the management report to the persons specified in section 7.9(1) with the auditor's report.

### *International Accounting Standard 260*

## **Strategic Implications**

Governance

## **Policy Implications**

Nil

## **Financial Implications**

Nil

## **Consultation**

- Finance Consultant Christine Harvey
- Project Executive Ron Adams

## **Comment**

### Checking of Invoices to Quote

Refer report, purchase orders and invoices attached.

On investigation by the Finance Consultant, the amount reported as an overcharge was found to be a charge relating to an approved variation and has therefore been allowed.

During the year the Shire's administration sought advice from the auditor, reviewed and implemented improved procedures for checking and authorising contractor payments to improve the audit trail (ie: paperwork associated with transactions that clearly inform all parties).

### Employee Contracts

The senior employee referred to has been employed by the Shire for ten years and had never had a contract. The CEO was aware of this matter prior to the audit and had commenced negotiations with the officer concerned.

A five year contract was signed in December 2011.

Adjusted Audit Errors - Unrecorded Liabilities and Accrued Wages and Superannuation

The audit management letter for the period ended June 30 2010 also identified unrecorded accruals.

At the end of 2011, with no finance professionals on staff, the CEO took steps to ensure that accruals were identified and recorded. The CEO issued specific instructions to processing staff and to a temporary finance officer.

Accruals were prepared however during the CEO's absence on leave in September, the working papers file was inadvertently sent off site. The CEO detected this on her return and arranged for the file to be returned to Yalgoo however this was too late for the new Finance Consultant to enter the accruals before the statutory deadline of September 30. The Finance Consultant immediately alerted the auditors and it was agreed that the transactions would be entered after presentation of the financial statements.

**This matter is a direct result of not being able to secure professional financial services in Yalgoo after the Deputy CEO resigned in April. The CEO put all of the processes in place for the accruals to occur, but the transactions required were not processed as a result of a stream of temporary staff with varying capacity.**

The CEO has retained part time services of the Finance Consultant through to the 30 June 2012 end of year and 12/13 budget in order to achieve consistency and improve the quality of the Shire's financial recording and reporting.

**Voting Requirements**

Simple Majority

**OFFICER RECOMMENDATION/COUNCIL DECISION**

A2012-0302 **Audit Management Letter period ended 30 June 2011**

**That the Audit Committee receives the audit management letter for the year ending 30 June 2011 and notes the actions taken by the executive to address the matters identified.**

**Moved: Cr Len J Terry**

**Seconded: Cr M Raul Valenzuela**

**Motion put and carried 6/0**

**NEW MOTION/COUNCIL DECISION**

A2012-0303 **Thankyou to Finance Consultant Christine Harvey**

**That Council express thanks to Finance Consultant Christine Harvey for her work and commitment to Yalgoo.**

**Moved: Cr Terry K Iturbide**

**Seconded: Cr Len J Terry**

**Motion put and carried 6/0**

*ATTENDANCE: 2:15pm Finance Consultant Christine Harvey and DCEO Heather Boyd left the meeting.*

*ADJOURNMENT: 2.33pm the meeting was adjourned and CEO Sharon Daishe left the meeting.*

*RESUMPTION: 2:35pm the meeting resumed and CEO Sharon Daishe rejoined the meeting.*

## 5.2 Compliance Audit Return 2011

File:	
Author:	Sharon Daishe, CEO
Interest Declared:	No interest to disclose
Date:	14 March 2012
Attachments (yellow)	P 12-13 Circular 35-2011 (Department of Local Government), 2011 Compliance Audit Return for Local Government P 14-21 Compliance Audit Return (CAR)

### Matter for Consideration

To review the Compliance Audit Return for the period 1 January 2011 to 31 December 2011.

### Background

The Chief Executive Officer has prepared the on line Compliance Audit Return for the period 1 January 2011 to 31 December 2011.

The CAR is attached and results are summarised in the officer recommendation. There was only one area of non compliance, being submission of an annual return by an elected member after the due date.

### Statutory Environment

*Local Government (Audit) Regulations 1996*

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

[Regulation 14 inserted in Gazette 23 Apr 1999 p. 1724 5; amended in Gazette 30 Dec 2011 p. 5580-1.]

#### 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.

[Regulation 15 inserted in Gazette 23 Apr 1999 p. 1725.]

*Local Government Act 1995*

s.3.1 (1) The general function of the local government is to provide for the good government of persons in its district.

**Strategic Implications**

Legislative compliance is an indicator of governance and controls. The Department of Local Government redesigned the CAR 2011 to reflect areas considered high risk. Refer Circular 35-2011.

**Policy Implications**

Nil

**Financial Implications**

Nil

**Consultation**

Nil

**Comment**

The compliance annual return shows complete compliance in all areas reported with the exception of one annual return submitted by an elected member after the due date.

**Voting Requirements**

Simple Majority

**OFFICER RECOMMENDATION/COUNCIL DECISION**

A2012-0304 **Compliance Annual Return 2011**

**That the Audit Committee, having reviewed the Compliance Annual Return for the period 1 January to 31 December 2011 as presented, reports the result to council as per the attached document and the results shown below.**

Section	Questions in section	Compliant	Non Compliant
Commercial Enterprises by Local Governments	5	5	0
Delegation of Power / Duty	13	13	0
Disclosure of Interest	16	15	1
Disposal of Property	2	2	0
Elections	1	1	0
Finance	15	15	0
Local Government Employees	5	5	0
Official Conduct	6	6	0
Tenders for Providing Goods and Services	15	15	0
<b>TOTAL</b>	<b>78</b>	<b>77</b>	<b>1</b>
<b>Percentage</b>		<b>99%</b>	<b>1%</b>

**Moved: Cr Len J Terry**

**Seconded: Cr Terry K Iturbide**

**Motion put and carried 6/0**

**6. MEETING CLOSURE**

There being no further business, presiding member Cr Neil Grinham declared the meeting closed at 2:55pm.

DECLARATION

These minutes were confirmed by Council at the Ordinary Meeting held on \_\_\_\_\_.

Signed: \_\_\_\_\_  
 Person presiding at the meeting at which these minutes were confirmed



# Finance Attachments

(Green pages)

Referenced in Agenda by Page Number

**RSM Bird Cameron**

Chartered Accountants

Date received *11/1/12*

Council Meeting	File Ref:
<input type="checkbox"/> CLOSED	<input type="checkbox"/> SIDE
<input type="checkbox"/> PUBLIC	<input type="checkbox"/> INFO
<input type="checkbox"/> 11.1. Works	<input type="checkbox"/> 11.3. Finance
<input type="checkbox"/> 11.2. Dev	<input type="checkbox"/> 11.4. Admin
<input type="checkbox"/> COPY TO or <input type="checkbox"/> CIRCULATE:	
<input checked="" type="checkbox"/> CEO	<input type="checkbox"/> EA/PA
<input checked="" type="checkbox"/> CEO	
<input type="checkbox"/> Proj Exec	<input type="checkbox"/> President
<input type="checkbox"/> EHO	<input type="checkbox"/> Councillors

*original*  
*VM*

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 www.rsmi.com.au

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 Direct line: 08 9261 9464  
 SCC:SET

12 December 2011

**PRIVATE AND CONFIDENTIAL**

Ms Sharon Daishe  
 Chief Executive Officer  
 Shire of Yalgoo  
 37 Gibbons Street  
 YALGOO WA 6635

Dear Ms Daishe

**Audit for the year ended 30 June 2011**

This report is part of a continuing dialogue between the Shire and ourselves. This report has been prepared to detail the principal audit and accounting issues of governance interest that have come to our attention as a result of the performance of our audit for the year ended 30 June 2011. We have prepared this report in accordance with ISA 260 'Communications of audit matters with those charged with governance'.

An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not ordinarily identify all such matters. For this reason the report is intended for the sole use of the Shire and we consider it inappropriate for this report to be made available to third parties, or quoted or referred to, without our written consent. We do not accept responsibility to any other persons or for any reliance that third parties may place on it.

We set out below details of significant matters concerning the Shire of Yalgoo (the Shire) internal control, accounting practices and other observations which should be considered by management; however an audit is not designed to identify all matters relevant to governance.

*Memo Khokhar  
 Ben Webb  
 65521543*

## RSM Bird Cameron

Chartered Accountants

### ***Matters Identified***

#### Checking of Invoices to Quote

N&N Carpentry services were engaged to complete works on the Caravan Park house during the year. The quoted fees for these services were \$17,050 (Inc GST) inclusive of travel and food costs. The total charged for this work was \$19,844 (Inc GST). \$2,794 was charged for travel and food costs over and above the quoted price.

This project was funded by the Country Local Government Fund. The overcharge has been disallowed for the purposes of acquitting this funding.

RSM understands that management has since taken steps to recover the overcharged funds from the supplier.

RSM recommends procedures are reviewed for authorising payments, to ensure actual prices charged are in accordance with those quoted. Where the actual price differs to that quoted, explanations for the variance should be documented.

#### Employee Contracts

During Salary and Wage testing, it was noted one senior employee did not have a signed employment contract on file.

Employee's must have signed employment contracts on file to ensure the terms and conditions of employment are clearly understood by both parties.

RSM understands management will take steps to ensure a signed employment contract is placed on file as part of the Shire's move to a new Enterprise Bargaining Agreement effective November 2011.

**RSM Bird Cameron**

Chartered Accountants

***Adjusted audit errors***

Listed below is a summary of adjusted errors that arose during the course of our audit.

Unrecorded Liabilities

The following payments made after 1 July 2011 relate to goods/services provided to the Shire prior to 30 June 2011. As such, they represent liabilities of the Shire at 30 June 2011 and should have been accrued:

<b>Date of Payment</b>	<b>Particulars</b>	<b>Amount (Inc GST)</b>
24 Aug 11	Atom Supply	8,413.24
31 Aug 11	Atyeo's Environmental Health Services	6,007.99
15 Aug 11	Greg Rowe & Associates	5,225.00
24 Aug 11	Northcoast Contractors	3,373.00
5 Aug 11	Paynes Find Roadhouse	3,072.00
22 Jul 11	Rhys Jones	3,704.40
24 Aug 11	WA Local Government Association	642.63
22 Jul 11	Clohessy Earthmoving	19,700.00
		<b>50,138.26</b>

RSM understands a file containing creditor invoices for accrual was compiled in preparation for the preparation of the statutory financial statements, however, due to staffing of the Deputy CEO position via short term/temporary appointments, this file was misplaced and the accruals not posted.

RSM recommends procedures are put in place to ensure accrued expenses are accurately recorded in future financial years.

Accrued Wages and Superannuation

The following amounts were accrued for salaries and wages for the period 28 Jun – 30 Jun 11:

<b>Payroll Item</b>	<b>\$</b>
Salaries and Wages	10,091.64
Superannuation	1,218.49
<b>Total</b>	<b>11,310.13</b>

**RSM Bird Cameron**

Chartered Accountants

***Audit opinion***

We issued an unqualified audit report to the Shire of Yalgoo for the year ended 30 June 2011.

***Independence***

RSM International's policy is that those charged with governance are kept properly informed on a timely basis of all significant facts and matters that bear on our independence as auditors.

Accordingly, matters that you may wish to consider including the following in respect of the Firm or other RSM Member firms, their partners and their professional staff in relation to the company/group, its directors, senior management and its affiliates:

- any services (audit and non-audit) provided;
- details of fees charged by the Firm (and its related entities);
- any contingent fee arrangements for non-audit services;
- any other relationships we are aware of which bear on our independence or objectivity as auditors;
- whether we have complied with the requirements of any applicable ethical standards issued by professional bodies or regulators with regards to independence matters; and
- that in our professional judgement we are independent and our objectivity as auditors is not compromised.

Finally, if you have any comments regarding the contents of this letter or if you have any queries then please do not hesitate to contact Travis Bate on (08) 9920 7400.

Yours faithfully



S C CUBITT  
Director

# Shire of Yalgoo

PO Box 40  
Yalgoo WA 6635  
Telephone: (08) 9962 8042  
Fax : (08) 9962 8020  
Email: [pa@yalgoo.wa.gov.au](mailto:pa@yalgoo.wa.gov.au)



Address all correspondence to the Chief Executive Officer

Our reference:  
Your reference:

**2 February 2012**

Memo to CEO

Sharon it has been brought to my attention that an audit query on an invoice from N & N Carpentry has been overcharged some travel for 2540+ GST

The invoices and quote are attached Inv: 45 and 46

During the construction of the veranda for the caravan park house it was obvious that painting of the frames prior to sheeting the roof would save some considerable time in painting to do this task prior to sheeting to roof.

N & N Carpentry said they could complete this task, of which I agreed to them painting rather than getting another contractor out as they were starting other projects for us at the time. I agreed to have one extra travel charge and the time it took to complete the extra tasks.

Invoice 44 (attached) has been attached, and should be read in conjunction with Inv 45 & 46. The contractor has produced the invoices and put the travel charge on the last invoice.

The travel & food charge actually belongs to invoice 44 and not invoice 46.

I approved the variation and am satisfied that the works and charges are within the variation to the original quote.

We have in the administration, adjusted and developed a much better system and process for dealing with contractors and the required paperwork which is working better now.

Regards,

Ron Adams  
Project Executive

*Noted*

CEO SHARON DAISHE

13 MAR 2012



Original

**TAX INVOICE\*/STATEMENT\***  
 (\*delete as appropriate)

46

Date 13-4-2011

o Yalgoo shire

Order No.

ABN (of Recipient)

from N&N carpentry PO Box 2772 Geraldton 6531

ABN (of Supplier) 18 230 534 178

QUANTITY	DESCRIPTION	PRICE	G.S.T.	TOTAL
	Final Payment for Caravan Park House Carport & Verandah.			
	30% of \$15,500.00	4650 00	465 00	5115 00
	Travel: 2 cars + 4 hrs	2340 00	234 00	2574 00
	Food	200 00	20 00	220 00
SHIRE OF YALGOO PAYMENT VERIFICATION				
Order No: <u>6319</u>				
Credits received: <u>[Signature]</u> Date: <u>13-4-11</u>				
Invoice total checked: <u>[Signature]</u> Date: <u>13-4-11</u>				
Approved for payment: <u>[Signature]</u> Date: <u>13-4-11</u>				
B.C. Code: <u>6180101</u> Tax: <u>Gen</u>				
Job: <u>Caravan Park House</u> Class: <u>WVC</u>				

ENTERED

TOTAL INCLUSIVE OF G.S.T. 7909 00

Total Includes G.S.T. of 719 00

**TAX INVOICE\*/STATEMENT\***  
 (\*delete as appropriate)

45

Date 1/4/2011

Yalgoo shire

ABN (of Recipient)

Order No. 6319

From N & N Carpentry

PO Box 2772 Geraldton 6531

ABN (of Supplier) 18 230 534 178

QUANTITY	DESCRIPTION	PRICE	G.S.T.	TOTAL
	<u>progress on Caravan Park House</u>			
	<u>carport and verandah</u>			
	<u>70% of \$15,500</u>	<u>10850 00</u>	<u>1085 00</u>	<u>11935 00</u>
SHIRE OF YALGOO PAYMENT VERIFICATION				
Order No: <u>6319</u>				
Goods received: <u>[Signature]</u> Date: <u>5-4-11</u>				
Invoice checked: <u>[Signature]</u> Date: <u>5-4-11</u>				
Approved for payment: <u>[Signature]</u> Date: <u>11-11</u>				
GL Codes: <u>8180 40 7</u> Tax: <u>CA 5</u>				
Job: <u>5/2831 House</u> Class: <u>1500</u>				

TOTAL INCLUSIVE OF G.S.T. 11935 00

Total Includes G.S.T. of 1085 00

REQUIRED DELIVERY DATE: ...../...../.....

Signed: [Signature]

Name and Position: .....

**Ron Adams**

PROJECT EXECUTIVE.....

**SHIRE OF YALGOO**







Nathan & Naomi Larter



Mob: 0410 639 055  
Fax: (08) 9965 2129 Home: (08) 9965 2109  
PO Box 2772, Geraldton WA 6531  
email: nncarpentry@bigpond.com

TO: RON ADAMS

DATE:

PHONE NO:

ATTN:

TO FAX NO:

FROM: NATHAN LARTER

No. OF PAGES Inc. THIS ONE

Quote for timber verandah around  
transportable home:

Price includes Labour for timber frame  
work, roof sheeting, Food, air travel and  
Looking at job.

Price \$15,500.00

GST \$1,550.00

total \$17,050.00

PLEASE PHONE OR FAX IF MESSAGE IS INCOMPLETE OR ILLEGIBLE



**Government of Western Australia**  
**Department of Local Government**

Our Ref: 1383-02 E1143791

TO ALL LOCAL GOVERNMENTS

CIRCULAR N<sup>o</sup> 35-2011

**2011 COMPLIANCE AUDIT RETURN FOR LOCAL GOVERNMENTS**

The 2011 Compliance Audit Return (CAR) for Local Governments is now available on the Department's website.

Each local government is required to carry out a compliance audit in relation to the period 1 January 2011 to 31 December 2011 against the requirements set out in the 2011 CAR.

I am pleased to advise that while the structure of the CAR is generally similar to that of previous years, areas of compliance covered by the 2011 CAR have been restricted to those considered high risk, resulting in a CAR that contains substantially fewer questions, reducing the size of this CAR from the previous 27 pages to eight pages for 2011.

Amendments to regulation 13 of the *Local Government (Audit) Regulations 1996*, to be gazetted on 30 December 2011, are allowing these changes to occur.

These changes address issues raised in a number of reports that proposed a review of the Department's Compliance Audit Program, including the Public Accounts Committee Report No. 4 into Local Government Accountability (2006), the Department of Treasury and Finance's Red Tape Reduction Group Report (2010) and the Local Government Reform Steering Committee (2010). These reports raised issues regarding the compliance reporting burden placed on local governments resulting from the requirement to complete a comprehensive CAR and submit it to the Department by 31 March each year.

A further change to regulation 14 requires that the local government's Audit Committee now reviews the CAR and reports the results of that review to the Council prior to adoption by Council and the March submission to the Department.

Further complementary changes to the *Local Government (Audit) Regulations 1996* are proposed for early 2012 to expand the current role of local government audit committees. It is proposed the audit committees' role will additionally encompass the annual review of areas such as risk management, internal control and legislative compliance. Information related to these changes will be provided in the near future.

Gordon Stephenson House  
140 William Street Perth Western Australia 6000  
Telephone (08) 6552 1500 Facsimile (08) 6552 1555 [info@dlg.wa.gov.au](mailto:info@dlg.wa.gov.au)  
[www.dlg.wa.gov.au](http://www.dlg.wa.gov.au)  
[wa.gov.au](http://wa.gov.au)

The reduction to the CAR, and proposed associated transfer of responsibilities to the Audit Committee of each local government, will enable local governments to better manage legislative compliance within their own timeframes and with increased transparency and involvement for elected members. However, the requirement for local governments to comply with relevant legislation will not change.

I have attached an explanatory document to assist in completion and submission of the 2011 CAR, which is a process local governments need to follow.

Your co-operation in ensuring that completed and certified returns are submitted both electronically and in hard copy is appreciated. By submitting the CAR electronically the Department is able to provide timely feedback to local governments.

Should you require any further information, please contact Andrew Borrett on (08) 6552 1532 or [andrew.borrett@dlg.wa.gov.au](mailto:andrew.borrett@dlg.wa.gov.au). For questions related to electronic submission of the CAR please contact Meena Khokhar on (08) 6552 1530 or [meena.khokhar@dlg.wa.gov.au](mailto:meena.khokhar@dlg.wa.gov.au).

Tim Fowler  
A/DIRECTOR GENERAL

December 2011

att





Yalgoo - Compliance Audit Return 2011

<b>Commercial Enterprises by Local Governments</b>						
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 2011.	N/A		Sharon Daishe	
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 2011.	N/A		Sharon Daishe	
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 2011.	N/A		Sharon Daishe	
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 2011.	N/A		Sharon Daishe	
5	s3.59(5)	Did the Council, during 2011, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Sharon Daishe	

<b>Delegation of Power / Duty</b>						
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 delegations to Committees	Sharon Daishe	
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	N/A		Sharon Daishe	
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	N/A		Sharon Daishe	
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	N/A		Sharon Daishe	
5	s5.18	Has Council reviewed delegations to its committees in the 2010/2011 financial year.	N/A		Sharon Daishe	
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		Sharon Daishe	
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes	Annual review of delegations C2011-0619 resolved by absolute majority	Sharon Daishe	



No	Reference	Question	Response	Comments	Respondent
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes	Delegations manual is Instrument of Delegation to CEO however this could be improved by using separate Instrument of Delegation similar to one that CEO uses for delegations from CEO to staff. To implement with annual review 2011/12 financial year.	Sharon Daishe
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	N/A	No new delegations to staff 2011.	Sharon Daishe
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes	Annual review of delegations C2011-0619 resolved by absolute majority	Sharon Daishe
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes	Refer delegations register as updated 23 June 2011.	Sharon Daishe
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 2010/2011 financial year.	Yes	CEO reviewed delegations to other staff 01 December 2010 and updated delegations register as reported to Council 23 June 2011	Sharon Daishe
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	Refer source records as described in delegations register.	Sharon Daishe

**Disclosure of Interest**

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		Sharon Daishe
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		Sharon Daishe
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		Sharon Daishe
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		Sharon Daishe
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.	N/A	Nil Senior Employees appointed 2011	Sharon Daishe



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No	Reference	Question	Response	Comments	Respondent
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2011.	No	One elected member submitted annual return after 31 August 2011	Sharon Daishe
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2011.	Yes		Sharon Daishe
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		Sharon Daishe
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		Sharon Daishe
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		Sharon Daishe
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		Sharon Daishe
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		Sharon Daishe
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.	N/A	Nil disclosures	Sharon Daishe
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		Sharon Daishe
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		Sharon Daishe
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Sharon Daishe



<b>Disposal of Property</b>					
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)).	Yes		Sharon Daishe
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		Sharon Daishe

<b>Elections</b>					
No	Reference	Question	Response	Comments	Respondent
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	Nil gifts	Sharon Daishe

<b>Finance</b>					
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	Resolution C2011-1005	Sharon Daishe
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.	N/A	Nil powers delegated	Sharon Daishe
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Sharon Daishe
4	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	Yes		Sharon Daishe
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	Resolution C2011-0417	Sharon Daishe
6	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2011 received by the local government within 30 days of completion of the audit.	Yes		Sharon Daishe
7	s7.9(1)	Was the Auditor's report for 2010/2011 received by the local government by 31 December 2011.	Yes		Sharon Daishe



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No	Reference	Question	Response	Comments	Respondent
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		Sharon Daishe
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		Sharon Daishe
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 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.	N/A		Sharon Daishe
11	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes	Point 2. of Audit Agreement	Sharon Daishe
12	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes	Point 4. of Audit Agreement	Sharon Daishe
13	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes	Point 5. and 6. and Appendix A of Audit Agreement	Sharon Daishe
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	Point 7. and Appendix A of the Audit Agreement	Sharon Daishe
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	Point 8. of the Audit Agreement	Sharon Daishe

ONLY



<b>Local Government Employees</b>						
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	None advertised 2011	Sharon Daishe	
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		Sharon Daishe	
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 appointment 2011	Sharon Daishe	
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		Sharon Daishe	
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	Yes		Sharon Daishe	

<b>Official Conduct</b>						
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.	N/A	CEO is currently the complaints officer.	Sharon Daishe	
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).	N/A	Nil complaints	Sharon Daishe	
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		Sharon Daishe	
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		Sharon Daishe	
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		Sharon Daishe	
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).	Yes		Sharon Daishe	



<b>Tenders for Providing Goods and Services</b>					
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)).	Yes	Refer: EOI-2011-01 RFT-2011-02 to 05	Sharon Daishe
2	F&G Reg 12	Has the local government entered into multiple contracts only where avoiding the requirement to call tenders for a single contract in accordance with F&G Reg 11(1) was not a significant reason for doing so.	Yes		Sharon Daishe
3	F&G Reg 14(1)	Did the local government invite tenders via Statewide public notice.	Yes	All advertised in West Australian and Geraldton Guardian	Sharon Daishe
4	F&G Reg 14, 15 & 16	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes	NB: Awaiting evidence of full compliance from Greenfields Technical Services however we expect full or substantial compliance as they have been providing this professional service to Shires for over ten years.	Sharon Daishe
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		Sharon Daishe
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.	Yes		Sharon Daishe
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.	Yes		Sharon Daishe
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.	Yes		Sharon Daishe
9	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Sharon Daishe



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No	Reference	Question	Response	Comments	Respondent
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.	Yes		Sharon Daishe
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		Sharon Daishe
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.	Yes		Sharon Daishe
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.	Yes		Sharon Daishe
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		Sharon Daishe
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.	Yes		Sharon Daishe