

# SHIRE OF SHARK BAY UNCONFIRMED MINUTES AUDIT COMMITTEE

12 February 2024



12 FEBRUARY 2024



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The Shire of Shark Bay advises that no action should be taken on any application or item discussed at a Council meeting and should only rely on **WRITTEN ADVICE** of the outcome and any conditions attaching to the decision made by the Shire of Shark Bay.

The unconfirmed minutes of the Audit Committee held in the Council Chamber at the Shark Bay Recreation Centre, Francis Street, Denham on Monday 12 February 2024 commencing at 10.00am.

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## UNCONFIRMED MINUTES OF THE AUDIT COMMITTEE

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### **AC1.0 DECLARATION OF OPENING**

The Chairperson, Cr Cowell, declared the Audit Committee open at 10.00 am.

### **AC2.0 ACKNOWLEDGEMENT OF COUNTRY**

I would like to acknowledge the Malgana Peoples as the traditional custodians of the land and sea in and around the Shire of Shark Bay.

I pay my respects to their Elders past, present and emerging.

### **AC3.0 RECORD OF ATTENDANCES / APOLOGIES / LEAVE OF ABSENCE GRANTED**

#### ATTENDANCES

Cr C Cowell	Chairperson
Cr L Bellottie	
Cr E Fenny	
Cr P Stubberfield	

Mr D Chapman	Chief Executive Officer
Mr B Galvin	Works Manager
Mrs R Mettam	Executive Assistant

#### APOLOGIES

Cr G Ridgley  
Cr M Smith  
Cr M Vankova

### **AC4.0 CONFIRMATION OF MINUTES**

#### AC4.1 CONFIRMATION OF THE MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 17 MAY 2023

Moved	Cr Fenny
Seconded	Cr Bellottie

#### **Audit Committee Resolution**

**That the minutes of the Audit Committee meeting held on 17 May 2023, as circulated to all Committee members, be confirmed as a true and accurate record.**

**4/0 CARRIED**

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**AC5.0 AUDIT COMMITTEE REPORTS**

**AC5.1 2022/2023 ANNUAL REPORT**  
FM00009

Author

Chief Executive Officer

Disclosure of Any Interest

Nil

Moved            Cr Bellottie  
Seconded        Cr Fenny

**Audit Committee Resolution**

**That the Audit Committee recommend to Council the following:**

- 1. Receive and accept the Annual Report for the 2022/2023 financial year.**
- 2. Receive and accept the Annual Financial and Auditors reports for the 2022/2023 financial year.**
- 3. Set the date for the Annual General Meeting of electors for Wednesday 27 March 2024 commencing at 5.00 pm at the Shark Bay Recreation Centre in accordance with section 5.27(2) of the *Local Government Act 1995*.**

**4/0 CARRIED**

Background

The 2022/2023 Annual Report, which includes the annual financial statements and auditor's report, has been prepared in accordance with section 5.53 of the *Local Government Act 1995* and is attached under separate cover. The Audit Committee recommended that the Annual Report, the Annual Financial and Auditors report for 2022/2023 be adopted by Council.

The Annual Report highlights the Shire's achievements in 2022/2023 under the outcomes in the Strategic Community Plan.

Following the acceptance of the Annual Report the Council must have a meeting of electors not more than 56 days after the acceptance of the Annual Report for the previous financial year. This means that the last day that the Council can hold an electors' meeting is 8 April 2024.

Comment

The annual financial statements are included in the Annual Report and reflect an unqualified audit report.

The management letter highlights four (4) areas identified by the auditors as areas for improvement:

- Inadequate physical inspection of infrastructure assets.
- Bank reconciliation.
- Risk management framework.

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- No evidence of RFQ evaluation worksheet approval by evaluation panel members.

A full copy of the Management Letter is attached to this agenda item for your information which incorporates the details of the findings as well as Managements comments.

Legal Implications

Sections 5.53, 5.54 and 5.55 of the *Local Government Act 1995* refer to the acceptance of the annual report.

Policy Implications

There are no policy implications associated with this report.

Financial Implications

The annual report includes the Shire's audited annual financial statements, which present the Shire's financial position as at 30 June 2023 and is a useful tool for evaluating the Shire's operations.

Strategic Implications

Strategy 4.1 / 4.2 The Shire is a strategically focused, unified Council and organisation, functioning efficiently and effectively.

Risk Management

There is a low risk associated with this item. Council needs to adopt the annual report to maintain compliance with the *Local Government Act 1995*.

Voting Requirements

**Absolute Majority Required**

Signatures

Chief Executive Officer

*D Chapman*

Date of Report

5 February 2024

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## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2023

#### Shire of Shark Bay

#### To the Council of the Shire of Shark Bay

#### OPINION

I have audited the financial report of the Shire of Shark Bay (Shire) which comprises:

- the Statement of Financial Position as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2023 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

#### BASIS FOR OPINION

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### OTHER INFORMATION

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or my knowledge obtained in the audit or otherwise appears to be

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materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

#### **RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER AND COUNCIL FOR THE FINANCIAL REPORT**

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

#### **MY INDEPENDENCE AND QUALITY MANAGEMENT RELATING TO THE REPORT ON THE FINANCIAL REPORT**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the



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Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Shire of Shark Bay for the year ended 30 June 2023 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Tim Sanya  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
15 December 2023

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**SHIRE OF SHARK BAY****PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023 FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Inadequate physical inspection of infrastructure assets	x	✓			
2. Bank reconciliation	x	✓			
3. Risk management framework	x		✓		✓
4. No evidence of RFQ evaluation worksheet approval by evaluation panel members	x			✓	

**KEY TO RATINGS**

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

**Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

**Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

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

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## SHIRE OF SHARK BAY

### PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023 FINDINGS IDENTIFIED DURING THE FINAL AUDIT

#### 1. INADEQUATE PHYSICAL INSPECTION OF INFRASTRUCTURE

##### ASSETS FINDING

We noted that desktop valuations of all infrastructure assets at 30 June 2023 were completed by independent valuers. However there was no comprehensive inspection and condition assessment of individual assets within this asset class, either by management or the independent valuer.

##### RATING: SIGNIFICANT

##### IMPLICATION

A comprehensive inspection and condition assessment of all assets that are subject to a formal valuation is essential to ensure that impaired or non-existent assets are identified and that the asset records used for the valuations are updated accordingly.

##### RECOMMENDATION

We recommend that when non-financial asset classes are subject to a formal valuation as required by Regulation 17A of the Local Government (Financial Management) Regulations 1996, a comprehensive inspection and condition assessment of these assets should also be undertaken to ensure that asset impairments and updated asset useful lives are considered in the asset valuations.

##### MANAGEMENT COMMENT

*The Shire would like it noted that it went to great lengths to have physical, onsite valuations performed. 3 Requests for Quotation to the market well in advance of the valuation requirement, were not responded to. When a commitment was finally received from the market, they would only commit to a desk top valuation on the basis that they would not be able to get to Shark Bay until the middle of 2024 given our remoteness. The market in the valuations space is quite limited, add that these services were in high demand from the Local Government sector, and we were at the mercy of their availability.*

*The Shire is of the view that nothing more could have been done, we are unfortunately as with a lot of things, disadvantaged by our location. It should also be noted that we took the opportunity to revalue the Shires Land and Buildings in advance of the regulatory requirement. The Shire has been very open about the challenges we faced in this space and requests some acknowledgement of same.*

RESPONSIBLE PERSON: CEO

**Completion date:** January to March 2025

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**SHIRE OF SHARK BAY**

**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023 FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

**2. BANK**

RECONCILIATION FINDING

The bank reconciliation for the Municipal Fund as at 30 June included a reconciling entry of \$460,176.41 which included:

- \$439,856.03 relating to an EFT payment which was made in July 2023 but was incorrectly recorded in the general ledger in the 2023 financial year, resulting in the material misstatement of cash and cash equivalents and trade payables in the financial statements. This error has subsequently been rectified.
- an unexplained reconciling amount of \$8,261.15 for which the Shire was unable to provide a break down.

RATING: SIGNIFICANT

IMPLICATION

Bank reconciliations that do not completely reconcile the bank statement balances to the general ledger, increase the risk of errors and omissions remaining undetected, which in turn could lead to misstatements in the Shire's financial reports. There is a further risk of non-compliance with Regulation 5(1) of the *Local Government (Financial Management) Regulations 1996*.

RECOMMENDATION

Bank reconciliations are a key control and catalyst for many transactions in other general ledger accounts. Management should ensure that payments are recorded in the correct period and that all differences between the bank statement and general ledger balances are promptly identified, investigated, and reconciled.

MANAGEMENT COMMENT

*The Shire accepts this finding, unfortunately in the transition from our previous Executive Manage Finance we have been unable to reconcile the source of this discrepancy but continue to work on it.*

**Responsible person:** Finance Manager

**Completion date:** Immediately

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**SHIRE OF SHARK BAY**

**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023 FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

**3. RISK MANAGEMENT FRAMEWORK**

FINDING

We noted that the Shire's risk management policy and plan have not been updated since February 2017. The Shire's risk register has also not been updated since May 2016.

This finding was first reported in 2022.

RATING: MODERATE (2022: MODERATE) IMPLICATION

There is a risk that the risk management policy and plan may no longer be fit for purpose for the Shire.

Further, without an up-to-date risk register, the Shire might not have appropriate or effective processes in place to sufficiently mitigate risks to its operations or to take advantage of opportunities.

RECOMMENDATION

Management should review the Shire's risk management policy and plan and risk register on a regular basis, to make sure that reflects all current risks and the related treatment action plans.

The Shire should also consider providing a regular report to the audit committee on the status of the risk register and the progress made in completing required treatment action plans.

MANAGEMENT COMMENT

*The Shire accepts this finding and acknowledges the requirement to update its risk management policy and register.*

**Responsible person:** Executive Manger Community Development/Finance

**Completion date:** 30 June 2024

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**SHIRE OF SHARK BAY**

**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023 FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

**4. NO EVIDENCE OF RFQ EVALUATION WORKSHEET APPROVAL BY EVALUATION PANEL**

MEMBERS FINDING

As part of the assessment of the Request For Quote (RFQ) process for the acquisition of a new Grader, the evaluation panel completed a MS Excel evaluation worksheet to assess the quotes submitted. There was however no evidence of the evaluation panel members' sign off on their individual evaluations or approval of the finalised evaluation worksheet.

RATING: MINOR

IMPLICATION

Evaluation assessments that are not signed as a true and correct record of deliberations, can be subject to alteration.

RECOMMENDATION

While there is no requirement under the Shire's purchasing policy for the evaluation report to have evidence of approval, to help ensure that evaluation assessments are not at risk of being amended, we recommend as best practice that evidence be retained to show that evaluation panel members have approved their individual evaluations as well as the final evaluation worksheet.

MANAGEMENT COMMENT

*The Shire is happy to receive this finding as recommended best practice.*

RESPONSIBLE PERSON: CEO

**Completion date:** To be implemented immediately and with any upcoming significant RFQ process.

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AC5.2 LOCAL GOVERNMENT COMPLIANCE AUDIT REPORT  
CM00013

Author

Executive Assistant

Disclosure of Any Interest

Nil

Moved

Cr Fenny

Seconded

Cr Stubberfield

**Audit Committee Resolution**

**That the Audit Committee recommend that Council adopt the Local Government Compliance Audit Return for the period 1 January 2023 to 31 December 2023 as completed and for it to be forwarded to the Department of Local Government as a true and correct record of the information contained therein.**

**4/0 CARRIED BY ABSOLUTE MAJORITY**

Comments

The Audit Compliance Return now focuses on areas of compliance that are considered high risk, such as financial interest disclosures, procurement and tendering, delegation and use of delegated power and the recruitment and appointment of the Chief Executive Officer and Senior Staff.

The Compliance Audit Return has been completed and checked. It is now presented to the Audit Committee. The Audit Committee now needs to recommend that it be adopted by Council. A certified copy of the Return is to be submitted to the Department of Local Government by 31 March 2024.

The Compliance Return is an excellent internal control to assess the Shire of Shark Bay's statutory compliance.

Councillor's will note that the attached compliance return is not on the normal letterhead of the Department of Local Government as previously presented. This is due to issues the Department has with its portal at present.

Background

The Statutory Compliance Audit Return for the period 1 January 2023 to 31 December 2023 is due. Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996* require all local governments to complete the Statutory Compliance Audit Return.

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The Compliance Audit Return is to be -

- 1 Presented to the Audit Committee
- 2 Presented to Council at a meeting of the Council.
- 3 Adopted by the Council.
- 4 The adoption recorded in the minutes of the meeting at which it is adopted.

After the Compliance Audit Return has been presented to the Council, a certified copy of the Return along with the relevant section of the minutes and any additional information explaining or qualifying the Compliance Audit Return is to be submitted to the Director General, Department of Local Government by 31 March 2024.

Legal Implications

Section 7.13 (1)(i) of the *Local Government Act 1995*.

Regulation 14 – Compliance audit return to be prepared – *Local Government (Audit) Regulations 1996*

Regulation 15 – Completion of compliance audit return – *Local Government (Audit) Regulations 1996*

Policy Implications

There are no policy implications relative to this report

Financial Implications

There are no financial implications relative to this report

Strategic Implications

There are no strategic implications relative to this report

Voting Requirements

Simple Majority Required

Signatures

Chief Executive Officer

*D Chapman*

Date of Report

6 February 2024



## UNCONFIRMED MINUTES OF THE AUDIT COMMITTEE

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## Compliance Audit Return 2023

Commercial Enterprises by Local Governments			Answers	Info
No	Reference	Question		
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2023?	N/A	
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2023?	N/A	
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	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 2023?	N/A	
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2023?	N/A	
5	s3.59(5)	During 2023, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A	
Delegation of Power/Duty				
No	Reference	Question		
1	s5.16 (1)	Were all delegations to committees resolved by absolute majority?	N/A	No Delegations to Committees
2	s5.16 (2)	Were all delegations to committees in writing?	N/A	No Delegations to Committees
3	s5.17	Were all delegations to committees within the limits specified in section 5.17 of the <i>Local Government Act 1995</i> ?	N/A	No Delegations to Committees
4	s5.18	Were all delegations to committees recorded in a register of delegations?	N/A	No Delegations to Committees
5	s5.18	Has council reviewed delegations to its committees in the 2022/2023 financial year?	N/A	No Delegations to Committees
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the <i>Local Government Act 1995</i> ?	Yes	
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes	OCM 30/08/2023 Item 10.2
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes	
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes	
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	N/A	No Revokes in 2023

## UNCONFIRMED MINUTES OF THE AUDIT COMMITTEE

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11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2022/2023 financial year?	Yes
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 in accordance with Local Government (Administration) Regulations 1996, regulation 19?	Yes

Disclosure of Interest			
No	Reference	Question	
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the <i>Local Government Act 1995</i> , did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes
2	s5.68(2) & s5.69(5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?	N/A
3	s5.73	Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the <i>Local Government Act 1995</i> recorded in the minutes of the meeting at which the disclosures were made?	Yes
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2023?	Yes
6	s5.77	On receipt of a primary or annual return, did the CEO, or the Mayor/President, give written acknowledgment of having received the return?	Yes
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the <i>Local Government Act 1995</i> ?	Yes
8	s5.88(1) & (2)(b) 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, 5.71 and 5.71A of the <i>Local Government Act 1995</i> , in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?	Yes
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the <i>Local Government Act 1995</i> , did the CEO remove from the register all returns relating to that person?	Yes

## UNCONFIRMED MINUTES OF THE AUDIT COMMITTEE

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10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) of the <i>Local Government Act 1995</i> been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes	
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the <i>Local Government Act 1995</i> , in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?	Yes	
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes	
13	s5.89A(6)	When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the <i>Local Government Act 1995</i> , did the CEO remove from the register all records relating to those people?	Yes	
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A(6) of the <i>Local Government Act 1995</i> been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes	
15	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes	
16	s5.71A & s5.71B(5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) of the <i>Local Government Act 1995</i> relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A	
17	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) of the <i>Local Government Act 1995</i> recorded in the minutes of the council meeting at which the decision was considered?	N/A	
18	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates that incorporates the model code of conduct?	Yes	OCM 24/02/2021 Item 9.4
19	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the <i>Local Government Act 1995</i> ?	No	
20	s5.104(7)	Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?	Yes	<a href="https://www.sharkbay.wa.gov.au/documents/public-documents/policy-manual">https://www.sharkbay.wa.gov.au/documents/public-documents/policy-manual</a>

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21	s5.51A(1) & (3)	Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government? If yes, has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?	Yes	<a href="https://www.sharkbay.wa.gov.au/documents/public-documents/policy-manual">https://www.sharkbay.wa.gov.au/documents/public-documents/policy-manual</a>
<b>Disposal of Property</b>				
<b>No</b>	<b>Reference</b>	<b>Question</b>		
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the <i>Local Government Act 1995</i> (unless section 3.58(5) applies)?	N/A	
2	s3.58(4)	Where the local government disposed of property under section 3.58(3) of the <i>Local Government Act 1995</i> , did it provide details, as prescribed by section 3.58(4) in the required local public notice for each disposal of property?	N/A	

<b>Elections</b>				
<b>No</b>	<b>Reference</b>	<b>Question</b>		
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors 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 forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?	Yes	No gifts were declared
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?	N/A	No unsuccessful candidates
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?	N/A	No gifts were declared

## UNCONFIRMED MINUTES OF THE AUDIT COMMITTEE

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Finance				
No	Reference	Question		
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 Local Government Act 1995?	Yes	Special Council meeting October 2023 Item
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the <i>Local Government Act 1995</i> , did it do so by absolute majority?	N/A	No delegation
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2023 received by the local government by 31 December 2023?	Yes	14-Dec-23
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the <i>Local Government Act 1995</i> required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes	
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	No	Audit received 14/12/2023 Action to be determined
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the <i>Local Government Act 1995</i> , did the CEO publish a copy of the report on the local government's official website?	N/A	Has yet to be adopted by Council
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June 2023 received by the local government within 30 days of completion of the audit?	Yes	
Integrated Planning and Reporting				
No	Reference	Question		
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	28/06/2023
2	Admin Reg 19DA(1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	28/06/2023
3	Admin Reg 19DA(2) & (3)	Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?	Yes	28/06/2023

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Local Government Employees				
No	Reference	Question		
1	s5.36(4) & s5.37(3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?	N/A	No vacancies
2	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A	
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 under section 5.36(4) of the <i>Local Government Act 1995</i> ?	N/A	
4	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	N/A	
5	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A	
Official Conduct				
No	Reference	Question		
1	s5.120	Has the local government designated an employee to be its complaints officer?	Yes	
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the <i>Local Government Act 1995</i> ?	Yes	No Complaints have been received
3	S5.121(2)	Does the complaints register include all information required by section 5.121(2) of the <i>Local Government Act 1995</i> ?	Yes	
4	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	N/A	
Optional Questions				
No	Reference	Question		
1	Financial Management Reg 5(2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three financial years prior to 31 December 2023? If yes, please provide the date of council's resolution to accept the report.	Yes	31/072019 Adopted at the Ordinary Council meeting held on the 31 July 2019 at Item 12.4



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2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2023? If yes, please provide date of council's resolution to accept the report.	Yes	31/07/2019 Adopted at the Ordinary Council meeting held on the 31 July 2019 at Item 12.4
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B of the <i>Local Government Act 1995</i> , were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?	Yes	
4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?	Yes	
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the <i>Local Government Act 1995</i> ?	Yes	
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2022/2023 financial year and publish it on the local government's official website by 31 July 2023?	Yes	<a href="https://www.sharkbay.wa.gov.au/council/other-council-information/councillor-training.aspx">https://www.sharkbay.wa.gov.au/council/other-council-information/councillor-training.aspx</a>
8	s6.4(3)	By 30 September 2023, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2023?	Yes	
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes	

Tenders for Providing Goods and Services		
No	Reference	Question
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?
2	s3.57 F&G Reg 11	Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all 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 Regulations?

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3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 of the Local Government Functions and General) Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)?	Yes
4	F&G Reg 12	Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?	N/A
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
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?	Yes
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	N/A
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	YES
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?	YES
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	YES
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?	YES



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15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions and General) Regulations 1996, Regulations 24AD(4) and 24AE?	YES
16	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	YES
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?	YES
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	YES
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	YES
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?	N/A

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Date

UNCONFIRMED MINUTES OF THE AUDIT COMMITTEE

12 FEBRUARY 2024

\_\_\_\_\_  
President

\_\_\_\_\_  
Date

12 FEBRUARY 2024

**AC6.0 NEXT AUDIT COMMITTEE MEETING**

The next meeting of the Audit Committee will be held as required.

**AC7.0 CLOSURE OF MEETING**

The Chairperson closed the Audit Committee meeting at 10.33am.