

CITY OF ARMADALE

AGENDA

OF CITY AUDIT COMMITTEE TO BE HELD IN THE COMMITTEE ROOM,
ADMINISTRATION CENTRE, 7 ORCHARD AVENUE, ARMADALE ON MONDAY, 18
MARCH 2013 AT 5:45 PM.

A meal will be served at 6:15 p.m.

PRESENT:

APOLOGIES: Cr L Sargeson (Leave of Absence)

OBSERVERS:

IN ATTENDANCE:

DECLARATION OF MEMBERS' INTERESTS

PUBLIC QUESTION TIME

Note:

Meetings of the City Audit Committee are closed to the public on the basis that matters to be dealt with by Committee will generally be of a sensitive and confidential nature which, if disclosed could reasonably be expected to impair the effectiveness of the audit process – Council resolution CS18/2001 refers.

DEPUTATION

CONFIRMATION OF MINUTES

RECOMMEND

Minutes of the City Audit Committee Meeting held on 5 November 2012 be confirmed.

“For details of Councillor Membership on this Committee, please refer to the City’s website – www.armadale.wa.gov.au/your_council/councillors.”

CONTENTS

CITY AUDIT COMMITTEE

18 MARCH 2013

1. FINANCIAL MANAGEMENT & PLANNING	
1.1 COMPLIANCE AUDIT RETURN - 2012 CALENDAR YEAR	2
1.2 AMENDMENTS TO THE LOCAL GOVERNMENT (AUDIT) REGULATIONS 1996	5
2. COUNCILLORS' ITEMS	
NIL	11
SUMMARY OF "A" ATTACHMENTS.....	12

1.1 - COMPLIANCE AUDIT RETURN - 2012 CALENDAR YEAR

WARD : ALL
FILE No. : M/162/13
DATE : 14 March 2013
REF : TM
RESPONSIBLE : Executive Director
MANAGER : Corporate Services

In Brief:

- Council is requested to consider and adopt the 2012 Compliance Audit Return covering the period 1st January 2012 to 31st December 2012 as presented, noting that there was one minor instance of non-compliance.

Officer Interest Declaration

Nil

Strategic Implications

Good governance and leadership

- Support an Audit Committee to assist accountability and good governance

Legislation Implications

Local Government (Audit) Regulations 1996, ie.

- Clause 13 – prescribed statutory requirements for which compliance audit needed;
- Clause 14 – compliance audits by local governments;
- Clause 15 – compliance audit return, certified copy of etc. to be given to Executive Director;

Council Policy/Local Law Implications

Nil

Budget/Financial Implications

Nil

Consultation

Management Executive Group

BACKGROUND

The *Local Government (Audit) Regulations 1996* requires every local government to carry out a Compliance Audit for the period 1 January to 31 December each year and to complete a Compliance Audit Return (CAR) as produced by the Department of Local Government.

The CAR is to be:-

- Presented to Council at a meeting of the Council;
- Adopted by the Council; and

- Recorded in the minutes of the council meeting at which it is adopted.

After the CAR has been presented to and adopted by Council, a certified copy is signed by the Mayor and CEO, along with the relevant section of the council minutes and any additional information explaining or qualifying the compliance audit, and is then submitted to the Director General of the Department of Local Government by 31st March.

Last year's CAR reported just the instance of non-compliance with regards to tenders for goods and services. This year's CAR reports just the one instance of non-compliance the details of which are explained in the following section of this report.

COMMENT

The CAR is one of the tools available to Council in its governance monitoring role. The CAR also forms part of the Department of Local Government's monitoring program.

The 2012 CAR once again places emphasis on the need for Council to be aware and acknowledge instances of non-compliance or where full compliance was not achieved. In addition, the CAR also requires Council to endorse details of remedial action either taken or proposed, to prevent future like occurrences.

The 2012 CAR has been completed by Management and is presented as an attachment to this report for consideration/review by Committee, prior to it being submitted to Council.

The 2012 CAR identifies one minor instance of non-compliance relating to primary returns not being completed by designated (those with delegated authority) employees. More specifically, on three occasions, officers when acting (during periods of annual leave) in positions with delegated authority did not complete a primary return within the required 3 month timeframe. No specific remedial action has been taken or is proposed, given the returns were completed shortly after the 3 month timeframe and procedures do exist to prompt completion of the return when acting in positions with delegated authority.

Councillors have the opportunity to comment on the contents of the CAR either via the March 18th 2013 City Audit Committee Meeting or the March 25th 2013 Council Meeting at which the 2012 CAR will be presented for adoption.

The 2012 CAR, once adopted by Council, will be certified/signed by the Mayor and CEO and then forwarded to the Director General of the Department of Local Government by 31st March 2013.

RECOMMEND

That Council:

- **Adopts the Compliance Audit Return for the calendar year 2012 as presented in the attachment; and**
- **Acknowledges the joint certification which is to be signed by the Mayor and Chief Executive Officer.**

ATTACHMENTS

1. 2012 Compliance Audit Return

1.2 - AMENDMENTS TO THE LOCAL GOVERNMENT (AUDIT) REGULATIONS 1996

WARD : ALL
FILE No. : M/164/13
DATE : 14 March 2013
REF : TM
RESPONSIBLE : Executive Director
MANAGER : Corporate Services

In Brief:

- This report presents details of recent amendments made to the *Local Government (Audit) Regulations 1996* that extend the functions of Audit Committees to include risk management, internal control and legislative compliance;
- The Report recommendation is to initiate, as a preliminary step, discussions with the City's Auditor and Local Government Insurance Services to ascertain what level of assistance they are able to provide to the City in addressing these extended Audit Committee functions.

Officer Interest Declaration

Nil

Strategic Implications

Good governance and leadership

- Support an Audit Committee to assist accountability and good governance

Legislation Implications

Local Government (Audit) Regulations 1996 -
Local Government Act 1995 – Part 7 - Audit

Council Policy/Local Law Implications

Nil

Budget/Financial Implications

For reasons as explained in this report, the estimated cost to resource the City Audit Committee's extended functions of risk management, internal control and legislative compliance is subject to the release of the Department of Local Government's Guideline and preliminary discussions with Local Government Insurance Services and the City's Auditor, for reasons as explained in this report.

Consultation

Department of Local Government

BACKGROUND

This report is presented in response to recent Circular No: 5/2013 from the Director General of the Department of Local Government as presented as an attachment to this report. The essence of the Circular is as follows:

I am pleased to advise that amendments to the *Local Government (Audit) Regulations 1996* have been gazetted today and will come into effect on 9 February 2013.

The amendments extend the functions of local government Audit Committees to include reviewing the effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance.

Specifically, the amendments require a local government's Chief Executive Officer to review, at least once every two years, the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance, and provide a report of that review to the local government's Audit Committee for their consideration.

The Audit Committee will consider the Chief Executive Officer's review and report the results of their consideration of that review to the Council.

The specific amendments to the Audit Regulations read as follows:

16. Audit committee, functions of

An audit committee —

- (c) *is to review a report given to it by the CEO under regulation 17(3) (the **CEO's report**) and is to —*
- (i) *report to the council the results of that review; and*
 - (ii) *give a copy of the CEO's report to the council.*

17. CEO to review certain systems and procedures

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*
- (a) *risk management; and*
 - (b) *internal control; and*
 - (c) *legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

DETAILS OF PROPOSAL

The proposed approach in responding to the extended functions of the City Audit Committee covering the areas of risk management, internal control and legislative compliance, is to firstly initiate discussions with Local Government Insurance Services and the City's Auditor to determine what level of assistance they can provide to the City in addressing these extended functions and the indicative cost of that assistance. This approach is proposed for the reasons :-

- There is little if any spare in-house resource capacity to address these extended functions, particularly the risk management function which also requires specialist skills; and

- The likelihood of local government reform/amalgamations occurring in the near future which may provide other resource opportunities in these areas.

As well, the City Audit Committee and Council are requested to consider whether these extended functions as now regulated adequately respond to Council's prior resolution no. CA2/3/12 which read :-

That Council, through the City Audit Committee, be provided with a report by the end of September 2012, which examines expanding the role and responsibilities of the City Audit Committee to include, for example, risk management.

COMMENT

ANALYSIS

Analysis

One of the "keys" to determining the associated resource and skills/experience implications of the extended functions, is the pending Guideline on the matter from the Department of Local Government – the Director General's Circular refers :-

A Guideline is currently being prepared to provide more detail to assist local governments and Audit Committees as to what falls within the terms 'risk management', 'internal control' and 'legislative compliance'. This will be released in the near future.

Of the (3) extended functions, it is the **risk management** function that is likely to have the greatest added resource/skill implications.

Whilst there are numerous risk management and mitigation practices occurring daily across the organisation as part of everyday activities, and whilst the record shows that the City has managed risk responsibly, it is the case that the City has grown to a size of activity and diversity of tasks that warrants risk management moving to a higher level of sophistication.

The City has with the assistance of consultants partly prepared a draft Risk Management Plan. Risks have been identified, documented and ranked in terms of likelihood and consequences. However, work on measures and actions to mitigate identified risks and the subsequent development and implementation of an on-going Risk Management Program that forms part of daily business, has stalled due to resource limitations and other organisational priorities. The City has also acquired computer software specific to risk management that complements other management reporting requirements. Risk management is a core business function of the City and needs to be appropriately resourced.

With regards to the extended function of **Internal Control**, it will be interesting to see what the Guideline envisages this function to include for a considerable amount of work already occurs in this area. For instance :-

1. There is the interim audit by the City's auditor which specifically focuses on internal control procedures. The interim audit report from the City's auditor generally reads as follows :-

Our interim audit covered a review of the accounting and internal control procedures in operation, as well as testing of transactions, in the following areas : bank reconciliations, investments, purchases, payments and creditors, rate receipts and rate debtors, payroll, stores, general accounting and IT controls, registers (Tenders Register), review of council minutes.

2. There is also the existing requirements under the *Local Government (Financial Management) Regulations 1996*, namely regulation 5, and in particular clause 2(c) of this regulation, which reads as follows :-

5. Financial management duties of the CEO

- (1) *Efficient systems and procedures are to be established by the CEO of a local government —*
 - (a) *for the proper collection of all money owing to the local government;*
 - (b) *for the safe custody and security of all money collected or held by the local government;*
 - (c) *for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process);*
 - (d) *to ensure proper accounting for municipal or trust —*
 - (i) *revenue received or receivable;*
 - (ii) *expenses paid or payable; and*
 - (iii) *assets and liabilities;*
 - (e) *to ensure proper authorisation for the incurring of liabilities and the making of payments;*
 - (f) *for the maintenance of payroll, stock control and costing records; and*
 - (g) *to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.*
- (2) *The CEO is to —*
 - (a) *ensure that the resources of the local government are effectively and efficiently managed;*
 - (b) *assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and*
 - (c) *undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 4 financial years) and report to the local government the results of those reviews.*

It may be that the extended function of *internal control* will encompass functions like for example building and development applications and if this be the case, then there is every likelihood of additional resource/financial implications.

With regards to the extended function of **Legislative Compliance**, again it will be interesting to see what the Guideline envisages this function to include, for whilst a considerable body of work already occurs in this area, like the following examples which focus on the *Local Government Act 1995*, Council administers a long list of other legislation as shown hereunder.

1. There is the annual Compliance Audit Return as required under the Audit Regulations which covers a range of legislative requirements like for example, delegations, interest disclosures, property disposals, elections, finance, employees, tenders for goods and services, official conduct and commercial enterprises.

2. There is also the annual Independent Auditor's Report wherein the Auditor in his report to Council makes specific reference to statutory compliance. For example, in the most recent

Independent Auditor's Report, under the heading statutory compliance, the report reads :-
"we did not during the course of our audit become aware of any instances where the council did not comply with the requirements of the Local Government Act 1995, and the Local Government (Financial Management) Regulations 1996".

The Acts of Parliament that Council administers, include :-

- Building Act 2011
- Building and Construction Industry Training Fund and Levy Collection Act 1990
- Bush Fires Act 1954
- Caravan Parks and Camping Grounds Act 1995
- Control of Vehicles (Off Road Areas) Act 1978
- Cat Act 2011
- Disability Services Act 1993
- Dividing Fences Act 1961
- Dog Act 1976
- Environmental Protection Act 1986
- Equal Opportunity Act 1984
- Food Act 2008
- Freedom of Information Act 1992
- Health Act 1911
- Heritage of Western Australia Act 1990
- Land Administration Act 1997
- Library Board of Western Australia Act 1951
- Litter Act 1979 and Associated Regulations
- Local Government Act 1995 & Local Government (Miscellaneous Provisions) Act 1960
- Local Government Grants Act 1978
- Occupational Safety and Health Act 1984 and Associated Regulations
- Parliamentary Commissioner Act 1971
- Planning and Development Act 2005
- Public Interest Disclosure Act 2003
- Rates and Charges (Rebates and Deferments) Act 1992
- State Records Act 2000
- Strata Titles Act 1985

- Workers Compensation and Injury Management Act 1981

OPTIONS

Whilst the options for addressing the resource implications are relatively straightforward, either contract in the required resources and/or increase the staff establishment, the extent and type of the resource requirements is less clear in the absence of the Department's Guideline which is intended to explain "as to what falls within the terms 'risk management', 'internal control' and 'legislative compliance'". The other consideration in this regard, is the pending

local government reform/amalgamation process which as mentioned earlier in this report may provide other resourcing opportunities.

CONCLUSION

Pending the release of the Department's Guideline explaining what aspects of risk management, internal control and legislative compliance will Audit Committee's in the future be expected to review and report to Council, it is recommended that contact be made with Local Government Insurance Services and the City's Auditor to ascertain what assistance they may be able to provide to Council together with indicative costs.

RECOMMEND

That Council:

- A. In response to recent amendments to the *Local Government (Audit) Regulations* which extend the functions of Audit Committees to include reviewing the effectiveness of systems in regards to risk management, internal control and legislative compliance :-**
- 1. initiate discussions with Local Government Insurances Services to ascertain what level of assistance in the area of risk management they can provide to the City together with indicative costs;**
 - 2. initiate discussions with the City's Auditor to ascertain what level of assistance in the areas of internal control and legislative compliance they can provide to the City together with indicative costs;**
 - 3. Consider for inclusion in the forward financial plan estimates commencing the 2014 financial year, additional funding to address the City Audit Committee's expanded functions including risk management, internal control and legislative compliance having regard for the outcomes to parts 1 and 2 of this recommendation which are to be reported to the City Audit Committee at the earliest possible time.**
- B. With regards to its prior resolution CA2/3/12 of 26th March 2012, namely, "That Council through the City Audit Committee be provided with a report which examines expanding the role and responsibilities of the City Audit Committee to include, for example, risk management", acknowledge that the recent amendments to the *Local Government (Audit) Regulations 1996* together with the outcomes to part A of this recommendation, adequately addresses prior Council resolution CA2/3/12.**

ATTACHMENTS

- 1. Audit Regulations - Amendments February 2013**

COUNCILLORS' ITEMS

Nil

MEETING DECLARED CLOSED AT _____

SUMMARY OF "A" ATTACHMENTS

18 MARCH 2013

ATT NO.	SUBJECT	PAGE
1.1 COMPLIANCE AUDIT RETURN - 2012 CALENDAR YEAR		
1.1.1	2012 Compliance Audit Return	13
1.2 AMENDMENTS TO THE LOCAL GOVERNMENT (AUDIT) REGULATIONS 1996		
1.2.1	Audit Regulations - Amendments February 2013	28

Department of Local Government - Compliance Audit Return



Government of Western Australia
 Department of Local Government

Armadale - Compliance Audit Return 2012

Commercial Enterprises by Local Governments			
No	Reference	Question	Response Comments
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 2012.	N/A
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 2012.	Yes
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 2012.	N/A
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 2012.	Yes
5	s3.59(5)	Did the Council, during 2012, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	Yes

Department of Local Government - Compliance Audit Return



Government of Western Australia
 Department of Local Government

Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	N/A		
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	N/A		
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	N/A		
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	N/A		
5	s5.18	Has Council reviewed delegations to its committees in the 2011/2012 financial year.	N/A		
6	s5.42(1), 5.43 Adm in 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		

Department of Local Government - Compliance Audit Return



Government of Western Australia
 Department of Local Government

7	s5.42(1)(2) Reg 18G	Admin	Were all delegations to the CEO resolved by an absolute majority.	Yes
8	s5.42(1)(2) Reg 18G	Admin	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	s5.45(1)(b)		Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes
11	s5.46(1)		Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes
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 2011/2012 financial year.	Yes
13	s5.46(3) Reg 19	Admin	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes

Department of Local Government - Compliance Audit Return



Government of Western Australia
Department of Local Government

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		
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.	N/A		
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		
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.	N/A		
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.	No	There were three (3) instances all of which involved short periods of acting higher duties in positions with delegated authority.	

Department of Local Government - Compliance Audit Return



Government of Western Australia
 Department of Local Government

6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2012.	Yes
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2012.	Yes
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
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
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
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

Department of Local Government - Compliance Audit Return



Government of Western Australia
Department of Local Government

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

Department of Local Government - Compliance Audit Return



Government of Western Australia
 Department of Local Government

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

Disposal of Property					
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		

Department of Local Government - Compliance Audit Return



Government of Western Australia
 Department of Local Government

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	
Elections				
No	Reference	Question	Response	Comments
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	
				Respondent

Department of Local Government - Compliance Audit Return



Government of Western Australia
Department of Local Government

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		
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		
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	N/A		
4	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	N/A		
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.	N/A		
6	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2012 received by the local government within 30 days of completion of the audit.	Yes		
7	s7.9(1)	Was the Auditor's report for 2011/2012 received by the local government by 31 December 2012.	Yes		
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		

Department of Local Government - Compliance Audit Return



Government of Western Australia
Department of Local Government

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
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
11	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	N/A
12	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	N/A
13	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	N/A
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.	N/A
15	Audit Reg 7	Did the agreement between the local government and its auditor include the	N/A

Department of Local Government - Compliance Audit Return



Government of Western Australia
Department of Local Government

Local Government Employees			
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
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.	N/A
3	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	N/A
4	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
5	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

Official Conduct			
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

Department of Local Government - Compliance Audit Return



Government of Western Australia
 Department of Local Government

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).	Yes
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
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
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
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

Department of Local Government - Compliance Audit Return



Government of Western Australia
Department of Local Government

Tenders for Providing Goods and Services

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		
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.	Yes		
3	F&G Reg 14(1)	Did the local government invite tenders via Statewide public notice.	Yes		
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		
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		
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		

Department of Local Government - Compliance Audit Return



Government of Western Australia
 Department of Local Government

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
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
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
10	F&G Reg 21 & 22	Did the local government's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A
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
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
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

Department of Local Government - Compliance Audit Return



Government of Western Australia
 Department of Local Government

<p>14 F&G Reg 24E</p>	<p>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).</p>	<p>N/A</p>
<p>15 F&G Reg 11A</p>	<p>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.</p>	<p>Yes</p>



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

Our Ref: 460-98 E1302982

TO ALL LOCAL GOVERNMENTS

CIRCULAR N^o 05-2013

LOCAL GOVERNMENT (AUDIT) AMENDMENT REGULATIONS 2013

I am pleased to advise that amendments to the *Local Government (Audit) Regulations 1996* have been gazetted today and will come into effect on 9 February 2013.

The amendments extend the functions of local government Audit Committees to include reviewing the effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance.

Specifically, the amendments require a local government's Chief Executive Officer to review, at least once every two years, the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance, and provide a report of that review to the local government's Audit Committee for their consideration.

The Audit Committee will consider the Chief Executive Officer's review and report the results of their consideration of that review to the Council.

This expansion of responsibilities for the Audit Committee of each local government, together with the recently made reduction to the size of the Compliance Audit Return, will enable local governments to better manage legislative compliance within their own timeframes and with increased transparency and involvement for elected members.

A Guideline is currently being prepared to provide more detail to assist local governments and Audit Committees as to what falls within the terms 'risk management', 'internal control' and 'legislative compliance'. This will be released in the near future.

For any queries regarding the above amendments, please contact Mr Andrew Borrett, Senior Project Officer, on 6552 1532 or at Andrew.Borrett@dlg.wa.gov.au.

A handwritten signature in cursive script, appearing to read "Jennifer Mathews".

Jennifer Mathews
DIRECTOR GENERAL

8 February 2013

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