



Shire of  
Peppermint Grove

# **AUDIT COMMITTEE MEETING MINUTES**

**HELD ON THE 24th MAY 2022  
commencing at 5.00pm**

***This meeting is not open to the public. All recommendations of this committee are referred to council.***



# Shire of Peppermint Grove

## AUDIT GOVERNANCE AND RISK MANAGEMENT COMMITTEE MEETING MINUTES

24 May 2022

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### 1 DECLARATION OF OFFICIAL OPENING

At 5.00 pm, the Presiding Member declared the meeting open.

### 2 RECORDING OF ATTENDANCE, APOLOGIES AND LEAVES OF ABSENCE

#### 2.1 ATTENDANCE

Deputy Shire President (Presiding Member)	Cr C Hohnen
Elected Member	Cr P Dawkins
Elected Member	Cr P Macintosh
Elected Member	Cr D Jackson
Chief Executive Officer	Mr D Burnett
Manager Corporate and Community Services	Mr M Costarella

#### 2.2 GUESTS

Office of Audit General	Suraj Karki Assistant Director, Financial Audit ( 5.10pm)
External Auditor	Marius van der Merwe, Butler Settineri (5.07pm)

#### 2.3 APOLOGIES

Shire President	Cr R Thomas
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## **2.4 LEAVES OF ABSENCE**

## **3 DECLARATIONS OF INTEREST**

*Councillors / Staff are reminded of the requirements of section 5.65 of the Local Government Act 1995, to disclose any interest during the meeting when the matter is discussed, and also of the requirement to disclose an interest affecting impartiality under the Shire's Code of Conduct. Councillors / staff are required to submit declarations of interest in writing on the prescribed form.*

### **5.1 FINANCIAL INTEREST**

*A declaration under this section 5.60 of the Act requires that the nature of the interest must be disclosed. Consequently a member who has made a declaration must not preside, participate in, or be present during any discussion or decision making procedure relating to the matter the subject of the declaration.*

*Other members may allow participation of the declarant if the member further discloses the extent of the interest and the other members decide that the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.*

### **5.2 PROXIMITY INTEREST**

*A declaration under this section 5.60 of the Act requires that the nature of the interest must be disclosed. Consequently a member who has made a declaration must not preside, participate in, or be present during any discussion or decision making procedure relating to the matter the subject of the declaration.*

*Other members may allow participation of the declarant if the member further discloses the extent of the interest and the other members decide that the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.*

### **5.3 IMPARTIALITY INTEREST**

*Councillors and staff are required (Code of Conduct), in addition to declaring any financial interest, to declare any interest that might cause a conflict. The member / employee is also encouraged to disclose the nature of the interest. The member / employee must consider the nature and extent of the interest and whether it will affect their impartiality. If the member / employee declares that their impartiality will not be affected then they may participate in the decision making process.*

## 5.4 INTEREST THAT MAY CAUSE A CONFLICT

*Councillors and staff are required (Code of Conduct), in addition to declaring any financial interest, to declare any interest that might cause a conflict. The member / employee is also encouraged to disclose the nature of the interest. The member / employee must consider the nature and extent of the interest and whether it will affect their impartiality. If the member / employee declares that their impartiality will not be affected then they may participate in the decision making process.*

## 3.5 STATEMENT OF GIFTS AND HOSPITALITY

*Councillors and staff are required (Code of Conduct), to disclose gifts and acts of hospitality which a reasonable person might claim to be a conflict of interest. Gifts and acts of hospitality which exceed that amount of prescribed by regulation are to be recorded in the Councils Gift Register.*

## 4 ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)

*The Presiding Member advised that in the absence of the guests, Items 6.2 and 6.3 will be dealt with prior to 6.1.*

## 5 CONFIRMATION OF MINUTES

### 5.1 AUDIT COMMITTEE MEETING 8 MARCH 2022

#### OFFICER /COMMITTEE RECOMMENDATION/ – ITEM 7.1

**Moved: Cr Dawkins**

**Seconded: Cr Hohnen**

That the Minutes of the Audit Committee Meeting, of the Shire of Peppermint Grove held in the Council Chambers on 8 March 2022 be confirmed as a true and accurate record.

**CARRIED 4/0**

## 6.OFFICER REPORTS

### 6.1 Entrance meeting with the External Auditor and the Office of Auditor General

#### MANAGEMENT/GOVERNANCE/POLICY

#### ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Attachment 1 – Item refers:	

Voting Requirement	:	Simple Majority
Subject Index	:	Financial management Audit
Disclosure of any Interest	:	Nil
Responsible Officer	:	Michael Costarella, Manager Corporate & Community Services

#### PURPOSE OF REPORT

The purpose of this report is for Marius van der Merwe, Butler Settineri and Suraj Karki Assistant Director, Financial Audit, Office of Auditor General to provide a the presentation on the audit reviews for the 2021/22 financial year.

#### SUMMARY AND KEY ISSUES

A presentation will be provided for the information of the Audit, Governance and Risk Management Committee prior to the commencement of the 2021/22 Audit including any matters relating to the Library Management and Joint Venture.

#### BACKGROUND

The meeting will provide information on the requirement of the Audit process and details of the audit process.

#### CONSULTATION

There has been no specific consultation undertaken in respect to this matter.

**STRATEGIC IMPLICATIONS**

There are no Strategic Implications identified at this time.

**POLICY IMPLICATIONS**

Financial Management Policies

**STATUTORY IMPLICATIONS.**

Local Government (Financial Management ) Regulations 1996

**FINANCIAL IMPLICATIONS**

There are no Financial Implications identified at this time.

**ENVIRONMENTAL IMPLICATIONS**

There are no Environmental Implications identified at this time.

**SOCIAL IMPLICATIONS**

There are no Social Implications identified at this time.

**OFFICER COMMENT**

The presentation will be conducted by Marius and Surej and it will provide information for the Committee to understand the process and timeframe for the 2021/22 Financial year audit.

**OFFICER/ COMMITTEE RECOMMENDATION/S – ITEM NO 6.1**

**Moved: Cr MacIntosh**

**Seconded: Cr Dawkins**

**That the Committee recommends to Council that it notes the Entrance meeting presentation provided by representatives of Butler Settineri and the Office of the Auditor Generals' Office.**

**Carried 4/0**

## 6.2 2022 Risk Management Review-

### **ATTACHMENT DETAILS**

<b><u>Attachment No</u></b>	<b><u>Details</u></b>
<b>Attachment 2 – Item refers</b>	Risk Management Profiles Summary- Clause 17 Audit regulations

Voting Requirement	Simple Majority
Subject Index	Financial management Audit
Disclosure of any Interest	Nil
Responsible Officer	Michael Costarella, Manager Corporate & Community Services

### **PURPOSE OF REPORT**

The purpose of this report is to present to the Committee, the results of the Risk review undertaken by the Senior Management team on the 19 May 2022 in accordance with the requirements of the Local Government Audit Regulations (Clause 17).

### **SUMMARY AND KEY ISSUES**

The report provides a review of the Risk Management profiles for the Shire of Peppermint Grove and identifies the matters that require further work.

### **LOCATION**

N/A

### **BACKGROUND**

### **CONSULTATION**

There has been no specific consultation undertaken in respect to this matter.

### **STRATEGIC IMPLICATIONS**

There are no Strategic Plan implications evident at this time.

### **POLICY IMPLICATIONS**

There are no significant policy implications evident at this time.

### **STATUTORY IMPLICATIONS**

Local Government (Audit) Regulations 1996

*Clause 17- CEO to review certain system 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 sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*

*(3) The CEO is to report to the audit committee the results of that review*

### **FINANCIAL IMPLICATIONS**

There are no financial implications evident at this time.

### **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications at this time.

### **SOCIAL IMPLICATIONS**

There are no social implications at this time.

### **OFFICER COMMENT**

The review of the Shire's Risk Management Profiles (register) considers a number of processes including:-

- Asset Sustainability Practices- *how we manage our assets*
- Business Continuity Disruption- *disruption to normal Shire services*
- Statutory Regulatory- Compliance- *non-compliance with Statutory requirements*
- Document Management Processes- *Disaster Recovery of our records*
- Human Resources- *Workforce Planning and performance*
- Engagement practices- *Community consultation*



- Environmental Management- *managing the environment*
- Errors, Omissions and Delays- *Avoiding- Errors and Omissions and reducing delays*
- External Theft, Fraud and Cyber Crime- *Processes in Place to avoid risks*
- Management of Facilities and Events- *risks associated with event management and facilities*
- Information technology, System and Infrastructure- *IT review of firewalls and software*
- Misconduct- *processes to avoid mis use of Shire equipment*
- Project management- *Consulting, investment, and Communications*
- Safety and Security- *Workplace Health and Safety*
- Supplier & Contract Management- *Contract and Financial Commitments*

**OFFICER/COMMITTEE RECOMMENDATION/S – ITEM NO 6.2****Moved: Cr MacIntosh****Seconded: Cr Dawkins**

That the Audit Governance & risk Committee notes the review of the Risk Management register and profiles in accordance with Clause 17 of the Local Government ( Audit) regulations.

Carried 4/0

## CONFIDENTIAL REPORT

### 6.3 RATES OUTSTANDING WRITE OFF- CONFIDENTIAL REPORT

#### ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>

Voting Requirement : Absolute Majority  
 Subject Index : Financial Management  
 Responsible Officer : Michael Costarella, Manager Corporate & Community Services

Disclosure of Interest: Nil

#### PURPOSE OF REPORT

The purpose of this report is to consider the write off of an amount of outstanding rates that are considered non-recoverable from the new property owner.

#### SUMMARY AND KEY ISSUES

The rates outstanding relate to the changeover of property ownership for 7 Crossland Court Peppermint Grove. The amount of rates total \$1,454.25 and relates to the 2020/21 financial year.

#### BACKGROUND

In September 2021, the property ownership changed and a Local Government account enquiry was completed for the outstanding rates and charges. However there was a deferred amount of \$1,454.25 that was not listed on the rates notice issued or the Local Government Account enquiry. It incorrectly implied that a state government rebate could be claimed without paying the deferred rates. When the electronic advice of sale came in from Landgate the outstanding amount that was listed in the rates statement for the settlement agents was the current rates only as listed on the notice below.

An amended rates statement was then sent to the sellers settlement agent on the 12 October 2021, however they advised that they had no details for Mrs Hoey that could be passed on. The following is a section of the rates notice sent which did not include the “deferred” amount of rates on the property.

DETAILS	RATE IN \$ or CHARGE/SERVICE	CURRENT	ARREARS	TOTAL
General (Residential)	8.7450 cents * \$40,040			\$3,501.50
Emergency Services Levy (Category 1 - Residential)	Maximum Applies			\$446.00
(Includes GST: \$0.00)				
			Total Rates Levied	\$3,947.50
			Balance Brought Forward	\$0.00
			State Government Rebate	\$973.00
<b>SEE OVER FOR IMPORTANT INFORMATION</b>			<b>TOTAL</b>	<b>\$2,974.50</b>
Please see over/attached for additional information and default consequences				

## **CONSULTATION**

There has been no specific consultation undertaken in respect to this matter.

## **STRATEGIC IMPLICATIONS**

There are no Strategic Plan implications evident at this time.

## **POLICY IMPLICATIONS**

There are no significant policy implications evident at this time.

## **STATUTORY IMPLICATIONS**

Local Government Act 1995

Local Government ( Financial Management ) Regulations 1996

## **FINANCIAL IMPLICATIONS**

The write-off of the outstanding amount of \$1,454.25 will reduce the amount of income from rates and charges.

## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications at this time.

## **SOCIAL IMPLICATIONS**

There are no social implications at this time.

## **OFFICER COMMENT**

Staff have made a number of requests for information on the location of the previous owner, however we have been unable to obtain any information on the address of the previous owner.

## **OFFICER RECOMMENDATION/S – ITEM NO 6.3**

**Moved: Cr Jackson**

**Seconded: Cr MacIntosh**

**That the Audit Governance & risk Committee recommends to Council that it writes off an amount of outstanding rates as included in the report.**

**Carried 4/0**

## **7. CLOSURE**

There being no further business, the meeting closed at 5.29pm