Shire of Derby / West Kimberley

MINUTES

Compliance and Strategic Review Committee Meeting

Thursday, 16 May 2019

Date: Thursday, 16 May 2019

Time: 2.45 pm

Location: Council Chambers
Clarendon Street
Derby

Order Of Business

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MINUTES OF SHIRE OF DERBY / WEST KIMBERLEY
COMPLIANCE AND STRATEGIC REVIEW COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, CLARENDON STREET, DERBY
ON THURSDAY, 16 MAY 2019 AT 2.45 PM

PRESENT: Cr Chris Kloss (Presiding Officer), Cr Andrew Twaddle

Cr Geoff Haerewa by Telephone at 2.51pm

IN ATTENDANCE: Cr Iris Prouse, Wayne Neate (Acting Chief Executive Officer), Danielle Hurstfield (Manager Administration and Governance), Myra Henry (Manager Finance), Gary Martin (Consultant), Carlie McCulloch (Governance Officer)

VISITORS: Nil

GALLERY: Nil

APOLOGIES: Cr Paul White

APPROVED LEAVE OF ABSENCE: Nil

ABSENT: Nil

1 DECLARATION OF OPENING, ANNOUNCEMENT OF VISITORS

The meeting was opened at 2.50pm by Cr Chris Kloss.

2 ATTENDANCE VIA TELEPHONE/INSTANTANEOUS COMMUNICATIONS

In accordance with regulation 14A of the Local Government (Administration) Regulations 1996 Council must approve (by Absolute Majority) the attendance of a person, not physically present at a meeting of Council, by audio contact. The person must be in a 'suitable place' as approved (by absolute majority) by Council. A 'suitable place' means a place that is located in a townsite or other residential area and 150km or further from the place at which the meeting is to be held.

APPROVE REMOTE ATTENDANCE

COMMITTEE RESOLUTION CSRC17/19

Moved: Cr Andrew Twaddle
Seconded: Cr Chris Kloss

That Council, BY AN ABSOLUTE MAJORITY:

1. APPROVES Cr Geoff Haerewa attendance at the Council Meeting held 16 May 2019 via telephone communication in accordance with regulation 14A(1) of the *Local Government (administration) Regulations 1996*;

2. APPROVES Darwin, Northern Territory, as a suitable place for Councillor attendance in accordance with regulation 14A(4) of the *Local Government (Administration) Regulations 1996*.

CARRIED BY ABSOLUTE MAJORITY

3 ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION

Nil

4 DISCLOSURE OF INTERESTS

Section 5.65 and 5.70 of the *Local Government Act 1995* requires an Elected Member or officer who has an interest in any matter to be discussed at a Committee/Council Meeting that will be attended by the Elected Member or officer must disclose the nature of the interest in a written notice given to the Chief Executive Officer before the meeting; or at the meeting before the matter is discussed.

An Elected Member who makes a disclosure under section 5.65 or 5.70 must not preside at the part of the meeting relating to the matter; or participate in; or be present during, any discussion or decision making procedure relating to the matter, unless allowed by the Committee/Council. If Committee/Council allow an Elected Member to speak, the extent of the interest must also be stated.

4.1 Declaration of Financial Interests

Nil

4.2 Declaration of Proximity Interests

Nil

4.3 Declaration of Impartiality Interests

Nil

5 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

COMMITTEE RESOLUTION CSRC18/19

Moved: Cr Andrew Twaddle
Seconded: Cr Geoff Haerewa

That the Minutes of the Compliance and Strategic Review Committee Meeting held at the Council Chambers, Clarendon Street, Derby, on 18 April 2019 be CONFIRMED.

In Favour: Crs Geoff Haerewa, Chris Kloss and Andrew Twaddle

Against: Nil

CARRIED 3/0

6 REPORTS

6.1 COMPLIANCE REPORTS

File Number: **4110 - Internal Audit**

Author: **Danielle Hurstfield, Manager Administration and Governance**

Responsible Officer: **Wayne Neate, Acting Chief Executive Officer**

Authority/Discretion: **Information**

SUMMARY

For the Committee to note the information provided in the attached reports and provide strategic direction as required.

DISCLOSURE OF ANY INTEREST

Nil

BACKGROUND

The Terms of Reference for the Compliance and Strategic Review Committee adopted on 26 March 2015 detail the key role the Committee holds in assisting the Shire fulfil its corporate governance responsibilities in managing the affairs of the organisation. This includes financial reporting, risk management, compliance requirements and auditing.

The Committee will ensure compliance in the Shire's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the Shire's financial accounting systems to meet statutory requirements.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

GOAL	OUTCOME	STRATEGY
4: Good governance and effective organisation	4.1: Effective governance and leadership	4.1.3: Strengthen the governance role of Councillors by informing, resourcing, skilling and supporting their role 4.1.8: Develop and maintain risk management policies and procedures

RISK MANAGEMENT CONSIDERATIONS

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Financial: Financial, Legal and Compliance, Organisational Operations and Reputation	Unlikely	Severe	Extreme	Monthly reporting to the Compliance and Strategic Review Committee for awareness and direction where required.

CONSULTATION

Internal consultation has been undertaken with relevant areas to collate information.

COMMENT

Nil

VOTING REQUIREMENT

Simple majority

ATTACHMENTS

1. CSRC Standing Items - May 2019

COMMITTEE RESOLUTION CSRC19/19

Moved: Cr Geoff Haerewa
Seconded: Cr Andrew Twaddle

That the Compliance and Strategic Review Committee NOTE the information contained in the reports detailing use of delegations of authority, credit cards, compliance register, governance program update and Council Minute management.

In Favour: Crs Geoff Haerewa, Chris Kloss and Andrew Twaddle

Against: Nil

CARRIED 3/0

Shire of Derby / West Kimberley

Register of Exercised Powers or Duties

Delegation Reference	Date exercised	Officer or committee	Description	Persons directly affected	Address of persons directly affected	Granted or declined
H2	26 Apr 2019	Stuart Martin, Manager Development Services	stallholder permit granted to trade CKFL fixtures for 2019 at the Fitzroy Crossing Recreation Centre Canteen	Marmingee Hand	Lot 20 Yurabi Road Fitzroy Crossing WA 6765	Granted
B1	24 Apr 2019	John Attwood, CEO	Demolition permit application processed by A/Dir. Tech. & Dev. Services, I checked application detail & approved the application by signing the permit pursuant to Section 21 of the Building Act 2011	1) Owner - Shire of Derby/West Kimberley; 2) Demolition Contractor - Archer Builders Pty Ltd	1) PO Box 94, Derby WA 6728 2) PO Box 405, Derby WA 6728	Granted
B2	24 Apr 2019	John Attwood, CEO	Building permit application processed by A/ Dir. Tech & Dev. Services, I checked application detail & approved the application by signing the permit pursuant to Section 20 of the Building Act 2011	1) Owner - Commissioner or Police; 2) Builder - Delich Constructions Pty Ltd (Michael Delich) for Catalyst Communication Rigging Pty Ltd	1) 2 Swanbank Road, Maylands WA 6051 2) 2 Philbey Place, Lancelin WA 6044	Granted
B2	24 Apr 2019	John Attwood, CEO	Building permit application processed by A/Dir Tech & Dev Services, I approved the application by signing the permit pursuant to Section 20 of the Building Act 2011	Owner/ Builder/ Applicant - Neville Hernon	PO Box 879, Derby WA 6728	Granted

Delegation Reference	Date exercised	Officer or committee	Description	Persons directly affected	Address of persons directly affected	Granted or declined
T1	23 Apr 2019	Noel Myers, Manager Planning Services	Application assessed against zoning - development incidental to the Recreation designation of the land - considered to be consistent with Clause 3.2 of Delegation policy	Applicant		Granted
A6	15 Apr 2019	John Attwood, CEO	Contracts C2019-01 Fitzroy Crossing Roads Reconstrution and C2019-02 Knowsley St West Reconstruction Stage 2-3 were signed following Special Council Meeting 11 April 2019	Road users	Motorists using roads to be reconstructed in Fitzroy Crossing	Granted
H2	12 Apr 2019	Stuart Martin, Manager Development Services	stallholder permit granted to trade at the Fitzroy Crossing Recreation Centre Canteen on 12 & 13 April 2019	Marmingee Hand	Lot 20 Yurabi Road Fitzroy Crossing WA 6765	Granted
H2	3 Apr 2019	Stuart Martin, Manager Development Services	traders permit granted to trade within the Derby town site for a month	Janine Millar	22 Bloodwood crescent Derby WA 6728	Granted
H2	3 Apr 2019	Stuart Martin, Manager Development Services	traders permit granted to trade at the Derby Mardi gras and Derby basketlball carnival	Kanchana Langford	PO Box 443 Hamilton Hill WA 6963	Granted
H2	3 Apr 2019	Stuart Martin, Manager Development Services	permit was granted to trade at the thursday night markets on 04/04/2019	Kirsten Howard for the Derby Shooting stars	4b Wattle Court Derby WA 6728	Granted
F3	3 Apr 2019	Myra Henry, Manager Finance	Reinvested 1.5 Millions at the Commonwealth Bank for a further month.	Myra Henry		N/A

Shire Of Derby / West Kimberley
ANZ Corporate Credit Card Reconciliation
Period Reporting: 13/03/2019 - 14/04/2019

Card Holder : Stephen Gash

Date	Transaction Description	GST (Y/N)	Amount (GST Excl)	GST	Amount (GST Incl)	Account	Receipt Provided	Comments
27/03/2019	QANTAS AIRWAYS LTD (EC MASCOT	Y	$ 940.37	$ 94.04	$ 1,034.41	410105.571	Y	BME-PER-BME flight Geoff Haerewa WALGA Training - Infrastructure Asset Management & CEO Performance Appraisals
27/03/2019	QBE INSURANCE AUSTRALI SYDNEY	Y	$ 10.91	$ 1.09	$ 12.00	410105.571	Y	Insurance for BME-PER-BME flight above
27/03/2019	ALLVOLTS POWR SOLU BROOME	Y	$ 393.64	$ 39.36	$ 433.00	P201	Y	Battery for 01-KW
21/03/2019	503399FLIGHTCENTRE.COM BRISBANE	Y	$ 424.74	$ 42.47	$ 467.21	520101.304	Y	BME-PER-BME Myra Henry - Annual Financial Reporting Training
21/03/2019	503399FLIGHTCENTRE.COM BRISBANE	Y	$ 505.47	$ 50.55	$ 556.02	520101.304	Y	BME-PER-BME Emma Gugeri - Rates Training
21/03/2019	VIRGIN AUST 79521547219085 SPRING HILL	Y	$ 81.82	$ 8.18	$ 90.00	740101.304	Y	Flight amendment fee - Michelle Steers due to course date change
20/03/2019	WOTIF WOTIF.COM	Y	$ 24.54	$ 2.45	$ 26.99	740101.304	Y	Accommodation amendment fee - Michelle Steers due to course date change
20/03/2019	VIRGIN AUST 79515055488377 SPRING HILL	Y	$ 5.05	$ 0.51	$ 5.56	740101.304	Y	BME-PER-BME Michelle Steers microchip training - flight
20/03/2019	VIRGIN AUST 79521546533215 SPRING HILL	Y	$ 507.27	$ 50.73	$ 558.00	740101.304	Y	BME-PER-BME Michelle Steers microchip training - flight
18/03/2019	WOTIF	Y	$ 439.36	$ 43.94	$ 483.30	740101.304	Y	BME-PER-BME Michelle Steers microchip training - accommodation
15/03/2019	QANTAS AIRWAYS LTD (EC MASCOT	Y	$ 541.84	$ 54.18	$ 596.02	420112.404	Y	PER-BME-PER John Attwood - Acting CEO contract
15/03/2019	QANTAS AIRWAYS LTD (EC MASCOT	Y	$ 541.84	$ 54.18	$ 596.02	420112.404	Y	PER-BME-PER Sue Attwood - Acting CEO contract
14/03/2019	QBE INSURANCE AUSTRALI SYDNEY	Y	$ 10.91	$ 1.09	$ 12.00	420112.404	Y	PER-BME-PER Sue Attwood - Acting CEO contract
14/03/2019	QBE INSURANCE AUSTRALI SYDNEY	Y	$ 10.91	$ 1.09	$ 12.00	420112.404	Y	PER-BME-PER John Attwood - Acting CEO contract
		TOTAL	**$ 4,438.66**	**$ 443.87**	**$ 4,882.53**			

Card Holder : Wayne Neate

Date	Transaction Description	GST (Y/N)	Amount (GST Excl)	GST	Amount (GST Incl)	Account	Receipt Provided	Comments
8/04/2019	QANTAS AIRWAYS LTD (EC MASCOT	Y	$ 587.75	$ 58.77	$ 646.52	410105.571	Y	BME-PER-BME G Haerewa - WALGA President Meeting - flight
8/04/2019	VIRGIN AUST 79515058278715 SPRING HILL	Y	$ 1.62	$ 0.16	$ 1.78	690101.304	Y	BME-PER M Church - training
8/04/2019	VIRGIN AUST 79521551482435 SPRING HILL	Y	$ 162.73	$ 16.27	$ 179.00	690101.304	Y	BME-PER M Church - training
8/04/2019	VIRGIN AUST 79515058176755 SPRING HILL	Y	$ 2.35	$ 0.23	$ 2.58	740102.438	Y	BME-PER O Anderton - contract Ranger return flight
8/04/2019	VIRGIN AUST 79521551313675 SPRING HILL	Y	$ 235.45	$ 23.55	$ 259.00	740102.438	Y	BME-PER O Anderton - contract Ranger return flight
5/04/2019	QBE INSURANCE AUSTRALI SYDNEY	Y	$ 10.91	$ 1.09	$ 12.00	410105.571	Y	BME-PER-BME G Haerewa - WALGA President Meeting - insurance
5/04/2019	QANTAS AIRWAYS LTD (EC MASCOT	Y	$ 481.20	$ 48.12	$ 529.32	420112.404	Y	PER-BME-PER - Gary Martin - Governance consultant - flight
4/04/2019	QBE INSURANCE AUSTRALI SYDNEY	Y	$ 10.91	$ 1.09	$ 12.00	420112.404	Y	PER-BME-PER - Gary Martin - Governance consultant - flight
		Y	$ -	$ -	$ -			
		Y	$ -	$ -	$ -			
		Y	$ -	$ -	$ -			
		Y	$ -	$ -	$ -			
		Y	$ -	$ -	$ -			
		Y	$ -	$ -	$ -			
		TOTAL	**$ 1,492.91**	**$ 149.29**	**$ 1,642.20**			

Card Holder : Ross Sullivan

Date	Transaction Description	GST (Y/N)	Amount (GST Excl)	GST	Amount (GST Incl)	Account	Receipt Provided	Comments
8/04/2019	VIRGIN AUST 79515058303383 SPRING HILL	Y	$ 1.71	$ 0.17	$ 1.88	460101.306	Y	Noel Myers Flights
8/04/2019	VIRGIN AUST 79521551523805 SPRING HILL	Y	$ 171.82	$ 17.18	$ 189.00	460101.306	Y	Noel Myers Flights
8/04/2019	VIRGIN AUST 79515058308185 SPRING HILL	Y	$ 1.71	$ 0.17	$ 1.88	460101.306	Y	Noel Myers Flights
8/04/2019	VIRGIN AUST 79521551533145 SPRING HILL	Y	$ 171.82	$ 17.18	$ 189.00	460101.306	Y	Noel Myers Flights
8/04/2019	VIRGIN AUST 79521551527415 SPRING HILL	Y	$ 171.82	$ 17.18	$ 189.00	460101.306	Y	Noel Myers Flights
8/04/2019	VIRGIN AUST 79515058304885 SPRING HILL	Y	$ 1.71	$ 0.17	$ 1.88	460101.306	Y	Noel Myers Flights
2/04/2019	OFWKS ONLINE BENTLEIGH 03	Y	$ 528.94	$ 52.89	$ 581.83	620160/620165.40	Y	Frames and Paper For KPA & KAP
1/04/2019	IBIS HOTEL 1773 PERTH	Y	$ 404.55	$ 40.45	$ 445.00	610101.304	Y	Kate Hithersay Accom Public Library Strategy Meeting
29/03/2019	QANTAS AIRWAYS LTD (EC MASCOT	Y	$ 647.46	$ 64.75	$ 712.21	610101.304	Y	Kate Hithersay Flight Public Library Strategy Meeting
28/03/2019	VIRGIN AUST 79515056714025 SPRING HILL	Y	$ 2.35	$ 0.23	$ 2.58	460101.306	Y	Noel Myers Flights
28/03/2019	VIRGIN AUST 79521548740985 SPRING HILL	Y	$ 235.45	$ 23.55	$ 259.00	460101.306	Y	Noel Myers Flights
25/03/2019	Mercure Broome Broome	Y	$ 104.98	$ 10.50	$ 115.48	6401600.380	Y	Paul Mackie Accomm Boxing Program
25/03/2019	VIRGIN AUST 79515056123815 SPRING HILL	Y	$ 5.05	$ 0.51	$ 5.56	520101.306	Y	Gary O'Neil Flights
25/03/2019	VIRGIN AUST 79521547738635 SPRING HILL	Y	$ 507.27	$ 50.73	$ 558.00	520101.306	Y	Gary O'Neil Flights
20/03/2019	DEPT OF RACING GAMIN EAST PERTH	Y	$ 102.73	$ 10.27	$ 113.00	620160/620165.40	Y	Liquor Licence for KAP and KPA
		Y	$ -	$ -	$ -			
		TOTAL	**$ 3,059.36**	**$ 305.94**	**$ 3,365.30**			

TOTAL PURCHASES, CASH ADVANCES AND OTHER DEBITS FOR ABOVE STATED PERIOD	**$ 9,890.03**
INTEREST CHARGES	**$ 116.56**
CLOSING BALANCE	**$ 10,006.59**

Last Reviewed - 10 May 2019 **Compliance Status Report**

File No	Subject/Facility	Reference No	Issue	Comment	Estimated Completion	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments. If Action not completed, report on plan to rectify
9010.12	Derby Port	Worksafe 48000254	RCD's need to be tested and certificate of testing supplied	Completed		Nick Harrington	Yes	30/11/2018	Yes	
9010.12	Derby Port	Worksafe 48000255	Gaps in railing to be replaced and further railing to be installed to both sides of public areas	This will be a tender		Wayne Neate				
9010.12	Derby Port	Worksafe 48000256	Conduct a risk assessment in relation to traffic movements through public areas so risk may be reduced of vehicle vs public incidents	Traffic management plan being discussed with a risk assessment as part of this process		Paul Glennon				
9010.12	Derby Port	Worksafe 48000257	Undertake a risk assessment of fuel bunkering on wharf potentially adopt a procedure			Paul Glennon				
9010.12	Derby Port	Worksafe 48000258	Conduct an inspection for asbestos within the wharf buildings and label and note appropriately any damaged/hazardous sheets to be removed	Complete		Nick Harrington	Yes	20/09/2018	Yes	
9010.12	Derby Port	Worksafe 48000259	Hazardous materials not to be stored in same fridge as employees food. Provide adequate storage	Romval of fridges where items stored with Food		Paul Glennon	Yes	27/02/2019	Yes	DWA removed fridges Shire will remove old coke fridge. New fridge supplied for staff
9010.12	Derby Port	Worksafe 48000260	Ensure sanitary facilities and shower are clean and safe to use	Old facilities need to be boarded up if not in use		Nick Harrington	Yes	30/11/2018	Yes	
9010.12	Derby Port	Worksafe 48000261	Conduct a risk assesment for each hazard on the Water tank, Correctly Label water tank			Paul Glennon	Yes	30/11/2018	Yes	
9010.12	Derby Port	Worksafe 48000262	Develop man overboard procedure incase someone falls off wharf	Have a look at Broome port or Wyndham Ports procedure		Wayne Neate				
9010.12	Derby Port	Worksafe 48000263	Portable Fire extinguisher to be installed as per AS2444 and training to be provided regarding use of fire extinguishers	Contact fire service providers		Nick Harrington	Yes	30/11/2018	Yes	
9010.12	Derby Port	Worksafe 48000264	Provide and Maintain a first aid kit appropriate to the activities being carried out on the wharf	Kit purchased in the process of being installed.		Paul Glennon	Yes	30/11/2018	Yes	
9010.12	Derby Port	Worksafe 48000265	Old BARC facilities are in need of repair potentially harardous	Old facilities need to be boarded up if not in use		Nick Harrington				
9010.12	Derby Port	Worksafe 48000266	Vermin feacal matter throughout old BARC area	Old facilities need to be boarded up if not in use, Regular baiting required		Nick Harrington	Yes	10/01/2019	Yes	Worksafe notified on the 18/02/2019
9010.12	Derby Port	Worksafe 48000267	Old Tram rails present trip hazard in various areas need to be rectified			Paul Glennon				
9020.2	Derby Airport	CASA NCN 717001	Issues with physical characteristics of the Airport - Markers, lights, line marking etc and overall Airport Management. Current ARO's not performing duties correctly and lack of management control by the Shire	A lot of the Physical elements have been completed. Manual has been reviewed with several changes made to reporting procedure. Several new ARO's now trained and roster of duties allowing several eyes to look over Airport. Previous ARO still requires coaching to remove prior habits		Wayne Neate	Yes	7/12/2018	Yes	
9020.2	Derby Airport	CASA NCN 717005	Line marking and hold line points on the apron were incorrect	Inspection schedule on ATI included to allow for greater technical advice which would allow these issues to be picked up. Change to the aerodrome Manual has occurred		Wayne Neate	Yes	28/02/2019	Yes	
9020.2	Derby Airport	CASA NCN 717006	Not correct Markers along strip	New markers purchased and in place apart from runway 29 end		Wayne Neate	Yes	10/12/2018	Yes	
9020.2	Derby Airport	CASA NCN 717007	Not correct Markers along strip, procedure breakdown	New ARO's and new forms will hopefully solve this matter		Wayne Neate	Yes	10/12/2018	Yes	
9020.2	Derby Airport	CASA NCN 717008	Faded Line Markings on runway 11/29	Shire has purchased Line marker and undertaken work, New ARO's and procedural change has occurred to prevent this from occuring in the future		Wayne Neate	Yes	11/12/2018	Yes	
9020.2	Derby Airport	CASA NCN 717010	Earthing points to be removed	Will be removed		Wayne Neate	Yes	11/12/2018	Yes	
9020.2	Derby Airport	CASA NCN 717011	Manual to include correct drawing numbers and appropriate drawings	Manual reviewed and changed to reflect correct drawing numbers. Drawings have now been updated		Wayne Neate	Yes	12/12/2018	Yes	
9020.2	Derby Airport	CASA NCN 717014	Manual needs to be amended to outline procedures in a more clear and methodical manner with provision to allow cross check or document record			Wayne Neate	Yes	12/12/2018	Yes	
9020.2	Derby Airport	CASA NCN 717015	ERSA needs to be amended			Wayne Neate	Yes	12/12/2018	Yes	
9020.2	Derby Airport	CASA NCN 717016	Servicability Inspections and ATI reports need to be updated	As part of the review of the Manual both these sections have been reviewed		Wayne Neate	Yes	12/12/2018	Yes	
9030.2	Fitzroy Crossing Airport	CASA NCN 717064	Full review of the FX Aerodrome Manual including Servicability Inspections and ATI reports need to be updated	Manual needs to be reviewed as a severe lack of reporting by ARO's to management and lack of following procedure at both airports.		Wayne Neate				
9030.2	Fitzroy Crossing Airport	CASA NCN 716886	Faded Line Markings on runway	Shire has purchased Line marker and undertaken work, New ARO's and procedural change has occurred to prevent this from occuring in the future		Wayne Neate				
9030.2	Fitzroy Crossing Airport	CASA NCN 716937	Reporting on Wildlife as per procedure not being followed and BAS yet to supply certification of fuel bowser/storage	Manual and Wildlife management plan need to be reviewed as a severe lack of reporting by ARO's to management and lack of following procedure at both airports. Airport Manager following up BAS.		Wayne Neate				

Last Reviewed - 10 May 2019 **Compliance Status Report**

File No	Subject/Facility	Reference No	Issue	Comment	Estimated Completion	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref *(Evidence of completion)*	Comments. If Action not completed, report on plan to rectify
9030.2	Fitzroy Crossing Airport	CASA NCN 716887	Issues with physical characteristics of the Airport - Markers, lights, line marking etc and overall Airport Management. Current ARO's not performing duties correctly and lack of management control by the Shire	Manual in the process of being reviewed with several changes being made to reporting procedure. Previous ARO still requires coaching to remove prior habits		Wayne Neate				
	Derby RADS Grant	Derby Airport	Acquital of RADS grant for lighting upgrade at Derby Airport	Acquital of grant to occur		Wayne Neate	Yes	30/10/2018	Yes	
8005.3	Derby Sportsmens Club	Worksafe 90011925	Ensure that identification and assessment of asbestos containing materials is carried out by a competent person in accordance with the code of practice			Wayne Neate	Yes	24/01/2019	Yes	

ENDORSED GOVERNANCE PROGRAM - 2018/19

Meeting	Item	Review Requirements	Comments	Date Adopted	Actions	Date Completed
OCTOBER C&SRC/NOVEMBER ADOPT	Recordkeeping Plan	Review Requirements: Every 5 years Last reviewed: 2013 State Records Act 2000 LGA Principles and Standards 2002 - Principle 6 s.5.41(h) s.28(5) s.5.41(h)	Approved by State Records Commission 7 December 2018.	Approved by State Records Commission 7 December 2018.	Copy provided to staff in governance update 21/1/2019	
	Code of Conduct	Review Requirements: After each new election LGA s.5.103 s.5.104 Admin. Regs. Part 9 Rules of Conduct Regs.	CSR019/2018 1. That the Compliance and Strategic Review Committee review the Code of Conduct, Statement of Business Ethics and Governance Manual; and 2. That the review feedback be provided to the Compliance and Strategic Review Committee on 14 February 2019.	Adopted OCM 2019-02-28	Training to be undertaken with staff and Councillors by 31 May 2019	
	Business Ethics	Cross Reference to Code of Conduct	CSR019/2018 1. That the Compliance and Strategic Review Committee review the Code of Conduct, Statement of Business Ethics and Governance Manual; and 2. That the review feedback be provided to the Compliance and Strategic Review Committee on 14 February 2019.	Adopted OCM 2019-02-28	Training to be undertaken with staff and Councillors by 31 May 2019	
	Proposed AF 41 FRAUD, MISCONDUCT CONTROL AND RESILIENCE	Review Requirements: Annually LGA 5.2.7(2)(b)	This new policy supports the Code of Conduct and Business Ethics Statement. It sets out the Shire's commitment to a zero-tolerance approach to fraud, misconduct, bribery and corruption and to building resilience through the identification and implementation of strategies to prevent, detect and respond to Fraud and Misconduct.	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	Proposed AF 43 ATTRACTIVE ITEMS	Review Requirements: Annually LGA 5.2.7(2)(b)	This new policy is in response to amendments to Regulation 17a of the Local Government (Audit) Regulations 1996 Local governments are required to maintain a property register of portable and attractive items valued under $5,000 in line with State Government agencies as specified in Treasurer's Instruction 410 Record of Assets. It clearly sets out guidelines in identifying, recording and tracking items that are portable and attractive within the Shire of Derby/West Kimberley.	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	AF6 – RISK AND OPPORTUNITY MANAGEMENT POLICY	Review Requirements: Annually LGA 5.2.7(2)(b)	This policy has been reviewed with no amendments recommended.	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	AF1 – PROCUREMENT OF GOODS AND SERVICES	Procurement: Review Requirements: Annually LGA FM Reg.5 Audit.Reg.17(1) Purchasing Policy Review Requirements: Triennial Last Reviewed: Due by: LGA F&G.Reg.11A.	**From CSRC Minutes 2018-12-10:** **AF1 – Procurement of Goods and Services** **As a result of recent industry investigations and available reports, this item will be deferred until an audit using the WALGA Integrity in Procurement – Self Assessment Tool (attached) has been undertaken.** Has been amended using WALGA model which provides industry best practice as a result of investigations and consideration of WA Auditor General guidelines	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	AF14 – SIGNIFICANT ACCOUNTING POLICIES	Review Requirements: Annually LGA 5.2.7(2)(b)	This policy has been reviewed and amended to reflect current industry standard.	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	AF32 – COUNCIL LIGHT VEHICLE FLEET – STAFF USAGE	Review Requirements: Annually LGA 5.2.7(2)(b)	This policy has been reviewed to current industry standard. The allocation of each level of use right will be undertaken in conjunction with the review of the Workforce Plan. **Minutes CSRC - 2018-12-10** **Needs further review. Deferred until CSRC Meeting of 2019-02-14** Amendments made to include provision of vehicle to Shire President, removal of vehicle specifications and level entitlements for staff as referred to previous policy	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	C5 – COUNCIL MEETINGS – DATE, TIME AND VENUE	Review Requirements: Annually LGA 5.2.7(2)(b)	This policy has been reviewed to reflect current practice of the majority of Ordinary Council Meetings in Derby and where possible the mid-month meetings to be held in Fitzroy Crossing. **Minutes CSRC - 2018-12-10** **Needs further review. Deferred until CSRC Meeting of 2019-02-14** Amendments made to include attendance by electronic means, referencing form on LG Hub and timeframes for notification	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
November C&SRC /December Adopt	Annual Report	Review Requirements: Accepted, by Absolute Majority, by no later than 31 December LGA s.5.53 s.5.54	**TBC - Deferred due to Financials**	Adopted OCM 2019-04-18	Advertised in Babbling Boabs, Derby and Fitzroy Crossing public noticeboards and libraries	
	Governance Manual	Cross Reference to Code of Conduct	CSR019/2018 1. That the Compliance and Strategic Review Committee review the Code of Conduct, Statement of Business Ethics and Governance Manual; and 2. That the review feedback be provided to the Compliance and Strategic Review Committee on 14 February 2019.	Adopted OCM 2019-02-28	Training to be undertaken with staff and Councillors by 31 May 2019	
	AF24 – ATTENDANCE AT CONFERENCES, SEMINARS AND TRAINING	Review Requirements: Annually LGA 5.2.7(2)(b)	This policy has been reviewed with the intent of aligning Councillors and Staff entitlements.	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	AF18 – SUNDRY DEBTORS COLLECTION POLICY	Review Requirements: Annually LGA 5.2.7(2)(b)	This policy has been reviewed with minor amendments to reflect industry practices.	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	AF19 – OUTSTANDING RATES COLLECTION POLICY	Review Requirements: Annually LGA 5.2.7(2)(b)	This policy has been reviewed with minor amendments to reflect industry practices.	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	F20 – RATING ADMINISTRATION POLICY	Review Requirements: Annually LGA 5.2.7(2)(b)	Reviewed and remains unchanged.	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	AF34 – COMMUNITY FUNDING SCHEME	Review Requirements: Annually LGA 5.2.7(2)(b)	Reviewed to provide clarity and transparency in areas that operationally have made decision making difficult.	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
January	Delegations Register – review by staff	Review Requirements: Annually Last Reviewed: 28/09/2017 Next Due: 28/09/2018 LGA s.5.16, 5.17, 5.18 s.5.42, 5.43, 5.44, 5.45, 5.46 s.7.1B	Meeting with Dani 07/01/19 - Send out to Management for review 08/02/2019.	Adopted OCM 2019-02-28		
	Local Laws – review by staff to commence	Review Requirements: 8 yearly Made/last reviewed: 2011 Review Due by: March 2019 LGA S.3.16(2), (2a) s.3.16(3)(4)	Meeting with Dani 07/01/19 - Send out to Management for review 08/02/2019. For inclusion and discusion at 14/2/2019 Concept forum.	Awaiting direction from Council to prioritise		
	Customer Service Charter	Cross Reference to Code of Conduct	To Compliance and Strategic Review Committee 2019-03-14	To Compliance and Strategic Review Committee 2019-03-14		

ENDORSED GOVERNANCE PROGRAM - 2018/19

Meeting	Item	Review Requirements	Comments	Date Adopted	Actions	Date Completed
February C&SRC /March Adopt	Budget Review	Between 1 January 2018 and 1 March 2018 in each financial year, a review of the annual budget is to be carried out. Review must be submittted to Council within 30 days after it has been carried out; and Council is to consider the review and determine, by absolute majority, whether or not to adopt the review, any parts of the review or any recomendations made in the review. Due: 31 March 2019. LGA FM Reg.33A(1) (2A) (2) (3)		To Compliance and Strategic Review Committee 2019-04-18 then OCM 2019-04-18		
	AF3 – ASSET MANAGEMENT C6 – USE OF CHAMBERS2	Review Requirements: Annually LGA S.2.7(2)(b)	Reviewed - no amendments	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	AF44 - LOCAL PUBLICATON	Review Requirements: Annually LGA S.2.7(2)(b)	Proposed new policy to recognise the Babbling Boabs as a locally circulated publication for the purposes of Local Public Notices	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	C7 – COUNCILLORS PRESENTATION ON RETIREMENT	Review Requirements: Annually LGA S.2.7(2)(b)	Combined with AF31 - no amendments have been made to values	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	AF31 – PAYMENTS TO EMPLOYEES IN ADDITION TO CONTRACT OR AWARD	Review Requirements: Biennial LGA s.5.50	Combined with C7 - no amendments have been made to values	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	H2 – TRADERS AND STALL HOLDERS PERMITS	Review Requirements: Annually LGA S.2.7(2)(b)		Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	W1 – CROSSOVERS	Review Requirements: Annually LGA S.2.7(2)(b)	Amended to reflect current standards and provide detail on process for obtaining subsidy	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	AF45 - TRANSACTION CARDS	A Transaction Card Policy is to be endorsed by Council resolution as it contributes to the Local Government fulfilling its duties, in regard to Credit Cards, under Regulation 12 of the Local Government (Financial Management) Regulations 1996.	Replaces previous Credit Card policy. Have used WALGA template ensuring industry best practice. Was highlighted during CAR that fuel cards require further framework. Combined policy will be supported by management systems that ensure officer signs for business use, provides correct detail and documentation in required timeframes and usage is reported monthly to CSRC	Adopted OCM 2019-02-28	Updating to Shire branding, to be available on website by 17 May 2019	
	TP1 – LIGHT INDUSTRIAL AREA – CARETAKERS RESIDENCE	Review Requirements: Annually LGA S.2.7(2)(b)	Amended to include Caretakers and Drivers accommodation and to provide clear definitions.	Adopted OCM 2019-02-28	To be advertised BME Advertiser (Noel Myers)	
March C&SRC /April Adopt	AF7 – GPS FLEET TRACKING	Review Requirements: Annually LGA S.2.7(2)(b)	Reviewed, no amendments to CSRC 2019-03-14	Adopted OCM 2019-03-28		
	AF21 – FIRE CONTROL OFFICERS AUTHORITIES	Review Requirements: Annually LGA S.2.7(2)(b)	Reviewed, no amendments to CSRC 2019-03-14	Adopted OCM 2019-03-28		
	AF23 – PROVISION OF STAFF HOUSING	Review Requirements: Annually LGA S.2.7(2)(b)	This policy is to be reviewed after commencement of new CEO in line with review of Workforce Plan. to CSRC 2019-03-14	Deferred		
	AF30 – LEGAL REPRESENTATION COSTS INDEMNIFICATION	Review Requirements: Annually LGA S.2.7(2)(b)	Reviewed, no amendments to CSRC 2019-03-14	Adopted OCM 2019-03-28		
	AF33 – REGIONAL PRICE PREFERENCE POLICY	Review Requirements: Annually LGA S.2.7(2)(b)	This policy has been reviewed and amended to providea definition of a local business. to CSRC 2019-03-14	Adopted OCM 2019-03-28 with amendment to consult with Chamber of Commerce on definition of local business, to be resubmitted to Council		
	TP5 – RADIO MASTS	Review Requirements: Annually LGA S.2.7(2)(b)	reviewed, recommend recind to CSRC 2019-03-14	Adopted OCM 2019-03-28	Removed from website	
	TP7 – MINIMUM FINISHED FLOOR LEVEL FOR NEW BUILDINGS (OTHER THAN OUTBUILDINGS) FITZROY CROSSING AND CAMBALLIN	Review Requirements: Annually LGA S.2.7(2)(b)	The review of this policy has commenced. Due to the complex nature of background information and previous reviews it will be presented to the Compliance and Strategic Review Committee at a later date. to CSRC 2019-03-14	Deferred		
April C&SRC /May Adopt	AF35 – ESTABLISHMENT OF LEASES AND USER AGREEMENTS	Review Requirements: Annually LGA S.2.7(2)(b)	On hold pending review of leases, MOUs, agreements and user agreements to CSRC 2019-04-11	Deferred		
	AF37 – DEFENCE RESERVIST/VOLUNTEER EMERGENCY SERVICE LEAVE	Review Requirements: Annually LGA S.2.7(2)(b)	Combination of AF37 Volunteer Emergency Service Leave and AF38 Defence Reservist Leave. to CSRC 2019-04-11		Updating to Shire branding, to be available on website by 17 May 2019	
	TP8 – TOWN CENTRE DEVELOPMENT POLICY	Review Requirements: Annually LGA S.2.7(2)(b)	To be deferred for major review in conjunction with preparation of new Town Planning Scheme No. 8 to CSRC 2019-04-11	Deferred		
	TP10 – TRANSPORTABLE/ RELOCATED DWELLINGS	Review Requirements: Annually LGA S.2.7(2)(b)	To be deferred to May 2019 CSRC.			
	W2 – DERBY TOWNSITE STREETSCAPE	Review Requirements: Annually LGA S.2.7(2)(b)	To be deferred for review after development of Community Strategic Plan. to CSRC 2019-04-11			
	W3 – UNDERGROUND PUBLIC UTILITIES SERVICES THAT CROSS COUNCIL CONTROLLED THOROUGHFARES	Review Requirements: Annually LGA S.2.7(2)(b)	Reviewed to reflect current standards including need for traffic management. to CSRC 2019-04-11			
May C&SRC / June Adopt	Corporate Business Plan - Review (Council Workshop) Includes Workforce Plan, Assest Management Plan, Long Term Financial Plan, Corporate Business Plan.	Workshop Council Members and Executive staff to review options and priorities (including the Capital Works Plan) and to finalise the Corporate Business Plan for recommendation to Council. LGA s.5.56 Admin.Reg.19DA Due by: 30 June Council to adopt by absolute majority. Amended Corporate Business Plan informs the preparation of the budget by June 30.				
	FM1 – FORWARD PLANNING	Review Requirements: Annually LGA S.2.7(2)(b)	To be deferred for review until after budget			
	FM2 – BUDGET ISSUES	Review Requirements: Annually LGA S.2.7(2)(b)	To be deferred for review until after budget			
	FM3 - RATES	Review Requirements: Annually LGA S.2.7(2)(b)	To be deferred for review until after budget			
	FM4 – RESERVE ACCOUNTS	Review Requirements: Annually LGA S.2.7(2)(b)	To be deferred for review until after budget			
	FM5 – LOAN BORROWINGS	Review Requirements: Annually LGA S.2.7(2)(b)	To be deferred for review until after budget			
	FM6 - PROVISIONS	Review Requirements: Annually LGA S.2.7(2)(b)	To be deferred for review until after budget			
	FM7 – CASH FLOW MANAGEMENT	Review Requirements: Annually LGA S.2.7(2)(b)	To be deferred for review until after budget			
	FM8 – INVESTMENTS	Review Requirements: Annually LGA S.2.7(2)(b)	To be deferred for review until after budget			
	AF16 – OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT	Review Requirements: Annually LGA S.2.7(2)(b)	To be deferred further work required			

Last Reviewed - 10 May 2019

Ordinary/Special Council Meeting Status Report

Meeting	File No	Minute Number	Decision	Comment	Estimated Completion	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments. If Action not completed, report on plan to rectify
		MINUTE NO. 062/2017	That Council DELEGATE to the Chief Executive Officer to finalise, sign and execute the User Agreement with the Derby Sporting Shooters Association.			Stephen Gash - CEO				
		MINUTE NO. 077/2017	That Council: 1. AUTHORISES the Chief Executive Officer to extend all existing Memorandum of Understanding's at the Derby Wharf Precinct; 2. AUTHORISES the Shire President and Chief Executive Officer to sign and affix the Common Seal to the Memorandum of Understanding between the Shire of Derby/West Kimberley and the relevant parties.			Stephen Gash - CEO				
OCM 2017-11-30		MINUTE NO: 145/2017	That Council 1. AUTHORISES the Chief Executive Officer to finalise any minor amendments to obtain Department of Transport consent for the revised Derby Port head lease and management agreement. 2. AUTHORISES the Shire President and Chief Executive Officer to execute by affixing the Common Seal.			Stephen Gash - CEO	Y	17/12/2018		
OCM 2017-11-30		MINUTE NO: 146/2017	That Council 1. Advertise its intention to dispose by lease part of Lot 325 R26818 to WGPL Property No. 3 Pty Ltd (CAN 620 050 615) and ACE Infrastructure SPV Pty Ltd (CAN 621 887 634) for a 5+5 year term for a sum of $5.00 per annum. 2. If no submissions received authorise the Chief Executive Officer and Shire President to execute the lease by affixing the Common Seal.			Stephen Gash - CEO	Y	17/12/2018		
OCM 2018-02-22		MINUTE NO. 012/2018	That Council RESOLVE to allow the Derby Volunteer Fire and Rescue Unit the use for restoration the historical Bedford fire truck currently housed at Derby Airport.			Ross Sullivan				
OCM 2018-03-29	7072	MINUTE NO. 024/2018	That Council: 1. Pursuant to Division 1, clause 6.5, subclause 1 of the Shire of Derby/West Kimberley's Activities on Thoroughfares and Trading in Thoroughfares and Public Places Local Law, that Council APPROVE the application for an amendment of Condition 2 of the annual Traders Permit issued to Ampom's Thai Food on the 5 December 2017. 2. Pursuant to Division 1, clause 6.6, subclause 1 of the Shire of Derby/West Kimberley's Activities on Thoroughfares and Trading in Thoroughfares and Public Places Local Law, that Council issue the approval with the following adjustment to Condition 2: a. No pre-packaged food items are to be sold and sale of drinks is restricted to pre-packaged, canned and bottled drinks only.			Taryn Dyer - Environmental Health Officer (Previous)				
OCM 2018-08-30	A300219	MINUTE NO. 078/2018	That Council BY ABSOLUTE MAJORITY authorises the Shire President and Chief Executive officer to sign and affix the Common Seal to Amendment No.1 to the Lease between the Shire of Derby/West Kimberley and the Fitzroy Valley Rodeo Club Inc.	Draft Lease has been drawn in consultation with DoL. Draft now in form suitable for execution and will be forwarded to Fitzroy Rodeo Club for execution and return	viz endFeb 2019	Noel Myers - Manager Planning Services/Stephen Gash - CEO	N		N13496	Still awaiting FX Rodeo Club to secure new common seal - mainatining contact with both Club and DoL in an endeavour to finalise
OCM 2018-08-30	8005.24	MINUTE NO. 085/2018	That Council delegate authority to the Chief Executive Officer to negotiate and execute a lease with One Tree Community Services under exemption from Section 3.58 of the Local Government Act 1995 by virtue of Section 30 Local Government (Functions and General) Regulations 1996. Such a lease will include the following: (i) Lease term of 5 years with a further term of 5 years at the discretion of Council; (ii) Lessee to pay for all costs associated with preparing the lease; (iii) Rental based on one peppercorn (nominal) per annum; (iv) Other standard terms and conditions of Shire lease agreements.	Council's comments regarding renewal option provided to Mcleods for drafting into lease.	30/11/018	Ross Sullivan - Manager Community Services	N			Lease is with One Tree for their review and comments Awaiting response from One tree (06/02/2019)
OCM 2018-10-25	4110	MINUTE NO. 099/2018	That Council endorse the Compliance Program attached.			Danielle Hurstfield - Manager Administration and Governance/Stephen Gash - CEO	N			Ongoing - on track for all proposed policies to be adopted 28/2 as planned.
OCM 2018-10-25		MINUTE NO. 103/2018	That Council convey support for the Firefighting resources at Camballin.			Ross Sullivan - Manager Community Services				
OCM 2018-10-25		MINUTE NO. 105/2018	That Council by ABSOLUTE MAJORITY: 1. Appoint WALGA as the CEO Recruitment Consultant for $10,000 excl. GST in accordance with the October 2018 proposal. 2. Endorse the WALGA model CEO contract for use in the process, subject to minor amendment. 3. Approve the advertising under the current salary range within Salaries and Allowances Tribunal Band 2. 4. Establish the CEO Recruitment Committee under Section 5.8 of the Local Government Act 1995 and appoint Cr Haerewa, Cr White, Cr Kloss, Cr Prouse and one Councillor from Fitzroy Crossing. 5. Delegate to the CEO Recruitment the ability to liaise with the Recruitment Consultant, finalise documentation for advertising, and undertake shortlisting applications for final interview. 6. Note that ALL Councillors will participate in the final interview and appointment process.			Stephen Gash - CEO	Y	14/02/2019		Amanda O'Halloran appointed as Chief Executive Officer

Last Reviewed - 10 May 2019

Ordinary/Special Council Meeting Status Report

Meeting	File No	Minute Number	Decision	Comment	Estimated Completion	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments. If Action not completed, report on plan to rectify
OCM 2018-11-28	2301	MINUTE NO. 111/2018	That Council:- 1. Pursuant to the Part 6 of the Planning and Development Act 2005, initiates a Local Interim Development Order for land within the Shire of Derby/West Kimberley not covered by Town Planning Scheme No 5 and Town Planning Scheme No.7; 2. Refers the Local Interim Development Order to the Western Australian Planning Commission for comment; 3. Advises the Western Australian Planning Commission that the Interim Development Order is required to control ad hoc development outside current planning Scheme areas while a District Wide Local Planning Scheme is implemented. 4. Advertises the Local Interim Development Order for a period of 28 days after making any modifications required by the Western Australian Planning Commission. 5. By ABSOLUTE MAJORITY delegates authority to the Chief Executive Officer to modify the draft provisions of the Interim Development Order based on advices received from the Western Australian Planning Commission. Such delegation is based on any modifications proposed not being assessed by the Chief Executive Officer as being contrary to the intent and purpose of the provisions detailed within the draft document considered by Council.	Ongoing	End March 2019	Noel Myers - Manager Planning	N			Referring draft to DPLH - await clearance to proceed with advertising
OCM 2018-12-10	5480	MINUTE NO. 119/2018	That Council: 1. Accept the intent of the invalid petition received from Kelly Betambeau; and 2. Highlight the support of the wider community in further correspondence to the Commissioner of Main Roads Western Australia (MRWA) in accordance with Council minute no 092/2018			Danielle Hurstfield - Manager Administration and Governance	N			Letter drafted to be reviewed
OCM 2018-12-10	5115	MINUTE NO. 122/2018	That Council advertise notice of intention to dispose of the ex-Curtin Accommodation Block 1 by gifting to the Derby Speedway Club in accordance with Section 3.58 of the Local Government Act 1995.			Ross Sullivan - Manager Community Services				
OCM 2018-12-10		MINUTE NO. 124/2018	That Council:- 1. Approve extension to the Memorandum of Understanding with WGPL Property No. 3 Pty Ltd and ACE Infrastructure SPV Pty Ltd to 30 June 2019; and 2. Authorise the Shire President and Chief Executive Officer to affix the Common Seal to the Deed detailed under letter dated 6 December 2018.			Stephen Gash - CEO	Y	11/12/2018		
OCM 2019-02-28		MINUTE NO. 005/2019	**That Council adopt:** **1. Reviewed policies** AF6 Risk and Opportunity Management AF14 Significant Accounting Policies AF24 Attendance at Conferences, Seminars and Training AF18 Sundry Debtors Collection Policy AF19 Outstanding Rates Collection AF20 Rating Administration Policy AF34 Community Funding Scheme **2. New policies** AF41 Fraud, Misconduct Control and Resilience AF43 Portable and Attractive Items **3. Recind policies** C1 Smoking – Workplace/Council Buildings C2 Mobile phones in meetings C3 Local Government Conferences C4 Code of Conduct C8 Electoral advertising C9 Tourism C10 Health and Wellbeing C11 Compliance and Strategic Review Committee AF2 Disposal of lease vehicles AF4 Financial assistance to organisations and clubs AF5 Local History Collections AF9 Sexual harassment AF12 Equal opportunity and diversity AF17 Occupational Health and Safety AF22 Use of Council equipment by community organisations AF25 Report Format – Agendas and Minutes AF26 Superannuation – Council Contribution			Danielle Hurstfield - Manager Administration and Governance	N			Recinded policies removed from website. Adopted policies to incorporate new branding and be uploaded to website. Expected completion 17 May 2019

Last Reviewed - 10 May 2019

Ordinary/Special Council Meeting Status Report

Meeting	File No	Minute Number	Decision	Comment	Estimated Completion	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments. If Action not completed, report on plan to rectify
OCM 2019-02-28		MINUTE NO. 006/2019	That the Compliance and Strategic Review Committee adopt: 1. Reviewed policies AF3 Asset Management AF32 Council Light Vehicle Fleet – Staff and Elected Member Usage C5 Council Meetings – Date, Time and Venue C6 Use of Council Chambers C7 Presentations on Completion of Service H2 Traders and Stallholders Permits W1 Crossovers 2. New policies AF44 Local Publication AF45 Transaction Cards 3. That the adopted policies be presented to Council for adoption			Danielle Hurstfield - Manager Administration and Governance	N			
OCM 2019-02-28		MINUTE NO. 007/2019	That Council receive policy TP1 Caretakers and Drivers Accommodation in Industrial Areas and approve advertising for 28 days. Reason for Amendment: A Statutory Planning Policy requires advertising to comply provision of Town Planning Scheme No. 5 in response to the preparation and adoption of a policy.			Noel Myers - Manager Planning				
OCM 2019-02-28		MINUTE NO. 008/2019	That Council adopt the Code of Conduct, Statement of Business Ethics and Governance Manual.			Danielle Hurstfield - Manager Administration and Governance	N			To be trained to staff and Councillors by end of May by Gary Martin
OCM 2019-02-28		MINUTE NO. 009/2019	That Council, BY AN ABSOLUTE MAJORITY: 1. ENDORSES the review of its delegations in accordance with sections 5.46 of the Local Government Act 1995; 2. REPEAL the Register of Delegations of Authority contained in the Shire of Derby/West Kimberley Register of Delegations of Authority dated September 2017 in accordance with section 5.45 of the Local Government Act 1995; and 3. DELEGATE authority to the Chief Executive Officer, the local government functions as listed in the amended Register of Delegations of Authority attached, in accordance with section 5.42 of the Local Government Act 1995, acknowledging the relevant heads of power in addition to the Local Government Act 1995: • Building Act 2011 – section 127 • Bush Fires Act 1954 – section 48 • Cat Act 2011 – section 44 • Dog Act 1976 – section 10AA • Food Act 2008 – section 118 • Public Health Act 2016 – section 21 • Road Traffic (Events on Roads) Regulations 1991.			Danielle Hurstfield - Manager Administration and Governance				
OCM 2019-02-28		MINUTE NO. 010/2019	That Council: 1. ENDORSES the completed Compliance Audit Return for the period 1 January 2018 to 31 December 2018; 2. Recommend to Council that Council ADOPTS the completed 2018 Compliance Audit Return for the period 1 January 2018 to 31 December 2018 as attached; 3. AUTHORISES the Shire President and Chief Executive Officer to sign the joint certification and SUBMIT the completed Compliance Audit Return, and any additional information explaining or quantifying the compliance audit, to the Department of Local Government, Sport and Cultural Industries by 31 March 2019; and 4. NOTES the non-compliance and requests the Chief Executive Officer to address the areas of non-compliance and report back to the Compliance and Strategic Review Committee on the measures taken to mitigate the non-compliances			Danielle Hurstfield - Manager Administration and Governance	Y	25/03/2019		
OCM 2019-02-28	4125	MINUTE NO. 011/2019	That Council, BY AN ABSOLUTE MAJORITY, 1. Decides, in accordance with section 4.61(1) of the Local Government Act 1995 that the election is to be conducted as a voting in person election. 2. Declare, in accordance with section 4.20(4) of the Local Government Act 1995, the Electoral Commissioner to be responsible for the conduct of the 2019 Shire of Derby/West Kimberley ordinary election together with any other elections or polls which may also be required. 3. Provide provision in the 2019/20 budget for the conduct of the 2019 Local Government election as detailed.			Danielle Hurstfield - Manager Administration and Governance	Y	15/04/2019		
OCM 2019-02-28		MINUTE NO. 012/2019	That Council adopt the revised Policy – AF1 Procurement of Goods and Services, as attached, to comply with the Local Government (Functions and General) Regulations 1996.			Danielle Hurstfield - Manager Administration and Governance	N			Adopted policies to incorporate new branding and be uploaded to website. Expected completion 17 May 2019
OCM 2019-02-28		MINUTE NO. 015/2019	That Council advertise notice of intention to dispose of the ex-Curtin Accommodation Block 2 to the Derby Turf Club in accordance with Section 3.58 of the Local Government Act 1995.			Ross Sullivan - Manager Community Services				

Last Reviewed - 10 May 2019

Ordinary/Special Council Meeting Status Report

Meeting	File No	Minute Number	Decision	Comment	Estimated Completion	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments. If Action not completed, report on plan to rectify
OCM 2019-02-28		MINUTE NO. 018/2019	That Council: 1. As pursuant to Section 6.26 2(g) of the Local Government Act. 1995, approve the Rate Exemption Application for A900252, A900572 and A900430. 2. As pursuant to Section 6.12 of the Local Government Act 1995, write off $6,103.03 being rates already paid to the properties for 2018/19 Billing period and refund credits to the company on approval. 3. Foundation Housing are to reapply for the rate exemption on all properties before the end of every financial year to maintain status. If application is not received, full rates will be charged to properties.			Emma Gugeri - Finance Officer Myre Henry - Finance Manager				
OCM 2019-03-28	4160	MINUTE NO. 12/19	That Council: 1. Adopt Reviewed Policies: AF7 GPS Fleet Tracking AF21 Fire Control Officers Authorities AF30 Legal Representation Costs Indemnification 2. Rescind TP5 Radio Masts and provide formal notification in accordance with Town Planning Scheme No. 5 3. Note TP7 Minimum Finished Floor Level for New Buildings (other than outbuildings) Fitzroy Crossing and Camballin requires further review and will be presented to the Compliance and Strategic Review Committee at a later date. 4. AF23 Provision of Staff Housing be put on hold until commencement of new CEO to be reviewed with Workforce Plan. 5. Adopt reviewed policy AF33 – Regional Price Preference noting it supports existing practice; and 6. Consult with the community on the definition of 'local business' and that policy AF33 be referred back to the Compliance and Strategic Review Committee after consultation.			Danielle Hurstfield - Manager Administration and Governance	N			Adopted policies to incorporate new branding and be uploaded to website. Expected completion 17 May 2019
OCM 2019-03-28	4160	MINUTE NO. 13/19	That Council adopt the draft Customer Service Charter attached.			Danielle Hurstfield - Manager Administration and Governance	N			
OCM 2019-03-28	5122	MINUTE NO. 14/19	That Council adopts by ABSOLUTE MAJORITY the 2018-2019 budget review, as attached to this report with no budget amendments.			Danielle Hurstfield - Manager Administration and Governance				
OCM 2019-03-28	A300629	MINUTE NO. 15/19	1. That Council writes to advise the Bunuba Dawangarru Aboriginal Corporation that it provides its in-principle support to the use of a portion of Reserve No. 36824 Lot 301 Great Northern Highway, Fitzroy Crossing as a possible location for the development of a future Youth Centre/Precinct on the following conditions; (i) That the use of the site as a Youth Centre/Precinct is endorsed by the community following the completion and endorsement of the Fitzroy Crossing Youth Engagement Strategy and is consistent with the State Governments response to the Coroners Inquiry into the deaths of children and young persons in the Kimberley; (ii) Completion of a due diligence investigation that confirms the sites suitability for the intended purpose; (iii) That upon the confirmation of the suitability of the site as required under Conditions i) and ii) above, the matter be referred back to Council for a formal decision to relinquish its management order over the portion of the Reserve			Noel Myers - Manager Planning	Y	9/05/2019		Letter is issued to Bunuba confirming Council decision - matter to remain on table until FX Youth Engagement Strategy further progressed.
OCM 2019-03-28	6055	MINUTE NO. 15/19	1. That the Council endorses the Draft Minute of Consent Orders and Draft Minute of Consent Determination (dated 5 March 2019) for the Bunuba # 2 'Part B' Native Title Application; and 2. That Council by Absolute Majority delegates authority to the Chief Executive Officer to authorise Council's Solicitor on the Federal Court Record to execute the Minute Consent Determination as it applied to the Bunuba # 2 'Part B' Native Title Application on the condition there is no further significant amendments to the document that would adversely impact upon the Shire; and 3. That Council by Absolute Majority delegates authority to the Chief Executive Officer and Shire President to affix the Common Seal of the Shire of Derby/West Kimberley to the final version of the Bunuba # 2 'Part B' Native Title Application on the condition that the final version of the document does not include any significant amendment to the draft document dated 5 March 2019 that would adversely impact upon the Shire; and 4. That Council by Absolute Majority delegates authority to the Chief Executive Officer to authorise Council's Solicitor on the Federal Court Record to execute any procedural documents on behalf of the Shire that may be required to assist with the progression of the matter towards the Consent Determination Hearing.			Noel Myers - Manager Planning				

Last Reviewed - 10 May 2019

Ordinary/Special Council Meeting Status Report

Meeting	File No	Minute Number	Decision	Comment	Estimated Completion	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments. If Action not completed, report on plan to rectify
OCM 2019-03-28	6055	MINUTE NO. 16/19	1. That Council endorses the Draft Minute of Consent Orders and Draft Minute of Consent Determination (dated 4 March 2019) for the Mayala # 2 'Native Title Application; and 2. That Council By Absolute Majority, delegates authority to the Chief Executive Officer and Shire President to execute the final version of the Minute of Consent Orders and Minute of Consent Determination as it applies to the Mayala #2 Native Title Application documents and affix the Common Seal of the Shire of Derby/West Kimberley to those documents as required on the condition that there is no significant amendment to the document that would adversely impact upon the Shire and further authorises the Chief Executive Officer and the Shire President to execute any procedural documents associated with the progression of the matter towards the Consent Determination Hearing.			Noel Myers - Manager Planning	N			awaiting further instruction from federal court conerning date of consent detrmination
OCM 2019-03-28	0490 - Ports	MINUTE NO. 17/19	That Council: 1. Award tender T11-2018 for Maintenance work at the Derby Wharf as follows; a) Parts A – Handrail replacement and Part B – Shed Repairs to H&M Tracey b) Part C – Fender Replacement on Berth 2 to the Pacific Construction Group and should a contract fail to be signed and executed for this component that the work be retendered. 2. Note the contractual obligations for consideration in the 2019/2020 budget			Wayne Neate - Director Technical and Development Services				
OCM 2019-03-28	107880	MINUTE NO. 20/19	That council issue and order under section 110 of the Building Act 2011 requiring the building to be vacated and then removed as per section 112 (2) (g) (ii) and (vi) of the Building Act 2011.			Wayne Neate - Director Technical and Development Services				
OCM 2019-03-28		MINUTE NO. 22/19	That Council authorise the Chief Executive Officer to execute the extension to; 1. Contract C17-2013 for a further two years with the availability of a further three x 12 month extensions as per schedule 1 of the contract. 2. Contract C18-2013 for a further one year with the availability of a further four x 12 month extensions as per schedule 1 of the contract.			Wayne Neate - Director Technical and Development Services				
OCM 2019-03-28		MINUTE NO. 23/19	That Item 18.2 lay on the table pending further consideration and be resubmitted to the next Ordinary Council Meeting on 18 April 2019.			Wayne Neate - Director Technical and Development Services				
OCM 2018-03-28			Garduwa Service Agreement: Council noted the service agreement has been finalised on the existing terms of: - Cash contribution of $35,000 - 2 hourses (with conditions) to the market value of $30,000 The Chief Exectuive Office advised this agreement is able to be executed by the Chief Executive Office on the basis of a previous direction of Council.			Wayne Neate - Director Technical and Development Services				
SCM 2019-04-11	048.1	MINUTE NO. 25/19	That Council: 1. Award Tender T01-2019 Fitzroy Crossing Roads Reconstruction, Alternative option, to Buckley's Earthworks and Paving. 2. Delegate authority to the Shire President and/or the Chief Exectuive Office to execute the contract documents.			Wayne Neate - Director Technical and Development Services				
SCM 2019-04-11	048.1	MINUTE NO. 26/19	That Council: 1. Award Tender T02-2019 Knowsley St West Reconstuction Statge 2-3 to Buckley's Earthworks and Paving. 2. Note the contractual obligations for the Knowsley St - Reconstruction Stage 3 for consideration in the 2019/20 Budget. 3. Delegate authroity to the Shire President and/or the Chief Exeecutive Office to execute the contract documents.			Wayne Neate - Director Technical and Development Services				

Last Reviewed - 10 May 2019

Ordinary/Special Council Meeting Status Report

Meeting	File No	Minute Number	Decision	Comment	Estimated Completion	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments. If Action not completed, report on plan to rectify
OCM 2019-04-18	4160		That the Compliance and Strategic Review Committee: 1. Adopt Reviewed Policies: AF37 Defence Reservist/Volunteer Emergency Service Leave W3 Underground Public Utilities/Services that Cross Council Controlled Thoroughfares 2. Defer: TP10 Transportable/Relocated Dwellings to the May 2019 Compliance and Strategic Review Committee. W2 Derby Townsite Streetscape until after the adoption of the Community Strategic Plan TP8 Town Centre Development Policy – for inclusion in major review in conjunction with preparation of New Town Planning Scheme. AF35 Establishment of Leases and User Agreements – until after review of existing Leases, MOU's and agreements in May 2019 3. That the recommendations above be presented to Council for adoption. In Favour: Crs Geoff Haerewa, Paul White, Denise Andrews, Peter Coggins,			Danielle Hurstfield - Manager Administration and Governance				Adopted policies to incorporate new branding and be uploaded to website. Expected completion 17 May 2019
OCM 2019-04-18	5151		That Council BY AN ABSOLUTE MAJORITY: 1. ENDORSES the 2017-18 Annual Financial Report of the Shire of Derby/West Kimberley and the accompanying 2017-18 Audit Report, as attached to this report, and recommends adoption by Council; 2. NOTES the Auditor's Management Report to the Compliance and Strategic Review Committee for the year ended 30 June 2018 supplied by Council's Auditor, Mr Greg Godwin of Moore Stephens (WA) Pty Ltd. 3. If required the Compliance and Strategic Review Committee will prepare and provide a report to the Minister within 3 months addressing any significant matters identified in Auditor's Management Report stating what actions the Shire will take to resolve the significant issues. 4. NOTES the			Myra Henry - Manager Finance	N			Report to CSRC for consideration 16/5/2019
OCM 2019-04-18	4280		That Council, 1. Increase the Presidential allowance for the 2018/2019 financial year from $40,000 to $62,727. 2. Determine that the increase in the allowance is to be paid retrospectively to the president from 1st July 2018. 3. Reallocate $22,727 from account number 410102 Members of Council – core services materials and contracts to account to account number 410107-Presidential allowance.			Acting CEO Myra Henry - Manager Finance				
OCM 2019-04-18	0140		That Council 1. Defer this item until such time as negotiations are completed to the satisfaction of Council.			Acting CEO Danielle Hurstfield - Manager Administration and Governance				
OCM 2019-04-18	4225,4210		That Council 1. Pursuant to section 5.54 of the Local Government Act 1995, ACCEPTS the Annual Report for the 2017-18 financial year; 2. Pursuant to section 5.55 of the Local Government Act 1995, GIVES local public notice of the availability of the 2017-18 Annual Report. 3. Pursuant to section 5.27 of the Local Government Act 1995, CONVENES by simple majority the Annual General Meeting of Electors on Thursday 30 May, 2019 commencing at 6.30pm at the Council Chambers, Derby; and 4. ADVERTISE the Annual Electors Meeting in accordance with section 5.29 of the Local Government Act 1995.			Myra Henry - Manager Finance	Y			Annual Report Advertised on website. Notice of Annual Electors meeting advertised in Babbling Boabs, Derby and Fitzroy Town Noticeboards and Libraries
OCM 2019-04-18	7190		That Council: 1. Supports the Regional Waste Management Plan 2018 – 2023 in line with the Kimberley Regional Group recommendations.			Stuart Martin - Acting Director Technical and Development Services				

Last Reviewed - 10 May 2019

Ordinary/Special Council Meeting Status Report

Meeting	File No	Minute Number	Decision	Comment	Estimated Completion	Position Title Officer Responsible for Action Compliance	Completed Y/N	Date Completed	Records Ref (Evidence of completion)	Comments. If Action not completed, report on plan to rectify
OCM 2019-04-18	A700030		1. That Council grants Development Approval for a proposed Tourist Resort and Workforce Accommodation on Lot 17 on Plan 923497, Lease Number I127597, Cockatoo Island in accordance with the application and plans dated 12/03/2019 subject to the following conditions: (i) The commencement and use of the land for the proposed accommodation uses may not commence until such time the site is cleared for use from Department Water & Environmental Regulation; (ii) The use and occupation of the buildings is subject to compliance with Building and Health legislation; (iii) The scope of this approval applies only to land based accommodation and associated ancillary activities and does not extend to any sea-borne servicing of marine vessels or refuelling activities; (iv) The use of buildings and land at the northern extent of the lease area that are identified on the Office of Bushfire Risk Management - Map of Bushfire Prone Areas is prohibited. Any future use of land and buildings in those areas is subject to separate application that addresses the requirements of State Planning Policy 3.7 – Planning for Bush Fire Prone Areas; (v) A waste management plan is to be provided prior to the			Noel Myers - Manager Planning Services	Y	9/05/2019		Notice prepared for issue
OCM 2019-04-18	A500003		1. That Council by Absolute Majority delegates authority to the Chief Executive Officer to issue Development Approval for the Alterations and Additions to the Bell Gorge Wilderness Camp located on portion of Reserve 40571, Lot 216 Gibb River Road as shown on the application and plans subject to the following conditions; (a) Receipt and confirmation from the Department Fire and Emergency Services that they have endorsed both the Bushfire Management and Bushfire Emergency Plans as they apply to the subject development; (b) All development being consistent with the advice and recommendations of Department of Fire and Emergency Services endorsed Bushfire Management and Bushfire Emergency Plans.			Noel Myers - Manager Planning Services		N		Awaiting response from DFES in respect to Bushfire Mangement Plan.
OCM 2019-04-18			That Council approves the increase to the Chief Executive Officers contract specifically Item 12 of Schedule 2 to $12,500 for re-location expenses.			Acting CEO Danielle Hurstfield - Manager Administration and Governance				

6.2 ANNUAL FINANCIAL REPORT 2017-18 - RESPONSE TO MANAGEMENT REPORT

File Number: **5151**

Author: **Myra Henry, Manager Finance**

Responsible Officer: **Wayne Neate, Acting Chief Executive Officer**

Authority/Discretion: **Executive**

SUMMARY

For the Compliance and Strategic Review Committee to consider and accept officer's response to Management Report provided to previous Compliance and Strategic Review Committee on the 18 April 2019.

DISCLOSURE OF ANY INTEREST

Nil.

BACKGROUND

As per the Terms of Reference adopted 25 March 2015, one of the principle objectives of the Compliance and Strategic Review Committee is to accept responsibility for the annual external audit and to liaise with the Auditor so that Council can be satisfied with the performance of the Local Government in managing its financial affairs. The Committee's duties and responsibilities in relation to the Annual Financial Report and the external audit are clearly outlined in the Terms of Reference, specifically item (k) which requires the Committee to consider and recommend adoption of the Annual Financial Report to Council.

The Annual Financial Report for the period ending 30 June 2018 is presented to the Compliance and Strategic Review Committee for consideration and recommend adoption by Council. Shire staff and Moore Stephens have been working collectively to prepare the statements ready for presentation to the auditors.

Council adopted the Annual Financial Report at the Ordinary Council Meeting 18 April 2019. There were many items highlighted in the Management Report provided by Auditors – Moore Stephens. It was recommended by Acting Chief Executive Officer at this meeting that officer's would provide responses to these issues.

STATUTORY ENVIRONMENT:

Local Government (Financial Management) Regulations 1996

51. Annual financial report to be signed etc. by CEO and given to Department

1) *After the annual financial report has been audited in accordance with the Act the CEO is to sign and append to the report a declaration in the form of Form 1.*

2) *A copy of the annual financial report of a local government is to be submitted to the Departmental CEO within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report.*

3) *Local Government Act 1995*

5.53. Annual reports

(1) The local government is to prepare an annual report for each financial year.

(2) The annual report is to contain —

(f) the financial report for the financial year;

5.54. Acceptance of annual reports

(3) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.

Absolute majority required.

(4) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

Division 3 — Reporting on activities and finance

6.4. Financial report

(1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.

(2) The financial report is to —

(a) be prepared and presented in the manner and form prescribed; and

(b) contain the prescribed information.

(3) By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —

(a) the accounts of the local government, balanced up to the last day of the preceding financial year; and

(b) the annual financial report of the local government for the preceding financial year.

POLICY IMPLICATIONS

There are no policy implications that relate to this report.

FINANCIAL IMPLICATIONS

The Annual Financial Statements set out the operating results for the Shire for the year ended 30 June 2018 and the assets and liabilities as at that date, together with other relevant financial information.

STRATEGIC IMPLICATIONS

GOAL	OUTCOME	STRATEGY
4: Good governance and an effective organisation Leadership that provides	4.1: Effective governance and leadership	4.1.3: Strengthen the governance role of Councillors by informing, resourcing, skilling and supporting their role

strategic direction for the community, supported by efficient and effective service delivery		
4: Good governance and an effective organisation Leadership that provides strategic direction for the community, supported by efficient and effective service delivery	4.1: Effective governance and leadership	4.1.4: Ensure governance policies and procedures are in accordance with legislative requirements

RISK MANAGEMENT CONSIDERATIONS

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Legal & Compliance: Failure to prepare and adopt the Annual Financial Report would result in non-compliance with its statutory responsibilities under the Local Government Act 1995	Rare	Moderate	Low	Accept officer recommendation

CONSULTATION

Moore Stephens (WA) Pty Ltd

Shire Staff

There is no legislative requirement to consult on the preparation of the Annual Financial Report, but the Local Government Act 1995 requires a General Meeting of Electors to be held and the Shire's Annual Report, incorporating the Annual Financial Report, to be made available publicly.

COMMENT

Responses to the Management Report provided by Moore Stephens (WA) Pty Ltd who completed their audit of Council's affairs for the financial year ended 30 June 2018 are attached.

VOTING REQUIREMENT

Simple majority

ATTACHMENTS

1. **Response to Auditors Management Report**
2. **Auditors Management Report**

COMMITTEE RESOLUTION CSRC20/19

Moved: Cr Andrew Twaddle
Seconded: Cr Geoff Haerewa

That the Compliance and Strategic Review Committee:

1. **NOTES the response from management to the items raised in the auditors Management Report.**
2. **The Compliance and Strategic Review Committee authorise to the Chief Executive officer to prepare and provide a report to the Minister within 3 months addressing any significant matters identified in Auditor's Report stating what actions the Shire will take to resolve the significant issues.**

In Favour: Crs Geoff Haerewa, Chris Kloss and Andrew Twaddle

Against: Nil

CARRIED 3/0 BY ABSOLUTE MAJORITY

Significant Adverse Trend - Financial Position

The significant change to the ratios indicating an adverse trend can be attributed to timing issues in the Transport program expenses, not being matched by revenue for the same projects. This included material recoups not being recouped at 30 June 2018, as Main Roads WA had not committed to the amount to be recouped for existing expenses until August 2018. As the amount was not committed, the auditor would not allow the accrual of the revenue. This income has since been received in the 2018/19 year.

Similarly, on 30 June 2017 expenditure occurred for the Multipurpose Transport Infrastructure but income was received in 30 June 2016.

Actions to be taken – Recoups to be done on a timelier manner. With new accounting standards taking effect July 1 2019, how Local Government recognises revenue will eliminate these issues.

Significant Adverse Trend – Financial Management Practices

Unfortunately this has occurred due to both a staff error and a system error. In reorganising the Chart of Accounts, old accounts that hadn't be used for a number of years were deleted. The staff member did not take the necessary steps to research and investigate what would happen to the system if accounts were to be deleted. Synergy also does not have a forcing function if an accounts has transactions 5 years or older. Due to the accounts being deleted it compromised the integrity of the system.

The Shire was on track until it was found that the deletion of the accounts had corrupted the system.

Action taken - The Staff member who was involved no longer is employed and all current staff have been made aware not to delete anything.

Asset Management and Long Term Financial Plans

Moore Stephens is currently engaged to prepare these reports.

Credit Cards

This was found in the interim Audit. This one instance of oversight was due to the distance of Rebecca Herbert being based in Broome and requiring credit card to run the Kimberley zone.

Action – Staff to follow credit card policy.

Registers

This was found in the interim Audit. The Shire has since introduced a software program called Attain which does not allow for blank spaces. Each field requires a comment. We believe this will alleviate the problem.

Action – Nil, program already implemented.

Annual report

This was found in the interim Audit. Staff will ensure that procedures will be followed with the use of compliance calendars

Action – Better management guidelines in place

Budget

This was found in the interim Audit. Staff will ensure that procedures will be followed with the use of compliance calendars.

Action – Better management guidelines in place

Tender Register

This was found in the interim Audit. Tenders that where indicated in this report had not yet finished therefore an amount was not written.

The Shire does use Tenderlink for Tenders, but the register is still manually entered.

Action - In future, notes will be put onto current open tenders for information purposes.

Strategic Community Plan and Corporate Business Plan

A survey has been completed by Andre previously with RFF unfortunately nothing has progressed since. I believe this will be for the new CEO to tackle.

Action – Plans to become a priority in the 2019/20 year.

Month End Reconciliations

Payroll reports not being reviewed: There was triple reviews done. Payroll officer, Itvision (payroll consultant) and the Manager of Finance however the Manager of Finance had not been signing off.– This has now been rectified with a process for the Manager of Finance to authorise and sign off the payroll.

Rates reconciliation and review – GRV and UV roll. Manager of Finance is now signing these off.

Action - Better management guidelines in place

General Journals

New process to occur when SFO starts, SFO to create journals and MOF to sign off.

Action - Better management guidelines in place

Audit Cost

Council please note email received from Hayley at Moore Stephens below. Audit cost to be $33,350.

Hi Myra,

I am just looking at raising the invoice for the audit.

As Greg mentioned in the audit committee meeting we incurred overruns. (Approximately $20,000).

Myself, Greg, and Sepalika, have gone through an extensive review of the job WIP and audit file and believe and additional amount of $13,350 appears to be a reasonable additional fee.

This amount came about due to the following:

1. **Re-mapping of accounts**
   Due to the deletion of old accounts and as a result of needing to reconstruct your accounts, once we uploaded the trial balance provided we needed to re-map all new accounts prior to commencing the audit field work. This in itself was an extensive task and when this is required for new clients we usually include it in out quoted audit fee.
2. **Accounting Issues**
   As you know an accrual of $1.3 million was made for Wandrra. After extensive back and forth with Gary to get the correct information a determination was made to reverse the

accrual. We incurred time trying to obtain the information from Gary as well as processing the adjustment and then making the correct mark-ups and ensuring the correct flow through on the financial report.

During the revaluation process undertaken by Griffin, there were a number of assets identified which did not appear on the fixed asset register. In bringing these to account Gary processed the incorrect journal entry and recognised them through the P&L as opposed to the revaluation surplus account.
The discussions with Gary around this were timely in trying to establish the reasoning for this and if the assets were gifted or just missed off the register when purchased years ago. Again, the initial entry was reversed and the correct entry processed as this was a material amount. We then had to ensure correct mark-ups and flow through on the financial report.

The long service leave was calculated using the base rate + allowances. The Local Government Regs specifically stated that allowances should be excluded from LSL calculations. Additional time was required to recalculate the LSL using just the base rate to determine whether the variance was a material amount. The calculations were sent to Myra and a decision was made to adjust these figures. Again, time was spend marking up the first draft of the financial report to ensure that the new figures correctly tied back.

3. **Follow up of information and last minute cancellation of field visit**
   In the weeks leading up to the originally schedule site visit there was time spend following up audit information and the progress of this information, and then actually cancelling the visit and the plan for the future in rescheduling appropriate staff.
4. **Financial Report Review**
   The material adjustments made as mentioned above had a major impact on the financial statements and extensive review and mark-ups were made on the first draft. These adjustments processed had a massive flow through effect including cash flow statements, recalculations of ratios, matching and cross referencing notes, etc. Although Mandy was the once preparing the financials, the first draft given to us was based on the original trial balance provided to her. During our undertaking of the audit and finding processing adjustments, a new set of financials was given to us which were materially different from the first version and a lot of our checks had to be re-performed (add checks, notes cross referencing, ratios, cash flows, etc).

17 April 2019

MOORE STEPHENS

Cr Geoff Haerewa
The Shire President
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Dear Cr Haerewa

MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2018

We advise that we have completed our audit procedures for the year ended 30 June 2018.

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

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

We noted the following matters we wish to draw to your attention:

SIGNIFICANT ADVERSE TREND IN FINANCIAL POSITION

As highlighted in our audit report this year, the significant adverse trend in the financial position of the Shire reported in the management report last year has continued.

This trend is evidenced by:

i. **A significant structural deficit in the operating result for both the years ended 30 June 2018 and 30 June 2017**

The Shire's operating result (ignoring non-operating grants, subsidies, and contributions) for the year ended 30 June 2018 recorded a net deficit (before other comprehensive income) of $14,137,359 (in 2017 this deficit was $7,214,625).

Coupled with our comments regarding the Operating Surplus Ratio below, we consider the Shire has a significant structural deficit in its operations which will require improvement in the short to medium term.

ii. **A deterioration in the Operating Surplus Ratio which has also been trending downward over the longer term**

Another factor leading to the adverse trend is a deterioration in the Shire's Operating Surplus Ratio over recent years. This is evidenced by the downward trend from -0.71 in 2017 to -1.51 in 2018.

SIGNIFICANT ADVERSE TREND – FINANCIAL MANAGEMENT PRACTICES

Also highlighted in our audit report this year, we have noted a significant adverse trend in the financial management practices of the Shire. As you are aware we were only able to complete field work for the audit in March 2019 despite originally scheduling our year-end visit on the 29th October to 2nd November 2018. Our audit requirements (requested in advance) had not been fully met at the time of our scheduled audit visit. The accounts were far from fully reconciled and the annual report was not complete. Staff experienced difficulties, from what appears to be an accidental deletion of accounting data and the need to reconstruct the accounts. This caused a significant delay for both annual financial reporting and audit purposes.

Our initial year-end onsite visit was cancelled, and the decision was made to complete our audit testing (including the review of the complete financial report, as well as transactional and balances testing) remotely from our office in the period February 2019 to April 2019 after complete reconstruction of the accounts, significant further reconciliations, a complete set of financial reports, and additional information was provided to us.

As it is obvious by the time taken to correct the accounts and finalise the reports, the process has been far from efficient. This appeared to stem from several factors including:

- the accidental deletion of accounting data creating the task of reconstructing the accounts;
- the level of preparedness for our audit visit; and
- numerous adjustments needing to be processed resulting in significant changes to the financial report.

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MOORE STEPHENS

SIGNIFICANT ADVERSE TREND – FINANCIAL MANAGEMENT PRACTICES (CONTINUED)

This has resulted in a late audit report.

Not only does it impact on the efficiency of the audit process, it also reflects on the efficiency of the Shire as it compromises the delivery of meaningful, accurate and timely management information.

This seriously undermined the financial management practices of the Shire. Consequently, we found it necessary to highlight this matter in our audit report.

To ensure this situation is rectified and does not present itself again, management should review the Shire's current financial management practices. Key reconciliations and accounting processes should be identified and sufficient accounting resources be allocated to the process with the goal of meeting the 31 December deadline in any given year.

Both Council and management need to address this adverse trend to help assist the Shire manage its scarce resources in the future.

ASSET MANAGEMENT PLAN AND LONG TERM FINANCIAL PLAN

During our audit we noted that the Shire's current Asset Management Plan (2010 – 2020) and Long Term Financial Plan (2013 – 2023) do not cover a period sufficient to calculate the Asset Renewal Funding Ratio.

To enable calculation of this ratio and to help identify gaps between planned and required capital expenditure, Council should review and update both plans as soon as practicable. This will also help ensure proper compliance with statutory reporting requirement associated with the integrated planning process.

CREDIT CARDS

During our review of credit cards, we noted one instance of a credit card agreement form that had not been signed by the CEO authorising its issuance to an employee.

To help ensure proper usage of Shire credit cards and adherence to policy, each card holder should sign and date a credit card agreement as evidence of acknowledgement of their responsibilities and legal obligations when using the credit cards.

REGISTERS

Our review of the Financial Interest Register (including Annual & Primary Returns) revealed 11 instances where returns reviewed contained sections which had been left blank, one instance where the designated employee did not record the Shire in their income source declaration, one instance where the designated employee did not sign and date the lodges annual return, four instances where a receipt of return acknowledgment letter was not evidenced as performed as required by Section 5.77 of the Local Government Act, and one instance where a completed annual return by a Councilor was not evidenced as lodged.

To help ensure compliance with Departmental Circular 18-2005 and to help ensure returns submitted are not at risk of being amended, all sections should be completed. We note it is acceptable to record N/A, Nil, or No Change or to rule a clear line through a N/A section whilst leaving sections blank is not recommended practice.

Whilst we note the CEO or any other Shire staff are not responsible for the content of the returns submitted, it is acceptable, and quite common, for the content to be reviewed prior to receipt being acknowledged. It is important for a written acknowledgement of receipt to be issued to ensure complete returns have been received for all designated persons.

To help ensure compliance with statutory provisions, these requirements should be correctly addressed in the future.

ANNUAL REPORT

The advert for the Annual Electors Meeting and availability of the Annual Report was not placed until January 25th where Council has accepted the report on December 12th.

To help ensure compliance with s5.55 of the Act, procedures should be implemented to ensure the CEO gives local public notice of the availability of the annual report as soon as practicable after the report has been accepted by Council.

MOORE STEPHENS

BUDGET

The budget and budget review were not submitted to the Department within 30 days of their respective adoption by Council.

To help ensure compliance with statutory regulations, procedures should be implemented to ensure the above finding is correctly addressed in the future.

TENDER REGISTER

Tender register does not include sufficient detail. As required by Local Government (Functions and General) Regulation 17(3) the register should include the amount of consideration or summary of amount sought in the tender accepted.

To help ensure compliance with Local Government (Functions and General) Regulations 17 (3) the tender register is to include for each invitation the amount of consideration in the tender accepted by Council.

STRATEGIC COMMUNITY PLAN AND CORPORATE BUSINESS PLAN

The Shire's current Strategic Community Plan (2012-2021) was adopted in 2012 and has not been reviewed every 4 years as required.

The Shire's current Corporate Business Plan (2016-2019) was adopted in 2016 and has not been reviewed annually as required.

In accordance with Admin Regulation 19C and 19D, the Shire is required to ensure that a Strategic Community Plan is in place for a period of at least 10 years, to be reviewed every 4 years, and that a Corporate Business Plan is in place for a period of at least 4 years, to be reviewed every year. Reviewed and updated plans should be adopted as soon as practicable.

MONTH END RECONCILIATIONS

Upon examination of month end reconciliations, we noted that payroll and manual rolling rates reconciliations were prepared, however whilst management advised they were reviewed there was no evidence of review.

Each reconciliation should be reviewed by a person more senior than the preparer. The review should be evidenced by the reviewer signing and dating the reconciliation.

GENERAL JOURNALS

Journal entries are posted by the Finance Manager without review and authorisation by a senior staff member.

To help maintain the integrity of the accounting system, a person more senior than the preparer should review and authorise all journal entries. The review should be evidenced by the reviewer signing and dating the journal entries concerned.

We take this opportunity to thank the Shire for their assistance provided during the audit.

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

Yours faithfully

Greg Godwin
Partner
Moore Stephens

Encl.

6.3 ENTRY INTERVIEW - AUDITORS

File Number: **4105**

Author: **Myra Henry, Manager Finance**

Responsible Officer: **Wayne Neate, Acting Chief Executive Officer**

Authority/Discretion: **Executive**

SUMMARY

The accounts and annual financial statements of a local government for each financial year are required to be audited by an independent auditor's appointment by the Auditor General. It is a requirement that the Auditors are to have an Entry Interview with the Compliance and Strategic Review Committee before the interim audit is to occur.

DISCLOSURE OF ANY INTEREST

Nil

BACKGROUND

As per the Terms of Reference adopted 25 March 2015, one of the principle objectives of the Compliance and Strategic Review Committee is to accept responsibility for the annual external audit and to liaise with the Auditor so that Council can be satisfied with the performance of the Local Government in managing its financial affairs.

In the past each Local Government appointed an independent auditor for a three year period to carry out the annual audit. With effect from 2017/18 financial year the Office of the Auditor General has taken over the audit responsibility for all Local Governments in WA. We were advised by the Auditor General on 20 March 2019 that RSM is the approved auditor to carry out the 2018/2019 Audit on behalf of the Auditor General.

Kellie Tonich – OAG representative and Travis Bate – RSM will join meeting via conference call.

STATUTORY ENVIRONMENT:

Local Government Act 1995

Sections 16 of the *Local Government (Auditing) Regulations* and Section 9 of the *Local Government Financial Management) Regulations 1996* relates to this topic.

Local Government (Auditing) Regulations 2018

16. Functions of audit committee

An audit committee has the following functions –

(d) To support the auditor of the local government to conduct an audit and carry out the auditors other duties under the Act in respect of the local government.

Local Government (Financial Management) Regulations 1996

9. Performance of audit

(3) An auditor must carry out the work necessary to form an opinion whether the annual financial report -

(a) is based on proper accounts and records; and

(b) fairly represents the results of the operations of the local government for the financial year and the financial position of the local government at 30 June in accordance with –

(i) the Act; and

(ii) the Australian Accounting Standards (to the extent that they are not inconsistent with the Act).

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

Budget Allocations. The OAG has advised that the indicative fee for the 2019 audit will be $65,000 (excl. GST).

STRATEGIC IMPLICATIONS

GOAL	OUTCOME	STRATEGY
4: Good governance and an effective organisation Leadership that provides strategic direction for the community, supported by efficient and effective service delivery	4.1: Effective governance and leadership	4.1.3: Strengthen the governance role of Councillors by informing, resourcing, skilling and supporting their role
4: Good governance and an effective organisation Leadership that provides strategic direction for the community, supported by efficient and effective service delivery	4.1: Effective governance and leadership	4.1.4: Ensure governance policies and procedures are in accordance with legislative requirements

RISK MANAGEMENT CONSIDERATIONS

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
Legal & Compliance: Failure to prepare and adopt the Annual Financial Report would result in non-compliance with its	Rare	Moderate	Low	Accept officer recommendation

statutory responsibilities under the Local Government Act 1995				

CONSULTATION

Shire Staff

RSM

COMMENT

As a part of the new audit process the Compliance and Strategic Review Committee is required meet with the Auditor and a representative of the Office of the Auditor General to review the Audit Planning Memorandum. The primary purpose of the Audit Planning Memorandum (APM) is to brief the Compliance and Strategic Review Committee on the proposed approach to the audit of the financial report of the Council.

VOTING REQUIREMENT

Simple majority

ATTACHMENTS

1. Audit Planning Memorandum

COMMITTEE RESOLUTION CSRC21/19

Moved: Cr Geoff Haerewa
Seconded: Cr Andrew Twaddle

That the Compliance and Strategic Review Committee resolve to recommend to Council to adopt the Audit Planning Memorandum as presented as part of the annual audit process.

In Favour: Crs Geoff Haerewa, Chris Kloss and Andrew Twaddle

Against: Nil

CARRIED 3/0

ASSURANCE & ADVISORY SERVICES

SHIRE OF DERBY / WEST KIMBERLEY

Audit Planning Memorandum

30 June 2019

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

OAG Office of the Auditor General Serving the Public Interest

RSM

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1 PURPOSE OF THE AUDIT PLANNING MEMORANDUM

The primary purpose of this Audit Planning Memorandum (**APM**) is to brief the Compliance and Strategic Review Committee on our proposed approach to audit the financial report of the Shire of Derby / West Kimberley (**Shire**) for the year ending 30 June 2019. This memorandum forms the basis for discussion at the Compliance and Strategic Review Committee meeting scheduled for 16 May 2019 and is a key tool for discharging our responsibilities in relation to communicating with those charged with governance.

2 KEY ENGAGEMENT INFORMATION

2.1 Key Shire of Derby / West Kimberley financial report stakeholders

Ratepayers of the Shire of Derby / West Kimberley	
Minister for Local Government	The Hon. David Templeman MLA
Shire President	Geoff Haerewa
(Acting) Chief Executive Officer	Wayne Neate
Manager Finance	Myra Henry

2.2 Key Office of the Auditor General personnel

Auditor General	Caroline Spencer
Director Financial Audit	Kellie Tonich

2.3 Key RSM Australia personnel

Audit Director	David Wall
Principal	Travis Bate
National Technical Director	Ralph Martin

3 BACKGROUND AND GENERAL INFORMATION

3.1 Background

The Shire of Derby / West Kimberley (the Shire) covers a vast area servicing 54 Aboriginal communities and three towns. Derby and Fitzroy Crossing being the main population centres with a third township at Camballin. Derby is the major centre of the Shire and this is where the main Administration Centre is located.

The Shire offers residents and visitors a unique environment to enjoy outdoor pursuits such as four wheel driving, fishing and camping.

Derby is an important supply point for industries operating in the Kimberley region, such as pastoralism, mining, oil and tourism.

The Shire has a long and diverse Indigenous Australian heritage. Traditionally, prior to contact, Aboriginal people from the Warrwa, Bardi, Jawi, Ngarinyin, Worrorra, Nyikina, Mangala, Unggumi, Bunbua, Walmajarri and Gooniyandi language groups (among others) would interact for law and ceremonial business.

The Shire actively partners with Indigenous organisations to improve the wellbeing of its indigenous residents.

The Shire is represented by 9 councillors. The Shire President is elected from among the councillors.

3.2 Shire President, Shire Council and Executives

Please refer to Appendix A for names of the Shire President, Shire Councillors and Executives.

3.3 Governance

The Shire is governed by an independent Council, whose members are elected to serve a 4-year term in office. The Council in turn appoints a Chief Executive Officer (**CEO**) to advise and provide information to Council in relation to the Shire's functions and ensure the resources of the Shire are effectively and efficiently managed.

3.4 Regulation

In terms of financial reporting, the Shire is subject to the *Local Government Act 1995* (**Act**) and the *Local Government (Financial Management) Regulations 1996* (**Financial Management Regulations**).

4 KEY DELIVERABLES

4.1 Financial report and audit opinion

The annual financial report will be general purpose financial statements for the financial year ended 30 June 2019. The Auditor General is required by the Act to provide an opinion in accordance with the *Local Government (Audit) Regulations 1996* (**Audit Regulations**) on whether the annual financial report of the Shire:

- Is based on proper accounts and records; and
- Fairly represents, in all material respects, the results of the operations of the Shire for the financial year and its financial position at the end of that period in accordance with the Act and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

The Auditor General is also required by the Audit Regulations to report:

- Any significant adverse trends in the financial position of the Shire;
- Any material matters indicating non-compliance with Part 6 of the Act, the Financial Management Regulations or applicable financial controls of any other written law;
- Whether all required information and explanations were obtained;
- Whether all audit procedures were satisfactorily completed; and
- Whether the asset consumption ratio and asset renewal funding ratio included in the annual financial report are supported by verifiable information and reasonable assumptions.

The objective of the Auditor General's audit is to obtain reasonable assurance about whether the Shire's 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 her opinion.

The Auditor General will also communicate with the Council and the CEO regarding, among other matters, any significant findings, including any significant deficiencies in internal control that may be identified during the audit.

The Auditor General's report will be sent to the Shire President, CEO and the Minister for Local Government in accordance with the Act. The Shire is required to publish the auditor's report with the annual financial report on its website. If the Auditor General has reported other significant matters, then the Shire is required to report the action it has taken about the matters to the Minister and to publish a copy of that report on its website.

4.2 Management Letters

Significant findings, emerging issues and their recommended resolution that arise during the audit will be progressively discussed and communicated to the Auditor General and then the CEO. Any weaknesses in controls, which may be identified during the current year audit, will be highlighted in the management letter to the CEO following the conclusion of the preliminary and final audits. The draft management letters will be reviewed by the Auditor General before being given to the Shire for comment.

Prior year management letter points will be followed up as part of the current year audit procedures. During the current year audit procedures, we will determine if any control weaknesses highlighted during the prior year audit have been properly resolved.

5 MILESTONE MEETINGS

5.1 Pre-planning meeting

The pre-planning meeting will be with the Shire management, the Auditor General's representative (if required) and RSM. The meeting will discuss current developments at the Shire and any changes in governance or systems. The meeting will form the basis for the preparation of the APM.

5.2 Entrance meeting

The entrance meeting will be held with the CEO, Compliance and Strategic Review Committee, the Auditor General's representative and RSM. The meeting will mainly cover the presentation and discussion of the APM.

5.3 Preliminary audit findings meeting

The preliminary audit findings meeting with the Auditor General's representative, the CEO, Compliance and Strategic Review Committee and RSM will mainly cover the presentation and discussion of the significant control matters as reported in the preliminary audit management letter, if any.

5.4 Final audit closing meeting

Significant accounting issues and audit findings, if any, noted during the final audit will be discussed with the Auditor General's representative, the CEO and RSM. If there are significant, unresolved matters, then a meeting will also be held with the Compliance and Strategic Review Committee.

5.5 Audit exit meeting

The exit meeting with the Compliance and Strategic Review Committee, the Auditor General's representative and RSM will mainly cover the presentation and discussion of the audit closing report, which will outline any significant audit related matters concerning the financial report, management letters and improvement suggestions for future audits.

5.6 Council meetings

Attendance at Council meetings is by invitation and provides insight into matters that may impact on our audit approach. Generally, the Auditor General's representative and RSM will attend the Council meetings as required.

6 TERMS OF ENGAGEMENT

6.1 Arrangements

Audits are not an absolute guarantee of the accuracy or reliability of the Shire's information and may not identify all matters of significance. This is because the work undertaken to form an opinion is permeated by judgement and most audit evidence is persuasive rather than conclusive. In addition, there are inherent limitations in any audit, including the use of testing, the effectiveness of internal control structures and the possibility of collusion.

Primary responsibility for the detection, investigation and prevention of irregularities rests with the Shire's management. Consequently, it is the Shire's management who remains responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial report, complying with the Act and the Financial Management Regulations.

Under the *Auditor General Act 2006*, audit staff have unrestricted access to information held by the Shire, irrespective of any restrictions on disclosures imposed, such as secrecy provisions.

Confidentiality of audit files and working papers is required under the *Auditor General Act 2006*. The Office of the Auditor General is an 'exempt agency' under the *Freedom of Information Act 1992*.

The signed contract between the Auditor General and RSM contains strict confidentiality clauses.

6.2 Management representation letter

The audit plan assumes that the CEO will be able to sign a management representation letter. The letter would be signed at the same time as the annual financial report is signed.

RSM and the Auditor General will rely on the CEO signing the management representation letter as evidence to confirm:

- The CEO has fulfilled their responsibility for the preparation of the financial report in accordance with the applicable financial reporting framework, including their fair presentation;
- The CEO has fulfilled their responsibility for determining such internal controls as is necessary to enable the preparation of a financial report that is free from material misstatement;
- The CEO has provided us with access to all relevant information necessary or requested for the purpose of the audit; and
- All transactions have been recorded and are reflected in the financial report.

7 STAKEHOLDERS RELATIONSHIP

7.1 Auditor General

The *Local Government Amendment (Auditing) Act 2017* makes legislative changes to the Act to provide for the auditing of local governments by the Auditor General. The Act allows the Auditor General to contract out some or all of the financial audits, but all audits will be the responsibility of the Auditor General. It also allows for performance audits, which will examine the economy, efficiency and effectiveness of any aspect of local government operations. The Act also places an obligation on local governments to publish their annual report, including their annual financial report and auditor's report, on their website.

The Auditor General has been given the mandate to:

- Audit the annual financial report of WA local governments, related entities and subsidiaries;
- Conduct performance audits of local governments;
- Perform supplementary audits requested by the Minister; and
- Report to Parliament on the results of financial and performance audits.

Parliament has appointed the Auditor General as it expects this will raise the standards of accountability for local governments to a level more consistent with public sector entities. This follows recommendations by the Public Accounts Committee and the Corruption and Crime Commission that the Auditor General be appointed the auditor of all local governments.

This change brings Western Australia in line with most other Australian jurisdictions and New Zealand.

7.2 Auditor General Audits and Reports

The Auditor General has completed, is undertaking or planning the following audits relevant to local government:

- Controls over corporate credit cards (report issued 9 May 2018). Auditor General found that local governments generally managing credit cards well but identified some room for improvement.
- Timely payment of suppliers (report issued 13 June 2018). The Auditor General found that local governments are generally timely in paying suppliers, but recommended improvements.
- Local government procurement (report issued 11 October 2018). The Auditor General found that improvements are needed to strengthen local government procurement controls.
- Management of supplier master files (report issued 7 March 2019). The Auditor General found improvements are needed in the areas of policies or procedures and controls over creation or amendment of supplier master file records.
- Audit Results Report - Annual 2017-18 Financial Audits of Local Government Entities (report issued 7 March 2019). The Auditor General identified where improvements may be considered and where opportunities exist. One such stark governance-related opportunity relates to audit committees. The Auditor General also identified the need for more emphasis on auditor independence.
- Records management in local government (report issued 9 April 2019).
- Local government building approvals (tabling is currently planned for the first quarter of 2019).
- Fraud prevention in local government (tabling is currently planned for mid 2019).
- Verifying employee identity and credentials (tabling is currently planned for second quarter of 2019).

Further details of the current and forward audit program can be found on the Auditor General's website:

https://audit.wa.gov.au/

7.3 Staged transition to the Auditor General

There is a staged transition for financial audits. As existing audit contracts expire, responsibility will transition to the Auditor General. There are 139 local governments and 9 regional councils in Western Australia. The Auditor General audited 46 local governments for the 2017-18 financial year. By financial year 2020-21, all local governments will be audited by the Auditor General, regardless of whether existing audit contracts have expired.

7.4 RSM's relationship with the Auditor General and the Shire

RSM has been contracted by the Auditor General to perform the audit of the financial report of the Shire.

Our services will be conducted under the overall direction of the Auditor General, who will retain responsibility for forming the audit opinion and issuing the audit report to the Shire. The contract requires RSM to use its audit approach and methodology. The engagement by the Auditor General of RSM is for the financial years ending 30 June 2019 and 2020, with an option to extend the term for a further two years at the Auditor General's sole discretion.

To comply with the Auditor General's contractual terms, RSM is required to form an opinion and report to the Auditor General. The objective of the RSM report is to enable the Auditor General to issue her report in accordance with the requirements detailed in section 4.1 of this APM.

RSM is also required to report any matter which may affect the Auditor General's responsibilities under sections 24 and 28 of the *Auditor General Act 2006*, section 7.12AD of the *Local Government Act* and the *Local Government (Audit) Regulations*.

7.5 Independence

The Auditor General is an independent officer of the Western Australia Parliament, appointed under legislation to examine, on behalf of Parliament and Western Australia taxpayers, the management of resources within the public sector. The Auditor General is not subject to control or direction by either Parliament or the government. In conducting the audit, the Auditor General, her staff and delegates will comply with all applicable independence requirements of the Australian accounting profession.

RSM International audit methodology requires that we conduct an annual re-evaluation of our independence prior to the commencement of each assignment. We have fully satisfied ourselves that we do not have any actual or perceived conflict of interest.

We are fully compliant with our Ethics and Independence Policies, which are verified and tested each year by our Partner Responsible for Ethics and Independence. Each year we are required to submit certain information to our Partner Responsible for Ethics and Independence, which is analysed and subjected to a series of stringent tests. This system has been extensively reviewed by the Australian Securities and Investments Commission and found to be in accordance with Australian Auditing Standards, the *Corporations Act 2001* and better practice.

8 CURRENT YEAR DEVELOPMENTS

The Shire has advised that there have been no major developments during the financial year that may affect our audit approach and procedures.

9 AUDIT APPROACH TO THE KEY AUDIT AREAS

9.1 Risk assessment

Key audit areas are those areas that, in RSM's professional judgment, present the most significant risk in our audit of the financial report.

As part of our audit approach we have conducted an initial financial report risk assessment to determine whether any of the risks identified are, in our judgment, significant or high. A significant or high risk is an identified and assessed risk of material misstatement in the financial report that, in our judgment is a key audit area and requires special audit consideration.

Our assessment of key audit areas is based upon:

- Discussion with the CEO and the Auditor General's representative;
- The complexity of transactions within each area;
- The degree of subjectivity in the measurement of financial information related to the risk, especially those measurements involving a wide range of uncertainty;
- The degree of susceptibility to fraud risk; and
- Consideration of any relevant matters that may be discussed during the audit planning stage.

9.2 Materiality

The scope of our audit is influenced by the application of materiality. Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial report line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial report and on our opinion.

In assessing the risk profile of the Shire, and in consideration of the users of the financial report, we have adopted materiality guidelines in accordance with Australian Auditing Standards.

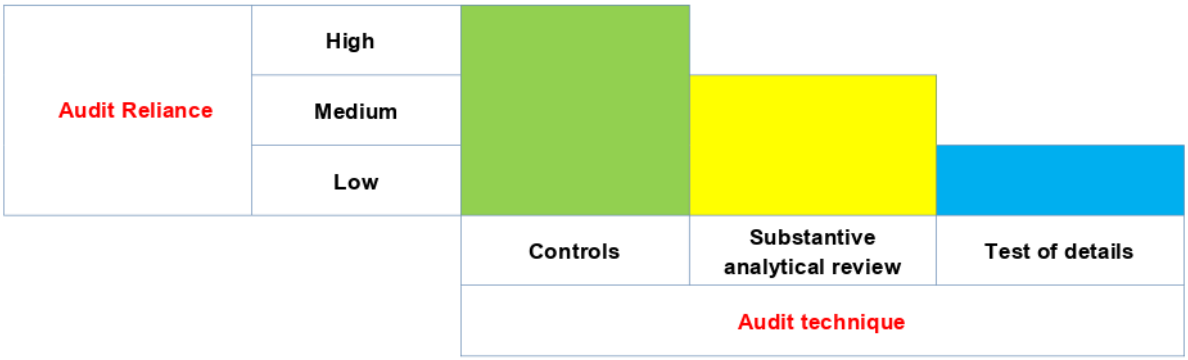
For the purpose of this APM, we referred to the 30 June 2018 financial report of the Shire and used our professional judgment to determine a planning materiality amount. In line with Auditor General's policy, we have not disclosed the amount of planning materiality.

The basis of our materiality calculation is total expenditure, adjusted for our overall audit risk assessment. We have applied this benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of users of the financial report. On this basis we believe that total expenditure is an important metric for the financial performance of the Shire. The scope of our audit is also influenced by the application of materiality. The planning materiality level will be calculated and determined using the RSM audit methodology. The amount may be adjusted during the audit, depending on the results of our audit procedures.

9.3 RSM approach to auditing high risk material areas

RSM's approach to high risk material (**HRM**) balances is to follow a hierarchy, which starts with testing of controls, then moves to substantive analytical review procedures and then finally testing of details.

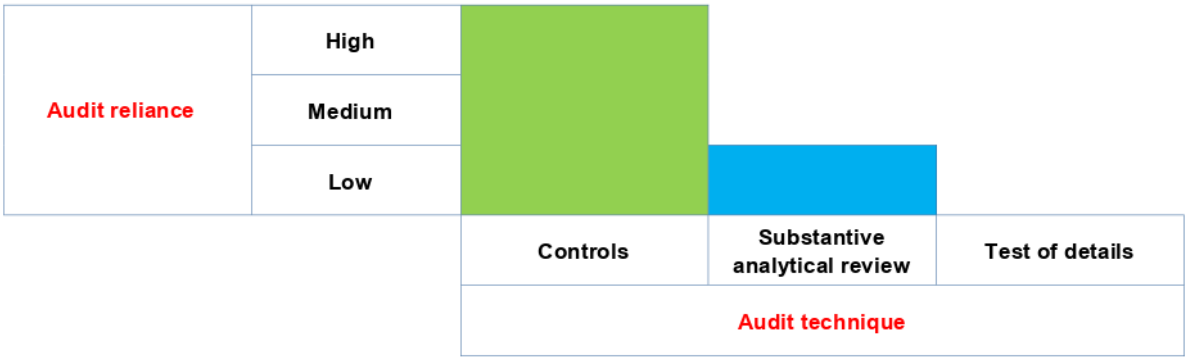
We have assessed that we can rely on internal controls at the Shire, which effectively means we can then rely on a moderate level of analytical review and limited testing of details. This controls based approach is both efficient and effective.



9.4 RSM audit approach to low risk material areas

There are many low risk material (**LRM**) balances in the Shire's financial report, such as cash and cash equivalents, provisions, long term borrowings and employee costs.

RSM's approach to LRM balances is synchronised with our approach to the audit of HRM balances. We have assessed that we can rely on internal controls at the Shire, which effectively means we can rely on a low level of analytical review and very focused testing of details. Again, this controls based approach is both efficient and effective.



9.5 Professional scepticism

We approach all our audits with a degree of professional scepticism as required by Australian Auditing Standards and the *Auditor General Act 2006*. In addition, professional scepticism is a key component of delivering an effective public sector audit. ASA 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards* defines professional scepticism as 'an attitude that includes a questioning mind, being alert to conditions which may indicate possible misstatement due to error or fraud, and a critical assessment of audit evidence'.

Professional scepticism is particularly relevant in areas that involve management assumptions and/or estimates. It is also critical when evaluating audit evidence to reduce the risk of the auditor:

- Overlooking unusual circumstances; and
- Over generalising when drawing conclusions from observations using inappropriate assumptions in determining the nature, timing and extent of evidence gathering procedures and evaluating the results thereof.

10 DESCRIPTION OF THE KEY AUDIT AREAS

Using the 2017/18 financial report as a guide and referring to the RSM calculated materiality amount and risk assessment, RSM has identified the following potential HRM balances for the current financial year:

High risk area	30 June 2018 $	30 June 2017 $
Revenue and receivables cycle		
Rates	6,809,136	6,793,582
Fees and charges	3,686,387	2,583,861
Trade and other receivables	5,739,441	1,852,169
Purchases and payment cycle		
Material and contracts	13,788,476	8,687,297
Property, Plant and Equipment (additions)	5,142,408	1,442,103
Infrastructure (additions)	4,833,285	3,938,349
Fixed assets cycle		
Property, Plant and Equipment	39,715,409	35,323,222
Infrastructure	160,617,158	136,427,036

10.1 Revenue and receivables cycle – rates / fees and charges / receivables

10.1.1 Reasons why RSM considered this area high risk

Revenue is measured by taking into account multiple elements, for example rates transactions are calculated by the application of a rate in the dollar to the Gross Rental Value (**GRV**) or Unimproved Value (**UV**), which is in turn determined by dividing the required rate collection amount by the total valuations on the roll. GRV's and UV's vary between the various property types, such as mining and pastoral. The GRV / UV is supplied by Landgate. Furthermore, rates revenue represents a significant portion of the Shire's annual operating income and is an important revenue stream in terms of the Shire's cash flows.

Fees and charges is a material amount and is measured by the application of an annual charge to rateable land supplied with specified services. For example, classic domestic bin services and swimming pool inspection fees. There are also further complexities with the application of the eligible pensioners rebate scheme.

In addition, further complexity and risk is associated with the requirement for the Shire to comply with Part 6, Division 6 'Rates and service charges' of the Act.

Based on the above complexities and the high risk of management override, revenue recognition for rates is considered high risk.

10.1.2 RSM audit response

RSM audit procedures will include, among other things, assessment of the Shire's effectiveness of key internal controls operating within the revenue cycle, including application controls. RSM will perform a walkthrough of the key management controls over the revenue cycle and test key management controls. RSM will review, on a sample basis, the reconciliations and calculation of rates and compare these against historical results. In order to assess the completeness of recording revenue in the correct accounting period, RSM will perform revenue cut-off testing and review credit notes.

To determine the existence of the receivable balance and the recoverability thereof as at 30 June 2019, RSM will review receivables balances on a sample basis and perform subsequent receipt testing. Furthermore, we will perform analytical procedures on rates through detailed comparison with prior year balances and budget forecasts. RSM will also determine if the disclosures in the notes to the financial report related to the Shire's revenue recognition policy are appropriate.

10.2 Purchases and payment cycle

10.2.1 Reasons why RSM considers this area high risk

All procurement made by the Shire is subject to the requirements of the Act and Part 4 of the *Local Government (Functions and General) Regulations 1996* (**Functions and General Regulations**), which is the basis for the Shire's purchasing policy (**Policy**). The Act and the Functions and General Regulations are there to guide the Shire in delivering best practice in the purchasing of goods, services and works that align with the principles of transparency, probity and good governance. Errors, uncertainty and unrealistic timelines can undermine market confidence, discredit a purchasing process and devalue the outcome of the procurement. Due to the strict and complex requirements of the Policy, including value for money, regulatory compliance, record management, transparency and professionalism, there is potential for insufficient knowledge of the Policy's requirements or failure to comply with the Policy.

10.2.2 RSM audit response

RSM will review the Shire's purchasing policies and assess the effectiveness of internal controls operating within the payment cycle. In addition, we will perform a walkthrough of the key management controls over the purchase and payment cycle, including tendering, and perform tests of control on key management controls over the purchase and payment cycle. Furthermore, we will perform analytical procedures on procurement through detailed comparison with prior year balances and budget forecasts. Our testing will include an evaluation of whether the Shire's purchasing activities have complied with the Act and the Functions and General Regulations.

10.3 Fixed asset cycle

10.3.1 Reasons why RSM considers this area high risk

Property, Plant and Equipment and Infrastructure respectively constitute 19% and 76% of the Shire's total assets as at 30 June 2018. Under regulation 17A of the Financial Management Regulations, the Shire's Property, Plant and Equipment and Infrastructure is to be carried at fair value less accumulated depreciation and accumulated impairment losses. Under regulation 17(4) of the Financial Management Regulations, the Shire is required to revalue an asset:

a) Whenever the local government believes the fair value of the asset is likely to be materially different from its carrying amount; and

b) In any event, within a period of at least 3 years but not more than 5 years after the day on which the asset was last valued or revalued.

Furthermore, in accordance with paragraph 9 of AASB 136 *Impairment of Assets*, the Shire is required to asses at reporting date whether there is any indication that an asset may be impaired.

The Shire's Plant and Equipment and Furniture and Equipment will be valued by a valuer to be appointed by the Shire. The valuations rely on the correct determination and application of significant assumptions regarding the assets' service potential, consumption curves, useful life, asset condition and residual value. These factors, in combination with the significant share of total assets, made us conclude that plant and equipment and furniture and equipment are key audit areas.

Effective from 1 July 2018, regulation 17A(5) of the Financial Management Regulations provides that an asset is to be excluded from the assets of a local government if the fair value of the asset as at the date of acquisition by the local government is under $5,000.

10.3.2 RSM audit response

We will carry out internal control testing over the Shire's processes for determining inputs into fair value measurements and perform detailed substantive testing on a sample basis of the related fair value measurements. We will focus our testing on the key assumptions made by the valuer in determining the fair value, testing the mathematical accuracy of the calculation models, performing sensitivity analyses around the key assumption used in the models and reviewing the reference material used by the valuer to determine the Level 2 and 3 inputs.

We will also review the Shire's assessment that the fair value of Property and Infrastructure assets is not likely to be materially different from their carrying amounts and the Shire's consideration of any potential impairment indicators.

We will review management's assessment of those assets below $5,000, obtain and review the action taken by the Shire to expense these assets from the asset register and confirm that the local government is properly and accurately recording portable and attractive assets.

11 OTHER CRITICAL DISCLOSURES IN THE FINANCIAL REPORT

RSM will also audit the following critical disclosures in the financial report:

11.1 Related party disclosures

The Shire continues to be subject to the requirements of AASB 124 *Related Party Disclosures*. The Standard requires disclosures for senior officers' compensation and certain transactions with related parties. A review will be conducted to ensure proper accounting and disclosure of related party transactions and director and executive remuneration.

Further, section 7.12AL of the Act applies section 17 of the *Auditor General Act 2006* to a local government, which requires the Shire to advise the Auditor General in writing of details of all related entities that are in existence.

We will obtain and review the Shire's disclosure of related party transactions.

11.2 Financial ratios

Under regulation 50 of the Financial Management Regulations, the annual report is to include financial ratios. Financial ratios are designed to enable users of annual financial reports to interpret more clearly the Shire's performance and financial results as well as provide a comparison of trends over several years.

These indicators provide a measure of the financial sustainability of local governments and complement the national criteria endorsed by the Local Government and Planning Ministers' Council. They provide for a comprehensive tool for monitoring the financial sustainability of local governments.

We will obtain and audit the ratios to assess compliance with regulation 50 of the Financial Management Regulations.

12 CONTROLS

12.1 Internal control

Internal controls are systems, policies and procedures that help an entity reliably and cost effectively meet its objectives. Sound internal controls enable the delivery of reliable, accurate and timely external and internal reporting. The Shire is responsible for developing and maintaining its internal control framework to enable:

- Preparation of accurate financial records and other information;
- Timely and reliable external and internal reporting;
- Appropriate safeguarding of assets; and
- Prevention or detection and correction of errors and other irregularities.

The annual financial audit enables RSM to form an opinion on the Shire's financial report. An integral part of this, and a requirement of Australian Auditing Standard ASA 315 *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment*, is to assess the adequacy of an organisation's internal control framework and governance processes related to its financial reporting. While this understanding has a significant impact on our audit strategy, our audit of the Shire's financial report is not designed to assess, nor do we provide an opinion on, the effectiveness of internal controls.

We focus on the internal controls relating to financial reporting and assess whether the Shire has managed the risk that the financial report will not be complete and accurate. Poor controls diminish management's ability to achieve the organisation's objectives and comply with relevant legislation. They also increase the risk of fraud.

During our planning procedures we will gain an understanding of the following components of internal control:

- Control environment
- Risk assessment procedures
- Information systems
- Control activities
- Monitoring procedures

Our preliminary assessment of the internal control framework may indicate that the internal controls are likely to be effective in preventing or detecting and correcting material misstatements in the financial report. In these circumstances we would plan to place reliance on the key internal controls relating to the material components in the financial report to support our audit opinion.

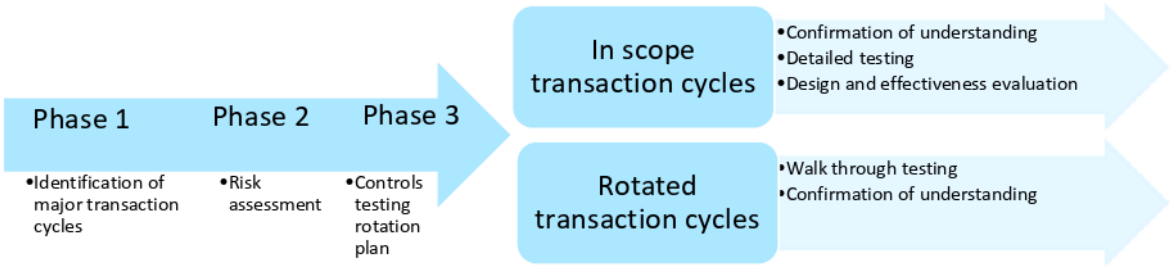
12.2 Significant changes to internal controls

The Shire has advised that they are not aware of any other major changes to internal controls.

12.3 Rotation approach

In accordance with our rotational controls testing approach, we will conduct a risk assessment for each major transaction cycle during our initial engagement year. The risk assessment is benchmarked against our knowledge of each transaction cycle within the local government sector. Using the risk assessment, we design a control testing rotation plan that will bring certain transaction cycles into audit scope each year. Those cycles not in scope will be subject to our normal walkthrough procedures and confirmation of our understanding of the key controls.

Those transactions cycles in scope will be subject to detailed controls testing, including testing of the design and effectiveness of those controls.



In the current year, in addition to control testing over revenue and payment cycles, we will be testing key management controls over the cash and fixed assets cycle. We will be rotating the testing over the payroll cycle.

13 FRAUD RISK

Under Australian Auditing Standard ASA 240 *The Auditor's Responsibility Relating to Fraud in an Audit of a Financial Report*, when planning and performing audit procedures and evaluating the results, the auditor must consider the risk of material misstatement in the financial report because of fraud and error.

Although ASA240 sets out the principles and procedures we must follow, the primary responsibility for the prevention and detection of fraud and error rests with the Council and the management of the Shire. The Shire is responsible for maintaining accounting records and controls designed to prevent and detect fraud and error, and for the accounting policies and estimates inherent in the financial report.

Our audit procedures on fraud risk include the following:

- Forward a copy of the fraud control checklist for self-assessment to the Shire's management prior to our final audit visit. The checklist allows us to make inquiries of management, to obtain its understanding of the risk of fraud within the Shire and to determine whether management have any knowledge of fraud that has been perpetrated on or within the entity. We will review the fraud control self-assessment by the Shire;
- Review the Shire's fraud control procedures in place to reduce the risk of fraud occurring within the entity, including the Shire's code of conduct;
- Understand the Shire's fraud control environment;
- Understand the business rationale for significant or unusual transactions;
- Review current accounting estimates for biases;
- Review the appropriateness of year end accounting adjustments;
- Make enquiries of management and others within the Shire; and
- Incorporate an element of unpredictability in the selection of the nature, timing and extent of audit procedures to be performed as individuals within the entity who are familiar with the audit procedures normally performed on engagements may be more able to conceal fraudulent financial reporting.

14 OTHER AUDIT MATTERS

14.1 Audit preparation checklists

To assist the Shire to gather and collate the necessary audit information and documentation, we will issue in advance of each audit visit a Preliminary Audit Preparation Checklist and a Final Audit Preparation Checklist. As the requested information will be an important part of our audit working papers, the information must be made available to RSM on the dates specified at section 16 of this APM. This will assist us in delivering an efficient audit and minimising interruptions to Shire staff.

We have established a fully secure data upload function for the use of the Shire that is used to file the documents and records we will need for our audit. We have found this facility to be very useful and clients have appreciated the savings in time and reduced disturbance by auditors during the audit fieldwork.

14.2 Important changes in governance, management or internal control environments

The Shire has advised that there are no major changes to its governance, management or internal control environment that may significantly impact the 30 June 2019 financial report.

14.3 Cumulative knowledge of accounting and computer systems and any expected changes

The Shire has represented that they are not aware of any significant changes to the accounting and computer systems.

15 IMPLICATIONS OF ACCOUNTING STANDARDS

The Shire's management is required to assess the impact of the new standards and interpretations on its financial report. A detailed assessment is being conducted by the Shire and will be appropriately disclosed in the financial report for each new accounting standard. We will review the Shire's assessment and relevant disclosures.

The table below illustrates the standards and interpretations, which have been issued but are not yet effective, that may impact the Shire in the period of initial application.

15.1 Application dates of applicable standards and interpretations

Reference	Summary	Effective date to Shire
AASB 9 *Financial Instruments*	Addresses the classification, measurement and de-recognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and introduced a new impairment model. These latest amendments now complete the new financial instruments standard. The standard is applicable to the Shire for the reporting year ending 30 June 2019.	1 July 2018
AASB 15 *Revenue from Contracts with Customers*	Replaces AASB 118 *Revenue*, which covers contracts for goods and services, and AASB 111 *Construction Contracts*, which covers construction contracts. Establishes the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards. The standard is not applicable to the Shire until the reporting year ending 30 June 2020.	1 July 2019
AASB 16 *Leases*	AASB 16 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The standard is not applicable to the Shire until the reporting year ending 30 June 2020.	1 July 2019
AASB 1058 *Income of Not-for-Profit Entities*	AASB 1058 has made complementary changes to the existing AASB 1004 *Contributions* and has also added new guidance *AASB 15 Revenue from Contracts with Customers* to clarify its application in the not for profit sector. The standard is not applicable to the Shire until the reporting year ending 30 June 2020.	1 July 2019

16 TIMETABLE

Phase	Task	Indicative Time Frame	Action
Planning	Preliminary planning phase, document and update overall audit approach and plan	April 2019	RSM
	Issue draft APM to the OAG and the Shire for commentary	8 May 2019	RSM OAG Shire
	Entrance meeting with Compliance and Strategic Review Committee and OAG, presentation and discussion of final APM	16 May 2019	RSM OAG Shire
Preliminary audit fieldwork	Issuing of Preliminary Audit Checklist	6 April 2019	RSM
	Based on risk assessment, performance of cyclical controls testing, walkthrough of major business cycles and review of key reconciliation procedures	27 – 31 May 2019	RSM
	Assessment of status of Management Letter points raised for the prior year		
	Performance of substantive tests for revenue and expenditure cycles for the 9 months ended 31 March		
Preliminary audit reporting	Issue the draft Preliminary Management Letter to the OAG for consideration and comment.	7 June 2019	RSM OAG
	Issue of the draft Preliminary Management Letter to the Shire for consideration and comment.	10 June 2019	RSM
	Return of draft Interim Management Letter to RSM with commentary	12 June 2019	Shire
	Issuing of Final Interim Management Letter to OAG	13 June 2019	RSM
Draft financial report	The Shire submits shell financial report to RSM for review and comment	16 July 2019	Shire
	Shire to submit draft financial report as per the Act deadline.	30 September 2019	Shire

Phase	Task	Indicative Time Frame	Action
Final audit fieldwork	Issuing of Final Audit Checklist	31 July 2019	RSM
	Provision of trial balance as at 30 June 2019 to RSM	30 September 2019	Shire
	Performance of substantive tests for revenue and expenditure cycles for the 3 months ended 30 June 2019	1 – 4 October 2019	RSM
	Performance of substantive tests for balance sheet accounts as at year end		
Final audit reporting	Issuing of draft Final Management Letter for the year ended 30 June to the OAG for consideration and comment	23 October 2019	RSM OAG
	Issuing of draft Final Management Letter for the year ended 30 June to the Shire for consideration and comment	24 October 2019	Shire
	Return draft Final Management Letter for the year ended 30 June to RSM with commentary	28 October 2019	Shire
	Preparation of OAG Signing Review Memorandum	29 October 2019	RSM
	Review of audit file by OAG	30 October 2019	OAG
	Issue draft Management Representation Letter and draft Financial Report to Shire for consideration and comment	31 October 2019	RSM
	Closing Report issued	31 October 2019	RSM
	Exit Meeting with Shire	7 November 2019	Shire OAG RSM
	Issue final Management Representation Letter and approve Financial Report	8 November 2019	Shire
	Independent Contract Auditor's Report issued	11 November 2019	RSM
	Auditor General to sign and issue the Audit Report	November 2019	Auditor General

17 APPENDIX A: SUMMARY CORPORATE STRUCTURE

The corporate structure for the Shire of Derby / West Kimberley as at 7 May 2019 is as follows:

17.1 Council

- Geoff Haerewa, Shire President
- Paul White, Deputy Shire President
- Iris Prouse, Councillor
- Andrew Twaddle, Councillor
- Chris Kloss, Councillor
- Densie Andrews, Councillor
- Geoff Davis, Councillor
- Peter Coggins, Councillor
- Peter McCumstie, Councillor

17.2 Executive team

- Wayne Neate, Acting CEO and Executive Manager Technical and Development
- Amanda O'Halaran, Chief Executive Officer (from 3 June 2019)
- Belinda Storer, Area Manager Fitzroy Crossing Operations
- Myra Henry, Manager Finance

18 APPENDIX B: ADDITIONAL INFORMATION CONTACTS

David Wall	**Kellie Tonich**
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7 NEW BUSINESS OF AN URGENT NATURE

Nil

8 DATE OF NEXT MEETING

The next meeting of Compliance and Strategic Review Committee will be held Thursday, 13 June 2019 in the Council Chambers, Clarendon Street, Derby.

9 CLOSURE OF MEETING

The Presiding Member closed the meeting at 3.38pm**.**

These minutes were confirmed at a meeting on

……..

Signed: …….

Presiding Person at the meeting at which these minutes were confirmed.

Date: ……..