



AGENDA

AUDIT COMMITTEE MEETING

FRIDAY 20 MARCH 2009

COMMENCING AT 11.00AM

In Shire Committee Room

20 MARCH 2009

OUR MISSION

"To provide a quality range of affordable and sustainable services to our community with a strong commitment to customer focus so that our citizens and visitors enjoy a quality lifestyle."

CORE VALUES OF THE SHIRE

The core values that underpin the achievement of the mission will be based on a strong customer service focus and a positive attitude:

Communication

Respect

Integrity

Transparency

Courtesy

DISCLAIMER

The purpose of Council Meetings is to discuss, and where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting.

Persons should be aware that the provisions of the Local Government Act 1995 (Section 5.25 (e)) establish procedures for revocation or rescission of a Council decision. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person. The Shire of Broome expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Council meeting.

SHIRE OF BROOME
AUDIT COMMITTEE MEETING
20 MARCH 2009
TO BE HELD IN COMMITTEE ROOM
COMMENCING AT 11.00AM

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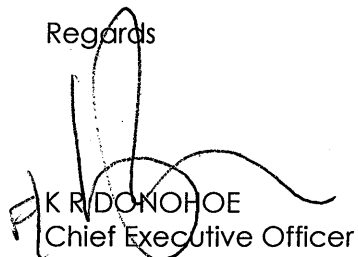
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NOTICE OF MEETING

Dear Committee Member

The next Audit Committee Meeting of the Shire of Broome will be held on Friday 20 March 2009, in the Committee Room, Corner Weld and Haas Streets, Broome, commencing at 11.00am.

Regards



K R DONOHOE
Chief Executive Officer

12 March 2009

1. OFFICIAL OPENING

2. ATTENDANCE AND APOLOGIES

Attendance:

Apologies:

Officers:

3. CONFIRMATION OF PREVIOUS MINUTES

Moved: *Seconded:*

That the Minutes of the Audit Committee meeting held on 8 December 2008 be confirmed as a true and accurate record of that meeting.

FOR:
AGAINST:

4. ITEMS FOR DISCUSSION

9.4.1 HALF YEARLY REVIEW REPORT – DECEMBER 2008

LOCATION/ADDRESS:	N/A
APPLICANT:	N/A
FILE:	FRE 02
AUTHOR:	Manager Financial Services
CONTRIBUTOR/S:	Accountant, Senior Officers
RESPONSIBLE OFFICER:	Manager Financial Services
DISCLOSURE OF ANY INTEREST:	Nil
DATE OF REPORT:	10 March 2009

SUMMARY: Half Yearly Review of the Shire's operations for the period ended December 2008 includes estimates to 30 June 2009.

BACKGROUND
Previous Considerations

Nil

The terms of reference of the Audit Committee include a review of the half yearly financial results compared to budget.

The Shire of Broome reviews performance on a monthly basis and reports variations through the Monthly Financial Activity Report. In the six months to December 2008 the financial reporting process has recorded 184 variations to original estimates, resulting in a net forecast estimate of a \$77,386 surplus. In January this has been adjusted back to a \$12,613 deficit.

This half yearly report provides commentary of operations, by statutory program, as an addition to the information already prepared for the regular December monthly financial activity report.

The intent of the report is to enhance the work undertaken for the preparation of the December monthly financial activity report by including specific analysis to detect and comment on potential revisions to the latest budget forecast. Finance has also commented as to the overall favourable or unfavourable outlook for respective activities.

COMMENT

The following are the key organisational indicators from the December monthly financial activity report of the year to-date budget position;

Budget Year elapsed 50%

Total Operating Expenditure 53%

Total Operating Revenue 80%

Total Capital Expenditure 14%

Total Capital Revenue 7%

Total Sale of Asset Revenue 21%

Generally operating expenditure at 53% is a little high at 3% above the half yearly mark, and this was noted in the December Monthly Activity Report as unfavourable variances occurring in the areas of Economic Services because of the early timing of annual contributions to Australia's Northwest and Broome Visitors Centre, and unfavourable variance in Other Property and Services generally from the early timing of insurance premium payments, long service, sick & annual leave payments, training expenses and private works expenditure which is recoverable. A positive trend during January 2009 has allowed the operating expenditure figure to fall to 1% above the year to date mark at months end.

The operating revenue figure of 80% is influenced by rates and rubbish services levied in the second quarter. This has increased to 83% in January.

Capital expenditure of 14% indicates that the capital programme is behind schedule to be completed by years end. The main affects have come from the \$6 million Broome Performing Arts Centre and new infrastructure assets. A year to date summary of the progress of capital programmes within asset classes is contained at the base of the report.

Capital revenues at 7% have been influenced by the lack of progress grants claimed on the performing arts centre.

Sale of asset revenue of 21% indicates the progress of the planned plant replacement program.

The approach taken has been to comment on material exceptions in accordance with the policy of Materiality in Financial Reporting 2.1.1.

Given that budget forecast estimates are reviewed and reported to Council on a monthly basis, any budget estimates from this report will be considered for inclusion and reported as amendments in the following monthly financial activity report.

MID YEAR FINANCIAL REVIEW TO END DECEMBER 2008

INTRODUCTION

This review is in four sections, these being:

- Revenue – Income to the Council from external sources.
- Expenditure – Payments by Council to external sources.
- Financial Management – Movement of funds to/from restricted areas as a result of variations in operating revenue or expenditure.
- Capital Budgets – Summary of project completion.

The review methodology compares the amended budget to likely actual values and recommends budget amendments where appropriate. The threshold that has been used is in accordance with Finance Policy 2.1.1 for revenue, expenditure and financial management items. The threshold is applied to individual items or an area of similar activity such as road maintenance and if appropriate an estimate will be recommended as a budget amendment through the Monthly Financial Activity Report.

Favourable means more revenue or less expenditure. Unfavourable means less revenue or more expenditure. In both cases this is with respect to the current budget at 31 December 2008.

Variations to accrued items and depreciation are not reported as they have no cash impact on Council's operations.

Net Position of All Estimates – Unfavourable

Potential affect on the current forecast from the accumulation of all revenue and expenditure estimates is an operating deficit of \$111,500.

Finance Policy 2.1.1. contains a trigger point of 2% or \$333,000 as a forecast operating deficit whereby a specific organisational plan of action will be taken to remedy the situation. The current forecast, from the results of the half yearly review, remain within the policy threshold, therefore a specific plan of action is not suggested at this time however constant vigilance will be necessary for the remainder of the year given current uncertainties especially on revenue streams.

OPERATING REVENUE

Governance – Overall Outlook Favourable

No additional budget amendments are recommended.

General Purpose Funding - Overall Outlook Favourable

Budget amendments are recommended for:

- \$67,000 increase in interim rates from the Mercure Inn Continental, two grouped dwellings for Homeswest, an interim revaluation for the Broome International Airport land, plus other completed domestic dwellings.
- \$20,000 increase in annual financial assistance grant from the original estimate.
- \$5,000 reduced estimate for back rates for previous periods.

Potential affect on current forecast \$82,000 surplus.

Law Order and Public Safety – Overall Outlook Unfavourable

Budget amendments are recommended for:

- \$2,000 reduced estimate in user charges for fire slashing.
- \$4,000 reduced dog registration income estimate.
- \$5,000 reduced Commercial Trading License Fee estimates due to lower number of operators.

Potential affect on current forecast \$11,000 deficit.

Health – Overall Outlook Favourable

No additional budget amendments are recommended.

Education and Welfare – Overall Outlook Favourable

No additional budget amendments are recommended.

Housing – Overall Outlook Favourable

No additional budget amendments are recommended.

Community Amenities – Overall Outlook Unfavourable

Budget amendments are recommended for:

- \$300,000 reduced developer contributions from deferment of works until Cable Beach redevelopment study is complete (this is offset by a \$286K reserve adjustment November 2008 for unspent works)
- \$60,000 reduced planning fee estimates from the downturn in development.

Potential affect on current forecast \$74,000 deficit.

Recreation & Culture – Overall Outlook Unfavourable

Budget amendments are recommended for:

- \$4,000 increase in lease income from Cable Beach Club.
- \$51,000 reduced Arts Centre operating grant for prior claims made as per DCA.
- \$89,000 reduced Arts Centre capital grant offset against capital expenditure for prior claims made as per DCA.
- \$10,000 increased Kiosk sales at BRAC.
- \$10,000 increased Consumable sales at BRAC.
- \$10,000 reduced Tennis Court Hire revenue.
- \$5,000 reduced volleyball program income.
- \$14,000 reduced aquatic income from Education Department.
- \$5,000 increased Equipment Pro Shop sales at BRAC.

Potential affect on current forecast \$51,000 deficit after capital offset.

Transport – Overall Outlook Unfavourable

Budget amendments are recommended for:

- \$10,000 increase in developer contribution for relocation of town bus shelter from Napier Tce to Louis St. Offset by corresponding transfer to reserve.
- \$6,000 reduced parking fine estimate from activity level.

Potential affect on current forecast \$6,000 deficit after reserve transfer.

Economic Services – Overall Outlook Unfavourable

Budget amendments are recommended for:

- \$19,000 increase in Broome Directory fee income for 2009 compared to 2008.
- \$16,000 increase in Roebuck Bay CP lease income from CPI review.
- \$130,000 reduction in Building fee estimates as a result of downturn.

Potential affect on current forecast \$95,000 deficit.

Other Property & Services – Overall Outlook Favourable

Budget amendments are recommended for:

- \$12,000 increase in LGIS members experience bonus income.
- \$8,000 increase in other reimbursement income.
- \$4,000 increase in KRO Grunt Labour Service lease income from CPI review
- \$10,000 increase in KRO Anglicare lease income estimate.
- \$50,000 increase in KRO outgoings from process recovery improvements.
- \$5,000 increase in KRO insurance recovery income.

Potential affect on current forecast \$89,000 surplus.

OPERATING EXPENDITURE

Governance – Overall Outlook Favourable

Budget amendments are recommended for:

- \$5,000 reduced refreshments & reception expenditure.
- \$5,000 reduced Kimberley Zone Strategic Plan expenditure.
- \$30,000 reduced Community Sponsorship monies.
- \$5,000 increase in sundry in-kind donations from discounts allowed for public facilities hire.
- \$5,000 reduced Other Governance legal expense estimate.
- \$5,000 increase in Other Governance employment costs for leave coverage.

Potential affect on current forecast \$35,000 surplus.

General Purpose Funding – Overall Outlook Favourable

No additional budget amendments are recommended.

Law, Order and Public Safety – Overall Outlook Favourable

Budget amendments are recommended for:

- \$2,500 reduced Firebreak Slashing recoupable expenditure estimate.
- \$2,500 reduced Ranger & Beach phone expenditure estimate.
- \$2,500 reduced Fines Enforcement registry expenditure estimate.
- \$2,000 reduced Ranger Equipment expense estimate.

Potential affect on current forecast \$9,500 surplus.

Health – Overall Outlook Favourable

Budget amendments are recommended for:

- \$25,000 reduced Preventative Health Employment cost estimate from staff turnover.
- \$5,000 reduced Preventative Health staff housing expenditure estimate.
- \$5,000 reduced Preventative Health Analytical expenditure estimate.

Potential affect on current forecast \$35,000 surplus.

Education & Welfare – Overall Outlook Unfavourable

Budget amendments are recommended for:

- \$27,000 increased Community Service Employment cost estimate from temporary executive staff and senior staff turnover.

Potential affect on current forecast \$27,000 deficit.

Housing – Overall Outlook Favourable

No additional budget amendments are recommended.

Community Amenities – Overall Outlook Unfavourable

Budget amendments are recommended for:

- \$100,000 increased Recycling Collection costs over estimates.
- \$50,000 reduced Tip Mulching expenditure.
- \$5,000 reduced Town Planning reimbursement expenses.

Potential affect on current forecast \$5,000 deficit, after Refuse Site reserve adjustment.

Recreation and Culture – Overall Outlook Unfavourable

Budget amendments are recommended for:

- \$5,000 reduced Lotteries House Maintenance expenditure.
- \$6,000 increased Effluent Pump Station repairs to main at Taiji Road.
- \$5,000 reduced Recreation Services employment cost from staff turnover.
- \$23,000 increased Library Services employment cost from additional labour.
- \$5,000 reduced Library Building maintenance cost estimate.
- \$17,000 reduced Arts Centre loan interest expense from delay in borrowing.
- \$10,000 reduced building maintenance at BRAC.
- \$20,000 reduced BRAC management employment costs from staff turnover.
- \$27,000 increased BRAC program employment costs from termination pay.
- \$5,000 reduced BRAC aquatic pool general maintenance.
- \$4,000 increased BRAC aquatic pool planned maintenance.
- \$10,000 increased cost of BRAC pool chemicals
- \$5,000 reduced BRAC crèche employment costs
- \$5,000 reduced BRAC fitness program employment costs
- \$60,000 increase in BRAC ovals P&G maintenance estimate. (\$48K of internal costs)
- \$86,000 increase in BRAC ovals utilities for freshwater flushing \$60K & \$26K power.
- \$5,000 increase in BRAC equipment cost of goods sold, offset by \$5,000 increase in sales.
- \$5,000 increase in BRAC consumables cost of goods sold, offset by \$10,000 increase in sales.

Potential affect on current forecast \$101,000 deficit after reduction for internal costs.

Transport – Overall Outlook Unfavourable

Budget amendments are recommended for:

- \$15,000 reduced bus shelter maintenance. (\$12K of internal costs)
- \$15,000 reduced Crossover expenditure estimate.
- \$18,000 reduced street lighting expenditure estimate.

- \$11,500 increased gravel pit restoration expenditure. (\$9.2K of internal costs)
- \$243,000 increased rural street maintenance estimate. (\$194.4K of internal costs)

Potential affect on current forecast \$14,900 deficit after reduction for internal costs.

Economic Services – Overall Outlook Favourable

Budget amendments are recommended for:

- \$5,000 reduced Roebuck Caravan Park general maintenance estimate.
- \$15,000 reduced Building Control employment costs from turnover.

Potential affect on current forecast \$20,000 surplus.

Other Property and Services – Overall Outlook Favourable

Budget amendments are recommended for:

- \$7,000 reduced Oils and Lubricants expenditure estimate.
- \$13,000 reduced Shire Office building maintenance expenditure estimate.
- \$10,000 increased Corporate Services Directorate employment costs correction to initial \$10,000 saving estimate put to asset management program.
- \$10,000 reduced Asset Management program expense.
- \$15,000 increased HR employment costs estimate for managers annual leave coverage.
- \$5,000 reduced organisational training estimate.
- \$5,000 reduced Recruitment expense estimate from slower turnover.
- \$5,000 reduced HR Consultancy expense estimate.
- \$5,000 reduced Old Shire Office building maintenance expenditure estimate.
- \$5,000 increased Printing & Stationery budget expenditure estimate.
- \$5,000 increased Postage & Freight expenditure estimate.
- \$15,000 reduced Relocation Staff expenditure estimate.
- \$5,000 increased Engineering staff training estimate.
- \$6,000 increased Survey Equipment and Maintenance expenditure estimate.
- \$28,000 reduced Engineering Consultants expenditure estimate.
- \$8,000 increased Plant Operation Tyres & Tubes repair replacement expenditure estimate.
- \$13,000 increased Plant Operation Parts & Repairs expenditure estimate.
- \$25,000 reduced Plant Operation Insurance & Licenses expenditure estimate.
- \$32,000 increased Plant Operation Fuel & Oil expenditure estimate.
- \$40,000 reduced IT Software Licenses estimate from IT Vision license paid in previous year.
- \$10,000 increased IT employment costs from step and grade increases.
- \$7,000 increased Records employments costs from step increases.
- \$5,000 reduced IT Staff Training expenditure estimate.
- \$5,000 reduced Records Staff Training expenditure estimate.
- \$6,000 reduced Civic Building revaluation expenditure estimate.
- \$7,000 increased Works Operations employment costs expenditure estimate from supervisor leave coverage.
- \$7,000 increased Depot Operations employment costs expenditure estimate from storeman leave coverage.
- \$20,000 increased Depot Maintenance expenditure estimate for materials.
- \$5,000 reduced Works Equipment Replacement expenditure estimate.

- \$36,000 increased Depot Roadmaking General expenditure estimate for materials.
- \$5,000 reduced Depot Consumables expenditure estimate.

Potential affect on current forecast \$13,000 surplus.

FINANCIAL MANAGEMENT

Transfer To/From Restricted Areas as a result of Operations – Overall Outlook Favourable

Budget amendments are recommended for:

- \$50,000 reduced transfer To Refuse Site reserve for net of Domestic Recycling and Mulching estimates.
- \$286,000 reduced transfer To Drainage Reserve for Developer Contribution to Cable Beach drainage not yet received.
- \$89,000 Arts Centre capital expenditure offset against capital grant for prior claims made as per DCA.
- \$10,000 increased transfer To Road Reserve from developer contribution income for bus shelter relocation Napier to Louis.

Potential affect on current forecast is \$415,000 favourable, already disclosed in net operating forecast of a deficit of \$110,500.

CAPITAL BUDGET

Capital Expenditure – Progress after 66% of Year Elapsed

Capital programs are backed by Reserve accounts and generally where capital works have not been completed, the unspent funds are quarantined into the relevant reserve so that funds remain available for asset management purposes only, and not used to offset operating results.

The following is a summary of the progress to date in percentage terms of capital budgets by asset category, given that 66% of the year has elapsed, and remaining capital budget \$ available for significant items.

Furniture & Equipment 39% complete

New 39% - IT systems, equipment, printers and copiers to be purchased \$134K.

Drainage Infrastructure 32% complete

Upgrade 41% - Frederick St Drainage study in progress \$44K.

Renewal 0% - Notre Dame Sump and pipe works awaiting start \$20K.

Recreation Areas Infrastructure 45% complete

New 41% - Town Beach Water Playground awaiting start \$295K, BRAC car parking in progress \$194K.

Upgrade 49% - Town Beach upgrade works in progress \$30K.

Renewal 73% - no significant outstanding.

Roadworks Infrastructure 45% complete

New 38% - Hamersley St/Short St Roundabout \$127K, Cape Leveque Road construction \$344K(includes MRD provision of \$166K) , McGuigan Road construction \$410K.

Upgrade 56% - Sanctuary & Cable Beach Road roundabout \$329K.

Renewal 52% - Cape Leveque Road sheet and reform \$175K, Manari Road renewal \$50K.

Other Infrastructure 40% complete

New 49% - Refuse Site Improvements, fencing in progress \$79K.

Renewal 0% - Broome & Japanese Cemetery renewal awaiting start \$38K.

Land & Buildings 5% complete

New 3% - Arts Centre construction awaiting start \$5.85 million, Recreation Centre Building Emergency Shelter in progress \$112K, New BRAC Ovals pavilion in progress drawings and lifecycle costings \$35K.

Upgrade 23% - Shire Office building internal upgrades in progress \$43K, BRAC Building Kiosk upgrade in progress \$30K, Historical Society building upgrade awaiting start \$28K.

Renewal 33% - KRO Building renewal power and air conditioning in progress \$159K, BRAC renewal of outdoor court globes, flashing and gutters in progress \$46K, Old Shire office building electrical renewal awaiting start \$35K.

Mobile Plant Replacement 37% completed

New 46% - Small Street Sweeper awaiting order \$150K, HP Case Tractor on order \$85K, Refuse Site plant program in progress \$46K.

Upgrade 0% - Tractor mounted Jarret mower awaiting order \$26K.

Renewal 33% - Refuse Site CAT Loader awaiting order \$250K, P&G Plant replacement in progress \$342K, Works Plant replacement in progress \$126K.

Fixed Plant & Equipment 44%

New 72% - BRAC shade sails awaiting order \$15K.

Upgrade 120% - Port Drive Street lighting \$5K over.

Renewal 17% - Lotteries House air conditioners & fire hydrant storage tank in progress \$109K.

Disposal of Assets 21%

Disposal of Assets 21% - Refuse Site plant awaiting sale proceeds of CAT loader \$50K, P&G plant replacement program in progress \$169K, Works plant replacement program awaiting 124G CAT loader sale \$60K.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulation 33A.

Review of budget

(1) *Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.*

(2A) *The review of an annual budget for a financial year must —*

(a) consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and

(b) consider the local government's financial position as at the date of the review; and

(c) review the outcomes for the end of that financial year that are forecast in the budget.

(2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.

(3) A council is to consider a review submitted to it and is to determine whether or not to adopt the review, any parts of the review or any recommendations made in the review.*

**Absolute majority required.*

(4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.

[Regulation 33A inserted in Gazette 31 Mar 2005 p. 1048-9; amended in Gazette 20 Jun 2008 p. 2723-4.]

POLICY IMPLICATIONS

Materiality in Financial Reporting

FINANCIAL IMPLICATIONS

Potential affect on current forecast from the accumulation of all estimates is a deficit of \$110,500.

This is a budget review of forward estimates for information purposes; any revisions to forecasts will be detailed in the next monthly financial activity report.

STRATEGIC IMPLICATIONS**People**

Effectively engage with our community by providing information.

Place

Achieve positive long-term economic, social and environmental benefits.

Prosperity

Build the Shire’s organisational capacity to service the needs of a growing community

VOTING REQUIREMENTS

Absolute Majority

REPORT RECOMMENDATION

That the Audit Committee recommends that Council:

1. *Receives the Half Yearly Review Report for the period ended 31 December 2008.*
2. *Adopts the budget recommendations for the period ended 30 June 2009.*

Moved:

Seconded:

FOR:

AGAINST:

[Attachment: 45 pages](#)

4.2 COMPLIANCE AUDIT RETURN 2008

LOCATION/ ADDRESS:	N/A
APPLICANT:	N/A
FILE:	ADM.022
AUTHOR:	Manager Administration Services
CONTRIBUTOR/S:	Council Secretary
RESPONSIBLE OFFICER:	Director Corporate Services
DISCLOSURE OF ANY INTEREST:	Nil
DATE OF REPORT:	4 March 2009

SUMMARY: Local Government is required to complete a Compliance Audit Return for the calendar year ending 31 December, then forward the adopted return to the Department of Local Government and Regional Development by 31 March the following year.

The 2008 Compliance Audit Return is presented to the Audit Committee for review noting areas of non-compliance and recommending adoption to Council of the 2008 Compliance Audit Return before the 31 March deadline.

BACKGROUND

Previous Considerations

OCM 11 April 2006 – Item 9.1.4
 OCM 15 March 2007 – Item 10.4
 OCM 13 March 2008 – Item 10.1

Section 7.13(i) of the Local Government Act 1995 requires that each local government carry out a compliance audit for the period 1 January to 31 December each year. The Compliance Audit is an in-house self audit that is undertaken by staff.

The Compliance Audit Return is to be:

1. presented to an Ordinary Meeting of Council
2. adopted by Council; and
3. recorded in the minutes of the meeting at which it is adopted

After the Compliance Audit Return has been presented to Council, a certified copy of the return, along with the relevant section of the minutes and any additional information detailing the contents of the Return is to be submitted to the Department of Local Government and Regional Development by 31 March 2009.

COMMENT

The Compliance Audit for the period 1 January 2007 to 31 December 2008 has been completed and is attached, along with the details of the areas of non-compliance and future actions to be implemented to address same.

The 2008 Compliance Audit Return reveals a compliance rating of 99.4% with 2 areas of non-compliance out of the 311 areas audited. This compares to:

2007 Compliance Audit - 13 areas of non-compliance of 271 areas audited (96.1%)

2006 Compliance Audit - 21 areas of non-compliance of 271 areas audited (92.3%)
 2005 Compliance Audit - 23 areas of non-compliance of 306 areas audited (92.5%)
 2004 Audit – 18 areas of non-compliance and 147 areas audited (87.8%)

Trends over the past five years are positive with a satisfactory result achieved for 2008.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government Act 1995

7.13. Regulations as to audits

- (1) *Regulations may make provision —*
- (i) *requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are —*
 - (i) *of a financial nature or not; or*
 - (ii) *under this Act or another written law.*

Local Government (Audit) Regulations 1996

14. Compliance audit return to be prepared

- (1) *A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.*
- (2) *After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*
- (3) *A compliance audit return is to be —*
 - (a) *presented to the council at a meeting of the council;*
 - (b) *adopted by the council; and*
 - (c) *recorded in the minutes of the meeting at which it is adopted.*

[Regulation 14 inserted in Gazette 23 Apr 1999 p. 1724-5.]

15. Completion of compliance audit

- (1) *After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —*
 - (a) *a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and*
 - (b) *any additional information explaining or qualifying the compliance audit, is to be submitted to the Executive Director by 31 March next following the period to which the return relates.*
- (2) *In this regulation —*
 - “certified” in relation to a compliance audit return means signed by —*
 - (a) *the mayor or president; and*
 - (b) *the CEO.*

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

POLICY IMPLICATIONS

Policy and procedural changes will be required and noted on the Compliance Audit Return Action Plan.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Prosperity

Build the Shire's organisational capacity to service the needs of a growing community.

VOTING REQUIREMENTS

Simple Majority

REPORT RECOMMENDATION

That the Audit Committee recommends that Council:

1. *Receives the Compliance Audit Return 2008 Summary listing areas of non-compliance and future actions.*
2. *Adopts the Compliance Audit Return 2008 as the official return for the Shire of Broome.*

Moved:

Seconded:

FOR:

AGAINST:

[Attachment: 29 pages](#)

5	NEXT MEETING
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The next meeting will be convened to coincide with the Annual Financial Report in November 2009 held in the Committee Room of the Shire Offices.

6	MEETING CLOSURE
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