

Shire of Cocos (Keeling) Islands

Shire of Cocos (Keeling) Islands

Minutes

Audit and Governance Committee Meeting

Wednesday 31 January 2024, 4.00pm

Council Chambers, Administration Building

Lot 256 Jalan Bunga Melati, Home Island

OUR VALUES

Service

Provide the best service we can.

We serve the community and each other.

Accountability

We take responsibility for our own actions.

We do what we say we will do.

Mistakes are an opportunity to learn.

Support

We support our team and our community.

Look for opportunities to help each other.

Respect

We respect and value others.

Our interactions are always respectful towards others.

Integrity

We will be honest and transparent with all our dealings.

Maintain confidentiality.

Trust each other.

Achievement

Being proactive and enabling the outcomes.

Be creative and think outside the square.

Disclaimer

Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any member or officer of the Shire during the course of any meeting is not intended to be and is not to be taken as notice of approval from the Shire. No action should be taken on any item discussed at a Council meeting prior to written advice on the resolution of the Council being received. Any plans or documents contained in this document may be subject to copyright law provisions (Copyright Act 1968, as amended) and the express permission of the copyright owner(s) should be sought prior to the reproduction.

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE
1	OPENING/ANNOUNCEMENTS OF VISITORS	5
2	ELECTION OF PRESIDING AND DEPUTY PRESIDING MEMBER	5
3	ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)	6
4	DECLARATION OF INTERESTS	6
5	CONFIRMATION OF MINUTES OF PREVIOUS MEETING	6
5.1	MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE MEETING-30 AUGUST 2023	6
6	PRESENTATIONS	7
7	OFFICER'S REPORT	7
7.1	APPOINTMENT OF AN EXTERNAL MEMBER TO THE AUDIT AND GOVERNANCE COMMITTEE	7
7.2	PRESENTATION OF THE COMPLIANCE AUDIT RETURN 2023	12
8	MATTERS BEHIND CLOSED DOORS	15
9	CLOSURE	15

1. OPENING/ANNOUNCEMENTS OF VISITORS

As this is the first meeting of the Audit and Governance Committee the CEO will declare the meeting open and chair the meeting until the election of the presiding member has been undertaken.

2. ELECTION OF PRESIDING AND DEPUTY PRESIDING MEMBER

In accordance with s5.12 of the *Local Government Act 1995*, members of the Audit and Governance Committee are required to elect their Presiding member and Deputy presiding member from amongst themselves.

The Presiding member elected by the committee is to preside at meetings of the committee.

If, in relation to the presiding member of a committee:

- a) the office of presiding member is vacant, or
- b) the presiding member is not available or is unable or unwilling to perform the functions of presiding member, then the deputy presiding member, if any, may perform the functions of presiding member.

Election of Presiding Member

Once the Committee have elected their Presiding member, the CEO will hand the meeting over to them.

The CEO called for nomination for chair. Cr A Minkom nominated Cr Young, Cr Young accepted. The CEO declared Cr Young elected as Presiding member of the Audit and Governance Committee.

Election of Deputy Presiding Member

The Presiding member called for nomination for Deputy Presiding member. Cr Young nominated Cr A Minkom, Cr A Minkom accepted. The Presiding member declared Cr A Minkom elected as Deputy Presiding member of the Audit and Governance Committee.

3. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Presiding member: Cr Young

Deputy Presiding member: Cr A Minkom

Staff: Frank Mills, Chief Executive Officer
Vikki Lauritsen, Manager Finance and Corporate Services
Ibrahim Macrae, Manager Governance Risk and Planning

Visitors: Nil

Apologies: Cr I Minkom

APPROVED LEAVE OF ABSENCE: Nil

4. DECLARATION OF INTERESTS

Members of the Committee are bound by the provisions of *the Local Government Act 1995, Section 5.65* with respect to disclosure of financial, impartiality or proximity interests.

Name	Item No	Interest	Nature
NIL			

5. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

5.1 Audit Committee Meeting held on 30 August 2023
Attachment 5.1

PURSUANT TO SECTIONS 3.18 AND 5.22(2) OF THE LOCAL GOVERNMENT ACT 1995, THE MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE MEETING HELD ON 30 AUGUST 2023, ARE PRESENTED IN ATTACHMENT 5.1 BE CONFIRMED AS A TRUE AND CORRECT RECORD OF PROCEEDINGS.

COMMITTEE RESOLUTION – ITEM NO 5.1

MOVED CR A MINKOM

SECONDED CR YOUNG

PURSUANT TO SECTIONS 3.18 AND 5.22(2) OF THE LOCAL GOVERNMENT ACT 1995, THE MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE MEETING HELD ON 30 AUGUST 2023, ARE PRESENTED IN ATTACHMENT 5.1 BE CONFIRMED AS A TRUE AND CORRECT RECORD OF PROCEEDINGS.

THE MOTION WAS PUT AND DECLARED CARRIED (2/0)

FOR: A MINKOM, YOUNG

AGAINST: NIL

6. PRESENTATIONS

Nil

7. OFFICER’S REPORTS

7.1 APPOINTMENT OF AN EXTERNAL MEMBER TO THE AUDIT AND GOVERNANCE COMMITTEE

Report Information

Date: 22 January 2024
 Location: Cocos (Keeling) Islands
 Applicant: Shire of Cocos (Keeling) Islands
 File Ref:
 Disclosure of Interest: Nil
 Reporting Officer: Chief Executive Officer
 Island: Shire wide
 Attachments: 7.1.1 - Confidential Attachment - Applicant Assessment - External Audit Committee Member 2024

Authority / Discretion

Definition

<input type="checkbox"/>	Advocacy	<i>When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes and policies. Review when Council reviews decisions made by officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When Council determines an application / matter that directly affects a person’s right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.</i>

<input type="checkbox"/>	Information	<i>Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>
--------------------------	--------------------	--

Report Purpose

This report presents the Expressions of Interest received from individuals seeking to fill the role of external committee member on the Shire of Cocos (Keeling) Islands Audit and Governance Committee.

Relevant Documents

Available for viewing at the meeting

Nil

Background

At the Ordinary Meeting of Council on 29 November 2023, Council resolved to re-establish the Shire of Cocos (Keeling) Islands Audit and Governance Committee and adopted the Terms of Reference (ToRs) for this Committee.

The ToRs established that the membership would consist of four members with three elected members and one external person. The ToRs stated that the appointment of an external person would be made by Council by way of a public advertisement and would be for a maximum term of two years. The ToRs stated that the external person appointed to the Committee would have financial management/reporting knowledge in a local government context and experience and be conversant with financial and other reporting requirements. The ToRs also allowed all members full voting rights, including the External Member.

Comment

The previously appointed external committee members term ended in October 2023. An expression of interest process was conducted with a closing date of Monday 22 January 2024. The EOI was advertised in the Atoll, on the Shire’s website and noticeboards and was distributed by the Local Government Professionals WA jobs board. Two applications were received.

In accordance with s7.1A (3) of the *Local Government Act 1995 (WA)* (CKI) the CEO is not to be a member of an audit committee and may not nominate a person to be a member of an audit committee or have a person to represent the CEO as a member of an audit committee.

Confidential Attachment 6.1.1 provides full details of all applications received and an initial assessment of applications to assist Council in determining who to appoint as the external committee member of the Shire of Cocos (Keeling) Islands Audit and Governance Committee. The assessment does not provide a nomination or recommendation by the CEO or any officer.

Policy and Legislative Implications

Section 7.1A of the *Local Government Act (WA)(CKI) 1996* states that:

- (1) *A local government is to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.*
- (2) *The members of the audit committee of a local government are to be appointed* by the local government and at least 3 of the members, and the majority of the members, are to be council members.*

** Absolute majority required.*

The Shire of Cocos (Keeling) Islands Audit and Governance Committee complies with this requirement in that three members of the Committee are Councillors.

Financial Implications

The Audit and Governance Committee’s Terms of Reference allows for reimbursement of approved expenses to be paid to an external person who is a member of the Committee by prior approval and subject to budget with the intent of having the external member attend one meeting per annum in person. Therefore, the approximate financial impact is dependant on flight and accommodation costs at the time and may range between \$2,500 - \$4,000 per annum.

Strategic Implications

Strategic Community Plan: Civic Leadership Objective

Risk Implications

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Reputation	The Shire’s reputation could possibly be damaged if the Audit Committee does not fulfil its functions appropriately.	Moderate (6)	Audit Committees provide another reassurance to the community regarding the operations of the organisation and assist

			in maintaining a positive reputation.
Compliance	The Audit Committee acts outside its legislative remit.		The Audit Committee has properly scoped Terms of Reference.
Fraud	Without relevant skills and experience, the Audit Committee is less effective in fulfilling its role in protecting the Shire from possible fraud.	Moderate (6)	An external member with appropriate skills, qualifications and experience will aid in ensuring an effective Audit and Governance Committee is one tool to protect an organisation from fraud.

Risk Matrix

Consequence / Likelihood	Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Extreme (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Voting Requirements

Absolute Majority

Conclusion

The Expressions of Interest are presented to the Committee for its consideration and for the Committee to recommend a suitable applicant to Council. The assessment and appointment are to be made by Council.

OFFICER RECOMMENDATION - ITEM NO 7.1

THAT THE AUDIT AND GOVERNANCE COMMITTEE, BY ABSOLUTE MAJORITY, PURSUANT TO S7.1A OF THE *LOCAL GOVERNMENT ACT 1995 (WA)(CKI)*, RESOLVES TO:

1. NOMINATE _____ AS THE PREFERRED APPLICANT; AND
2. SUBJECT TO THE SHIRE PRESIDENT HOLDING A TELEPHONE INTERVIEW WITH THE PREFERRED APPLICANT AND BEING SATISFIED THAT THEY HOLD THE REQUIRED SKILLS AND EXPERIENCE, APPOINT _____ TO THE SHIRE OF COCOS (KEELING) ISLANDS AUDIT AND GOVERNANCE COMMITTEE WITH THEIR

MEMBERSHIP EXPIRING ON THE DAY PRIOR TO THE NEXT ORDINARY LOCAL GOVERNMENT ELECTION DUE TO BE HELD IN OCTOBER 2025.

COMMITTEE RESOLUTION – ITEM NO 7.1

MOVED CR A MINKOM

SECONDED CR YOUNG

THAT THE AUDIT AND GOVERNANCE COMMITTEE, BY ABSOLUTE MAJORITY, PURSUANT TO S7.1A OF THE *LOCAL GOVERNMENT ACT 1995 (WA)(CKI)*, RESOLVES TO:

- 1. NOMINATE MR PHIL ANASTASAKIS AS THE PREFERRED APPLICANT; AND**
- 2. SUBJECT TO THE CEO HOLDING A TELEPHONE INTERVIEW WITH THE PREFERRED APPLICANT AND BEING SATISFIED THAT THEY HOLD THE REQUIRED SKILLS AND EXPERIENCE, APPOINT MR PHIL ANASTSAKIS TO THE SHIRE OF COCOS (KEELING) ISLANDS AUDIT AND GOVERNANCE COMMITTEE WITH THEIR MEMBERSHIP EXPIRING ON THE DAY PRIOR TO THE NEXT ORDINARY LOCAL GOVERNMENT ELECTION DUE TO BE HELD IN OCTOBER 2025.**

THE MOTION WAS PUT AND DECLARED CARRIED (2/0)

FOR: A MINKOM, YOUNG

AGAINST: NIL

7.2 PRESENTATION OF THE COMPLIANCE AUDIT RETURN 2023

Report Information

Date: 23 January 2024
 Applicant: Shire of Cocos (Keeling) Islands
 File Ref:
 Location: Cocos (Keeling) Islands
 Disclosure of Interest: Nil
 Reporting Officer: Chief Executive Officer
 Island: Shire Wide
 Attachments: 7.2.1 - Compliance Audit Return 2023

Authority / Discretion

Definition

<input type="checkbox"/>	Advocacy	<i>when Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input checked="" type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes and policies. Review when Council reviews decisions made by officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.</i>
<input type="checkbox"/>	Information	<i>Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>

Report Purpose

To refer the Shire's responses to the Department of Local Government Compliance Audit Return 2023 to Council for its consideration and adoption.

Relevant Documents

Available for viewing at the meeting

Nil

Background

In accordance with Regulation 14 of the *Local Government (Audit) Regulations 1996* each local government in Western Australia must carry out an annual audit of statutory compliance for the period 1 January to 31 December, in the form of Department of Local Government Compliance Audit Return.

The 2023 Compliance Audit Return focuses on high-risk areas of compliance and statutory reporting as prescribed in regulation 13 of the *Local Government (Audit) Regulations 1996*.

The Audit Committee is required to review the completed CAR and report the results to Council, prior to CAR adoption by Council and submission to the Department of Local Government, Sport and Cultural Industries by 31 March 2024.

Comment

Any reporting of non-compliance in the CAR is a reminder for local government officers to engage with elected members via the audit committee to provide Council with a plan and timeframe within which to address non-compliance.

Policy and Legislative Implications

Local Government (Audit) Regulations 1996

Financial Implications

Nil

Strategic Implications

Shire of Cocos (Keeling) Islands Strategic Community Plan 2022 – 2037
Objective L1: To be involved, respectful and inclusive and to facilitate diversity and representation within the decision-making process.

Risk Implication

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Compliance	It is a Legislative requirement of council which must be adhered to.	Med (1)	A monthly Compliance Calendar assists the Shire to ensure Legislation is adhered to.

Risk Matrix

Consequence / Likelihood	Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Extreme (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Conclusion

The CAR is a timely reminder of the various areas of compliance required by local governments and is a sound mechanism to test compliance and areas on which to focus improvements.

OFFICER RECOMMENDATION – ITEM NO 7.2

1. THAT THE AUDIT AND GOVERNANCE COMMITTEE, PURSUANT TO *REGULATION 14 OF THE LOCAL GOVERNMENT (AUDIT) REGULATIONS 1996*, RESOLVES TO:
 - a. NOTE THAT IT HAS REVIEWED THE COMPLIANCE AUDIT RETURN 2023 FOR THE SHIRE OF COCOS (KEELING) ISLANDS; AND
 - b. RECOMMEND THAT COUNCIL RECEIVES THE COMPLIANCE AUDIT RETURN 2023 FOR THE SHIRE OF COCOS (KEELING) ISLANDS.

COMMITTEE RESOLUTION – ITEM NO 7.2

MOVED CR A MINKOM

SECONDED CR YOUNG

1. THAT THE AUDIT AND GOVERNANCE COMMITTEE, PURSUANT TO *REGULATION 14 OF THE LOCAL GOVERNMENT (AUDIT) REGULATIONS 1996*, RESOLVES TO:
 - a. NOTE THAT IT HAS REVIEWED THE COMPLIANCE AUDIT RETURN 2023 FOR THE SHIRE OF COCOS (KEELING) ISLANDS; AND
 - b. RECOMMEND THAT COUNCIL RECEIVES THE COMPLIANCE AUDIT RETURN 2023 FOR THE SHIRE OF COCOS (KEELING) ISLANDS.

THE MOTION WAS PUT AND DECLARED CARRIED (2/0)

FOR: A MINKOM, YOUNG

AGAINST: NIL

8. MATTERS BEHIND CLOSED DOORS

Nil

9. CLOSURE OF BUSINESS

The Presiding member declared the meeting closed at 4:10pm.

These minutes were confirmed at a meeting on _____

SIGNED this _____ day of _____ 2024

as a true record of proceedings.

PRESIDING MEMBER