



Minutes of the Audit Committee

Audit Committee Meeting

To be held in Council Chambers, Wolfram Street Westonia
Thursday 20th April 2023

CONFIRMATION OF MINUTES

These minutes were confirmed by the Council on 21st December 2023 as a true and accurate record of the Audit Committee Meeting held 20th April 2023.

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Cr Mark Crees
Shire President

All attachment items referred to in these minutes are available for public perusal at the Shire Office

TABLE OF CONTENTS

1. DECLARATION OF OPENING	3
2. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE	3
3. PUBLIC QUESTION TIME (2.25PM – 2.48PM)	3
4. CONFIRMATION OF PREVIOUS MINUTES	3
5. PRESIDENT/COUNCILLORS ANNOUNCEMENTS	3
6. MATTERS REQUIRING A COUNCIL DECISION	3
6.1.1 ANNUAL FINANCIAL REPORT & FINANCIAL STATEMENTS	4
6.1.2 AUDIT ENTRANCE MEETING	7
7. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	10
8. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY A DECISION OF THE MEETING	10
9. DATE AND TIME OF NEXT MEETING	10
10. MEETING CLOSURE	10

1. DECLARATION OF OPENING

The President, Cr Crees welcomed Councillors and staff and declared the meeting open at 1.00 pm.

2. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

Councillors:

Cr RM Crees	President
Cr RA Della Bosca	Deputy President
Cr K.M Day	
Cr DL Geier	
Cr WJ Huxtable	
Cr RS Corsini	Via Teams

Staff:

Mr. AW Price	Chief Executive Officer
Mrs. JL Geier	Manager of Corporate Services

Renuka Venkatraman (Assistant Director, OAG) and Marius van der Merwe (Dry Kirkness Audit Director) via Zoom conference.

Members of the Public:	Nil
Apologies:	Nil
Approved Leave of Absence:	Nil

3. PUBLIC QUESTION TIME (1.03PM – 1.18PM)

Nil

4. CONFIRMATION OF PREVIOUS MINUTES

OFFICER RECOMMENDATIONS

That the Minutes of the Audit Committee Meeting held on Thursday 16th March 2023 be confirmed as a true and correct record.

RESOLUTION

Moved:	Cr Della Bosca	Seconded:	Cr Geier
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AC01/04-23 That the Minutes of the Audit Committee Meeting held on Thursday 16th March 2023 be confirmed as a true and correct record.

CARRIED 6/0


5. PRESIDENT/COUNCILLORS ANNOUNCEMENTS

Nil:

6. MATTERS REQUIRING A COUNCIL DECISION

6.1.1 ANNUAL FINANCIAL REPORT & FINANCIAL STATEMENTS

Responsible Officer:	Bill Price, CEO
Author:	Bill Price, CEO
File Reference:	ES1.6.1
Disclosure of Interest:	Nil
Attachments:	Attachment 6.1.1 Annual Report 22/23
Signature:	Officer CEO



Purpose of the Report

Executive Decision

Legislative Requirement

The Audit Committee adoption of the Annual Report for the 2020/21 financial year is required as per recommendation and recommend to Council for adoption.

Background

The Shire of Westonia auditors have completed the Annual Audit for the financial year ending 30th June 2022 as per the Local Government Act 1995 as amended and the Local Government (Financial Management) Regulations 1996.

The auditors attended Council's offices on the 22-26 August 2022 to complete their final audit.

Comment

All councillors will be presented with a copy of the Annual Report for the 2021/22 Financial year prior to the meeting.

In accordance with section 6.4 of the Local Government Act 1995 a local government is required to prepare an annual financial report for the preceding financial year and submit it to its auditor before 30th September each year.

Following acceptance of the Annual Report by Council, Council is required to hold a general meeting of electors within 56 days. At least 14 days local public notice must be given of an electors meeting. The Annual Electors Meeting must be held prior to Thursday 10th February 2022, noting that the February Council meeting is not until the following week (16th February 2022).

Statutory Environment

Local Government Act 1995 (As Amended)

5.27. Electors' general meetings

- (1) A general meeting of the electors of a district is to be held once every financial year.
- (2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.
- (3) The matters to be discussed at general electors' meetings are to be those prescribed.

5.54. Acceptance of annual reports

- (1) 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.

(2) 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.

[Section 5.54 amended by No. 49 of 2004 s. 49.]

5.55. Notice of annual reports

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

Division 4 — General

7.12 A. Duties of local government with respect to audits

(1) A local government is to do everything in its power to —

(a) assist the auditor of the local government to conduct an audit and carry out his or her other duties under this Act in respect of the local government; and

(b) ensure that audits are conducted successfully and expeditiously.

(2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.

(3) A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to —

(a) determine if any matters raised by the report, or reports, require action to be taken by the local government; and

(b) ensure that appropriate action is taken in respect of those matters.

(4) A local government is to —

(a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and

(b) forward a copy of that report to the Minister,

by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.

[Section 7.12A inserted by No. 49 of 2004 s. 8.]

Local Government (Financial Management) Regulations 1996

51. Completion of financial report

(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.

[Regulation 51 amended in Gazette 18 Jun 1999 p. 2639; 20 Jun 2008 p. 2726.]

Policy Implications

Council does not have a policy in relation to this matter.

Strategic Implications

Nil



Financial Implications

Nil.



Voting Requirements



Simple Majority



Absolute Majority

OFFICER RECOMMENDATIONS

That the Audit Committee recommends to Council the following:

1. Adopts the Annual Financial Report for the Financial Year 2021/22;
2. Adopts the Audit Report for 2021/22 Financial Year;
3. Adopts the Management Report for the 2021/22 Financial Year;
4. Adopts the Annual Report for the 2021/22 Financial Year inclusive of the above as presented; and
5. Advertises Annual Elector's Meeting be held on 15th June commencing at (insert time) pm in the Old Miner Hall

RESOLUTION

Moved: Cr Day **Seconded:** Cr Della Bosca


AC02/03-23 That the Audit Committee recommends to Council the following:

- 1. Adopts the Annual Financial Report for the Financial Year 2021/22;**
- 2. Adopts the Audit Report for 2021/22 Financial Year;**
- 3. Adopts the Management Report for the 2021/22 Financial Year;**
- 4. Adopts the Annual Report for the 2021/22 Financial Year inclusive of the above as presented; and**
- 5. Advertises Annual Elector's Meeting be held on 15th June 2023, commencing at 6.00 pm in the Old Miner Hall**

CARRIED by ABSOLUTE MAJORITY 6/0

6.1.2 AUDIT ENTRANCE MEETING

Responsible Officer:	Bill Price, CEO
Author:	Bill Price, CEO
File Reference:	ES1.6.1
Disclosure of Interest:	Nil
Attachments:	Attachment 6.1.2 Audit Entrance Meeting Agenda, Audit Timetable 2023, 3. Planning Summary 2023
Signature:	Officer CEO



Purpose of the Report

Executive Decision

Legislative Requirement

This report is to inform Council of its obligation in relation to the audit requirements under the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996. The accounts and annual financial statements of a local government for each financial year are required to be audited by an independent auditor appointed by the Auditor General. It is a requirement that the Auditors are to have an Entry Interview with the Audit Committee before the interim audit is to occur.

Background

Audit Committee is to accept responsibility for the annual external audit and to liaise with the Auditors so that Council can be satisfied with the performance of the Local Government in managing its financial affairs.

Section 7.12A (2) requires a Local Government to meet with the auditor of the Local Government at least once in every year. 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 Dry Kirkness has been engaged by the Office of the Auditor General to perform the audit of Council's accounts and Annual Financial Statement for the next 3 years commencing with the audit year ending 30 June 2022.

A new format for this year's audit, which is strongly supported by the Office of the Auditor General (OAG), requires Council to hold both an Audit Entrance Meeting prior to the commencement of the audit, and an Audit Exit Meeting, which typically occurs at the completion of the audit.

The Audit Entrance Meeting provides an overview on how this year's audit will be undertaken and provides an opportunity for Councillors and staff to ask questions. The Audit Exit Meeting, which is to be held on completion of the financial statements and audit report, should provide the auditor the opportunity to highlight the key audit issues in a structured manner and provide the Council's Chief Executive Officer adequate opportunity to comment.

Effective Audit Entrance and Exit Meetings are essential for good outcomes. In previous audits, the Audit Committee has typically met with Council's auditors on an annual basis, generally on the presentation of the Annual Financial Report and Audit Report in December. All Local Government audits are now under the control of the OAG. It is anticipated the improved audit process scheduled for future years will permit the Audit Committee to meet with Council auditors twice yearly through the audit entry and exit meetings.

Attachment 2 is an outline of the key deliverables and timing aspects of the audit: An Audit Planning Summary is provided for in **Attachment 3**.

Comment

The Audit Entrance Meeting is an important phase of the audit planning process. It details the audit scope and approach in summary format and aims to promote effective communication between the auditor and those charged with governance at a local government. The Audit Committee members are encouraged to participate in the Audit Entrance Meeting.

Renuka Venkatraman (Assistant Director, OAG) and Marius van der Merwe (Dry Kirkness Audit Director) plus Meher Samtani Graduate Analyst Dry Kirkness will join via video conference.

Statutory Environment

Local Government Act 1995

S5.53. Annual reports

- 1) The local government is to prepare an annual report for each financial year.
- 2) The annual report is to contain —
 - a) a report from the mayor or president; and
 - b) a report from the CEO; and
 - c) [(c),
 - d) deleted]
 - e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and
 - f) the financial report for the financial year; and
 - g) such information as may be prescribed in relation to the payments made to employees; and
 - h) the auditor's report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and
 - (ha) a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and
 - (hb) details of entries made under section 5.121 during the financial year in the register of complaints, including —
 - (i) the number of complaints recorded in the register of complaints; and
 - (ii) how the recorded complaints were dealt with; and
 - (iii) any other details that the regulations may require; and
 - i) such other information as may be prescribed.

Local Government (Financial Management) Regulations 1996.

7.12A. Duties of local government with respect to audits

- (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government must —
 - (aa) examine an audit report received by the local government; and
 - (a) determine if any matters raised by the audit report, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those matters.
- (4) A local government must —
 - (a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
 - (b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.
- (5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

7.12AD. Reporting on a financial audit

- (1)The auditor must prepare and sign a report on a financial audit.*
- (2)The auditor must give the report to –*
 - (a)the mayor, president or chairperson of the local government; and*
 - (b)the CEO of the local government; and*
 - (c)the Minister.*

Australian Auditing Standard ASA 260 – Communication With Those Charged With Governance

ASA 260 requires the auditor to discuss certain key aspects of the audit planning and the audit results with those charged with governance. As a committee of Council, the Audit and Risk Committee is Council’s preferred forum to enable effective audit communication.



Policy Implications

Council does not have a policy in relation to this matter.



Strategic Implications

Leadership – to achieve maximum community benefit from effective use of resources (staff, finances and information technology) and provide leadership to and on behalf of our communities.

Good Governance – Strengthen the governance role of Councillors and ensures policies and procedures are in accordance with legislative requirements.



Financial Implications

Nil.



Voting Requirements



Simple Majority



Absolute Majority

OFFICER RECOMMENDATIONS

That Council:

Acknowledge the summarised audit scope and strategy to be undertaken by the Office of the Auditor General and OAG’s sub-contractors Dry Kirkness, for the 2022/2023 annual financial report and accounts.

RESOLUTION

Moved:

Cr Della Bosca

Seconded:

Cr Huxtable

AC03/04-23

That Council:

Acknowledge the summarised audit scope and strategy to be undertaken by the Office of the Auditor General and OAG’s sub-contractors Dry Kirkness, for the 2022/2023 annual financial report and accounts.

CARRIED 6/0

7. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

8. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY A DECISION OF THE MEETING

Nil

9. DATE AND TIME OF NEXT MEETING

The next Audit meeting of Council will be held on Thursday schedule 21st December 2023 commencing at 3.30pm

10. MEETING CLOSURE

There being no further business the President, Cr Crees declared the meeting closed at 1.50pm