

SHIRE OF
MERREDIN
INNOVATING THE WHEATBELT

MINUTES

Audit Committee Meeting

Held in Council Chambers
Corner King & Barrack Street's, Merredin
Tuesday, 18 July 2023
Commencing 2:00pm



Common Acronyms Used in this Document	
WEROC	Wheatbelt East Regional Organisation of Councils
GECZ	Great Eastern Country Zone
WALGA	Western Australian Local Government Association
CEACA	Central East Aged Care Alliance
CEO	Chief Executive Officer
DCEO	Deputy CEO
EMDS	Executive Manager of Development Services
EMES	Executive Manager of Engineering Services
EMCS	Executive Manager of Corporate Services
EA	Executive Assistant to CEO
LPS	Local Planning Scheme
LGIS	Local Government Insurance Services
SRP	Strategic Resource Plan
CBP	Corporate Business Plan
CSP	Community Strategic Plan
MRCLC	Merredin Regional Community and Leisure Centre
CWVC	Central Wheatbelt Visitors Centre
MoU	Memorandum of Understanding

Shire of Merredin
Audit Committee Meeting
2:00pm Tuesday, 18 July 2023



1. Official Opening

The President acknowledged the Traditional Owners of the land on which we meet today, and paid his respects to Elders past, present and emerging. The President then welcomed those in attendance and declared the meeting open at 2:00pm.

2. Record of Attendance / Apologies and Leave of Absence

Councillors:

Cr M McKenzie	President
Cr D Crook	Deputy President
Cr J Flockart	
Cr P Patroni	

Staff:

L Clack	CEO
L Boehme	EMCS
M Wyatt	EO

Members of the Public:

Apologies: Cr R Manning

Approved Leave of Absence:

3. Public Question Time

Nil

4. Disclosure of Interest

Nil

5. Confirmation of Minutes of the Previous Meeting

5.1 Audit Committee Meeting held on 4 April 2023
Attachment 5.1A

Voting Requirements

Simple Majority

Absolute Majority

Resolution

Moved: Cr Crook

Seconded: Cr Patroni


83244

That the minutes of the Audit Committee Meeting held on 4 April 2023 be confirmed as a true and accurate record of proceedings.

CARRIED 4/0

6. Officer's Reports

6.1 Regulation 17 and Risk Action Plan Progress Report July 2023

<h2>Corporate Services</h2>		 SHIRE OF MERREDIN INNOVATING THE WHEATBELT
Responsible Officer:	Leah Boehme, EMCS	
Author:	As above	
Legislation:	<i>Local Government (Audit) Regulations 1996</i>	
File Reference:	Nil	
Disclosure of Interest:	Nil	
Attachments:	Attachment 6.1A – Reg 17 and Risk Action Plan Progress Report July 2023	

Purpose of Report

Executive Decision

Legislative Requirement

The purpose of this report is to provide the Audit Committee with an update on the Shire of Merredin's (the Shire) progress toward the actions highlighted during the Chief Executive Officer's (CEO) review of Risk Management, Internal Controls and Legislative Compliance, which was presented to the Audit Committee and to Council in December 2022. The review document also provides updates on progress toward findings from the 2020/21 and 2021/22 Audits.

Background

Regulation 17 of the *Local Government (Audit) Regulations 1996* requires the CEO to review the appropriateness and effectiveness of the local government systems and procedures in relation to risk management, internal control and legislation compliance.

The review may relate to any or all of the matters referred to the sub-regulation (1) (a), (b) and (c), but each of those matters is to be the subject of a review at least once every three (3) financial years.

The CEO is to report to the Audit Committee the results of that review and then provide updates on the progress toward identified actions on a regular basis. The Shire will aim to provide updates quarterly in March, June, September and December each year.

The scheduled June update was delayed until July to allow the Interim Audit Report to be presented alongside this review.

Comment

Attachment 6.1A outlines the steps taken toward completing the actions identified during the Reg 17 and Risk reviews. A number of items have been completed since the last review was presented to the Audit Committee in March 2023.

The progress toward the Risk Dashboard items has seen some growth, with a number of items now commenced. There are still a number of actions to be commenced which involve long term changes. The time required to implement these are at least six months.

Policy Implications

Policy 3.24 – Risk Management Policy applies.

Statutory Implications

Regulation 17 of the *Local Government (Audit) Regulations 1996* applies.

Strategic Implications

Ø Strategic Community Plan

Theme:	4. Communications and Leadership
Service Area Objective:	4.2 - Decision Making 4.2.2 – The Shire is progressive while exercising responsible stewardship of its built, natural and financial resources. 4.2.3 – The Council is well informed in their decision-making, supported by a skilled administration team who are committed to providing timely, strategic information and advice. 4.4.1 – The Shire is continuously working to maintain efficient communication, providing open, transparent and factual information, through a variety of channels.
Priorities and Strategies for Change:	Nil

Risk Implications

By regularly reviewing the Shire's Risk Dashboard and Regulation 17 Review and providing updates to the Audit Committee and Council, the risk to the organisation should decrease.

Financial Implications

Nil

Voting Requirements

Simple Majority

Absolute Majority

Resolution

Moved:

Cr McKenzie

Seconded: Cr Flockart

That the Audit Committee;

83245

- 1. NOTES the quarterly Reg 17 and Risk Action Plan Progress Report for July 2023 as presented in Attachment 6.1A; and**
- 2. RECOMMENDS that Council NOTES the Reg 17 and Risk Action Plan Progress Report as tabled to the Audit Committee.**

CARRIED 4/0

6.2 2022/23 Interim Audit Report

Corporate Services



Responsible Officer:	Leah Boehme, EMCS
Author:	As above
Legislation:	<i>Local Government (Audit) Regulations 1996</i>
File Reference:	Nil
Disclosure of Interest:	Nil
Attachments:	Attachment 6.2A – Interim Management Letter to CEO – Shire of Merredin Attachment 6.2B – SOM Interim Management Letter 2023 final

Purpose of Report

Executive Decision

Legislative Requirement

The purpose of this report is to provide the Audit Committee with an update on the Shire of Merredin's (the Shire) 2022/23 Interim Audit.

Background

Dry Kirkness, the company appointed by the Office of the Auditor General (OAG) to complete the Shire's 2022/23 Audit completed a week-long visit at the Shire Administration building in the first week of May 2023. The visit concluded on Friday 5, May 2023. Post audit visit, Dry Kirkness contacted the Executive Manager Corporate Services (EMCS) on a number of occasions with follow up questions, to obtain further samples and to ask for responses in relation to the OAG focus areas for the 2022/23 Audit year.

On 21 June 2023, the Shire of Merredin Interim Management Letter was received from Dry Kirkness and required a response to the one finding. This was returned to Dry Kirkness on 27 June 2023 and the final documents signed by the OAG were received 29 June 2023.

Comment

After a number of findings for both the 2020/21 and 2021/22 Audits, the current Audit represents the immense focus that has been placed by the Administration on Governance and Compliance across the organisation. The one finding has been determined to be minor, and steps have been put in place to ensure this does not occur again in future.

It should be noted that further findings may arise during the final audit, however it is hoped that the current Interim Letter will be reflective of the final document. The final audit is scheduled to occur from 18 September 2023 to 22 September 2023.

Policy Implications

Nil

Statutory Implications

Local Government Act 1995:

7.2. Audit

The accounts and annual financial report of a local government for each financial year are required to be audited by an auditor appointed by the local government.

7.9. Audit to be conducted

- (1) An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —
 - (a) the mayor or president; and
 - (b) the CEO of the local government; and
 - (c) the Minister.
- (2) Without limiting the generality of subsection (1), where the auditor considers that —
 - (a) there is any error or deficiency in an account or financial report submitted for audit; or
 - (b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or
 - (c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,

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.

Local Government (Audit) Regulations 1996:

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).

Strategic Implications

Ø Strategic Community Plan

Theme:	4. Communications and Leadership
Service Area Objective:	4.2 - Decision Making 4.2.2 – The Shire is progressive while exercising responsible stewardship of its built, natural and financial resources 4.2.3 – The Council is well informed in their decision-making, supported by a skilled administration team who are committed to providing timely, strategic information and advice 4.4.1 – The Shire is continuously working to maintain efficient communication, providing open, transparent and factual information, through a variety of channels
Priorities and Strategies for Change:	Nil

Ø Corporate Business Plan

Key Action:	Nil
Directorate:	Nil
Timeline:	Nil

Risk Implications

Nil

Financial Implications

Nil

Voting Requirements



Simple Majority



Absolute Majority

Resolution

Moved:

Cr Patroni

Seconded: Cr McKenzie

That the Audit Committee;

83246

1. **NOTES** the 2022/23 Interim Audit outcome as outlined in the Interim Management Letter to the Chief Executive Officer and Shire of Merredin Interim Management Letter 2023 documents presented in Attachments 6.2A and 6.2B; and
2. **RECOMMENDS** that Council **NOTES** the 2022/23 Interim Audit outcome as outlined in the Interim Management Letter to the Chief Executive Officer and Shire of Merredin Interim Management Letter 2023 documents presented in Attachments 6.2A and 6.2B.

CARRIED 4/0

2. Closure

There being no further business, the President thanked those in attendance and declared the meeting closed at 2:12pm.

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