



# Minutes

Audit and Governance Committee  
Wednesday 13 December 2023

Date	Wednesday 13 December 2023
Time	11.15 am
Location	Shire of Wickepin Council Chambers 77 Wogolin Road, Wickepin WA 6370
Distribution Date	Tuesday 12 December 2023



## Notice of Meeting

Please be advised a Audit and Governance Committee Meeting will be held at 11.15am on Wednesday 13 December 2023 at Council Chambers, 77 Wogolin Road, Wickepin WA 6370, to discuss the following –

- Acceptance of Annual Report and Determination of Details to hold the Annual General Meeting of Electors

A handwritten signature in black ink, appearing to be "Tim Clynch".

Tim Clynch  
Acting Chief Executive Officer  
Tuesday 12 December 2023

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## Terms of Reference

### 1. Name

Audit and Governance Committee

### 2. Members

All councillors

### 3. Objectives

The following objectives are to be considered by the Committee:

- To exercise responsibility for the annual external audit and liaise with the local government's auditors so that Council can be satisfied with the performance of the local government in managing its financial affairs.
- To assist Council in discharging its legislative responsibilities of controlling the local government's affairs and overseeing the allocation of the local government's finances and resources.
- To provide an independent oversight of the financial systems of the Shire of Wickepin on behalf of the Council. As such, the Committee will operate to assist Council to fulfil its corporate governance, stewardship, leadership and control responsibilities in relation to the Shire of Wickepin's financial reporting and audit responsibilities.
- To support Council in its endeavours to provide effective corporate governance and fulfil its responsibilities.
- To facilitate improvements to internal/external financial reporting, management of risk, development/maintenance of internal controls and compliance with legislation.

### 4. Function of the Committee

To provide guidance and assistance to the Shire of Wickepin;

- As to the carrying out of its functions in relation to audits;
- As to the development of a process to be used to select and appoint a person to be the auditor;
- As to its functions under Part 6 of the Act that relate to financial management; and
- As to the carrying out of its functions relating to other audits and other matters related to financial management.

### 5. Role and Scope of the Committee

1. Audit –

- a) Provide guidance and assistance to Council as to the carrying out of the functions of the local government in relation to audits.
- b) Develop and recommend to Council an appropriate process for the selection and appointment of a person as the local government's auditor.
- c) Develop and recommend to Council –
  - a list of those matters to be audited; and
  - the scope of the audit to be undertaken.
- d) Recommend to Council the person or persons to be appointed as auditor.
- e) Develop and recommend to Council a written agreement for the appointment of the auditor, which is to include –
  - the objectives of the audit;
  - the scope of the audit;
  - a plan of the audit;
  - details of the remuneration and expenses to be paid to the auditor; and

- method/s to be used by the local government to communicate with, and supply information to, the auditor.
- f) Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions.
- g) Liaise with the CEO to ensure that the local government does everything in its power to –
  - assist the auditor to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and
  - ensure that audits are conducted successfully and expeditiously.
- h) Examine the reports of the auditor after receiving a report from the CEO on the matters and –
  - determine if any matters raised require action to be taken by the local government; and
  - ensure that appropriate action is taken in respect of those matters.
- i) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time.
- j) Review the scope of the audit plan and program and its effectiveness.
- k) Review the local government's draft annual financial report, focusing on:
  - accounting policies and practices;
  - changes to accounting policies and practices;
  - the process used in making significant accounting estimates; - significant adjustments to the financial report (if any) arising from the audit process;
  - compliance with accounting standards and other reporting requirements; - significant variances from prior years.

## **6. Appointment of Committee Chair**

A chairperson is appointed at the first Committee Meeting at the beginning of each year by the committee members.

## **7. Meeting Frequency**

The Committee shall meet 3 times per annum – February, June and December – actual dates to be determined by the Presiding Member in consultation with Committee Members and applicable Shire officers.

## **8. Delegated Powers**

The Committee has no delegated powers and is an advisory committee to Council only. Recommendations of Committee meetings are to be presented to Council by Shire officers for noting or consideration as soon as practicable after unconfirmed minutes of Committee meetings are available.

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## 1 Declaration of Opening

The Acting CEO declared the meeting open at 11.10 am.

## 2 Attendance

### 2.1 Present

#### Councillors

W Astbury	Councillor
J Russell	Councillor
J Mearns	Councillor
F Allan	Councillor
P Thompson	Councillor
L Corke	Councillor

#### Employees

T Clynch	Acting Chief Executive Officer
E Clement	Deputy Chief Executive Officer

## 3 Election of Chairperson

The Acting CEO call for nominations for Chairperson.

Cr Julie Russell nominated Cr Fran Allan, Cr Fran Allan accepted the nomination verbally.

Cr Fran Allan was elected as Chairperson of the Audit and Governance Committee for the ensuing two years.

Cr Fran Allan took the chair as the Presiding Member.

## 4 Apologies and Leave of Absence

### 4.1 Apologies

4.2 T Miller Councillor

### 4.3 Previously Approved Leave of Absence

Nil

### 4.4 Requests for Leave of Absence

[Requests for Leave of Absence]

## **5 Declarations of Councillors and Officers Interest**

A member or officer who has an impartiality, proximity or financial interest in any matter to be discussed at this meeting must disclose the nature of the interest either in a written notice given to the Chief Executive Officer prior to the meeting or at the meeting immediately before the matter is discussed.

A member who makes a disclosure in respect to an interest must not preside at the part of the meeting which deals with the matter, or participate in, or be present during, any discussion or decision-making process relative to the matter, unless the disclosing member is permitted to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995*.

The following declarations of interest have been disclosed –

Nil

## 6 Reports and Information

### 6.1 Acceptance of Annual Report and Determination of Details to hold the Annual General Meeting of Electors

<b>Submission to</b>	Governance, Audit & Community Services Committee
<b>Location / Address</b>	-
<b>Name of Applicant</b>	-
<b>File Reference</b>	FM.FR.1211
<b>Author</b>	E.Clement – Deputy Chief Executive Officer
<b>Interest Disclosures</b>	-
<b>Report Written Date</b>	12 December 2023
<b>Attachments</b>	2022 - 2023 Annual Report

#### Summary

Following receipt of the Independent Audit Report from the Office of the Auditor General, the Annual Report including the Annual Financial Statements has been prepared in accordance with Section 5.53 of the Local Government Act.

The Annual Report is being presented to Council via Council's Audit and Governance Committee which is meeting prior to the Council Meeting.

Council is requested to –

- Council is requested to receive the Annual Report for the 2022/23 financial year and set a date for the Annual General Meeting of Electors.

#### Background

The Local Government Act requires a local government to prepare each financial year an Annual Report that includes the Annual Financial Statements.

The Shire President (representing the Audit and Governance Committee), Acting Chief Executive Officer and Deputy Chief Executive Officer met by telephone with the auditor and representative from the Office of the Auditor General on 7 December 2023.

The annual report is to contain –

- A report from the Mayor or President,
- A report from the Chief Executive Officer,
- An overview of the plan for the future of the district, including major initiatives which are proposed to commence or to continue in the next financial year,
- The financial report for the financial year,
- Such information as may be prescribed in relation to the payments made to employees,
- The auditor's report for the financial year,
- A report on *Disability Services Act 1993* matters,
- Details on complaints made associated with minor breaches, and
- Other matters which may be prescribed.

The annual report, which is presented to council, contains the required information, as legislated.

## Comments

The final Audit Report was received on 8 December 2023. Section 5.54 of the Local Government Act requires a local government to accept the Auditor's report by 31 December with the exception being if the report is not available in time for that date to be met, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

Assuming Council accepts the Auditor's Report and Annual Report it needs to determine a date for the Annual General Meeting of Electors. The CEO is required to provide sufficient public notice of the availability of the Auditor's Report and Annual Report, and the date of the Annual General Meeting of Electors.

Section 5.27 of the Local Government Act requires a general meeting to be held on a day selected by the local government not more than 56 days after the local government accepts the annual report for the previous financial year. Assuming Council accepts the annual report at its December meeting the latest date for the Annual General Meeting of Electors would be Wednesday, 7 February 2024.

Taking into account the above and avoiding school holidays it is recommended that the Annual General Meeting of Electors be held at 5:30pm on Wednesday, 7 February 2024. Holding the meeting at a later time of 5.30pm may encourage greater attendance by electors.

The Chief Executive Officer is to convene the annual general meeting of electors by providing at least fourteen (14) days' local public notice of the date, time, place and purpose of the meeting.

It is intended to advertise the meeting date via –

- Narrogin Observer
- Social media
- Noticeboards, and
- Shire Website.

The audit of the Shire's 2022/23 Financial Statements has been conducted in accordance with Australian Auditing Standards and the Auditor has determined that:

"In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2023 and its financial position at the end of that period
- in accordance with the Local Government Act 1995 (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards."

The Basis for Qualified Opinion was:

"Infrastructure reported at the carrying value of \$92,213,435 in Note 7(a) of the financial report as at 30 June 2023 has not been revalued with sufficient regularity as required by Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996 since 2017-18. Consequently, I was unable to determine the extent to which the carrying amount of Infrastructure is misstated, as it was impracticable to do so. Additionally, I am unable to determine whether there may be any consequential impact on the revaluation surplus as at 30 June 2023

## Statutory Environment

*Local Government Act 1995*

s.5.27(2) calling of Annual General Meeting of Electors

s.5.53 contents of Annual Report

s.5.54 acceptance of Annual Report

s.5.55 and s.5.55A for notice and publication of Annual Report

## Policy Implications

Nil

## Financial Implications

Expenses associated with advertising and hosting the annual meeting of electors, and producing the annual report, are considered minor and are included in the annual budget.

## Strategic Implications

Nil

## Voting Requirement

Absolute Majority

## Officer Recommendation

*That Council:*

- 1. Accepts the Annual Report including the Annual Financial Report and Audit Report for the 2022/23 financial year and gives local public notice of its availability.*
- 2. Schedules the Annual General Meeting of Electors to be held on Wednesday, 7 February 2024 in the Council Chambers, commencing at 5:30pm.*

## Committee Decision

**Resolution** AGC-131223-01

**Moved** Cr J Russell

**Seconded** Cr W Astbury

**That the Audit and Governance Committee recommends Council,**

- 1. Accepts the Annual Report including the Annual Financial Report and Audit Report for the 2022/23 financial year and gives local public notice of its availability.***
- 2. Schedules the Annual General Meeting of Electors to be held on Wednesday, 7 February 2024 in the Council Chambers, commencing at 5:30pm***

**Carried** 6/0

**For** Cr J Russell, Cr W Astbury, Cr F Allan, Cr L Corke, Cr J Mearns, Cr P Thompson

**Against** Nil

## 7 Closure

The Presiding Member declared the meeting closed at 11.21am.