



Minutes

Audit and Governance Committee Wednesday, 19 March 2025

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|-------------------|---|
| Date | Wednesday 19 March 2025 |
| Time | 10.30am |
| Location | Shire of Wickepin Council Chambers 77 Wogolin Road, Wickepin WA 6370 |
| Distribution Date | Thursday 20 March 2025 |



Notice of Meeting

Please be informed an Audit and Governance Committee Meeting will be held at 10.30 am on Wednesday 19 February 2025 at the Shire of Wickepin Council Chambers, 77 Wogolin Road, Wickepin WA 6370.

Peter Clarke
Acting Chief Executive Officer

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Terms of Reference

1. Name

Audit and Governance Committee

2. Members

Cr Julie Russell

Cr Fran Allan

Cr Wes Astbury

Cr John Mearns

Cr Tyron Miller

Cr Lindsay Corke

Cr Peter Thompson

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 Members

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

8. 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.

9. 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.

Contents

| | | |
|-----------|--|-----------|
| 1 | Declaration of Opening | 6 |
| 2 | Attendance..... | 6 |
| 2.1 | Present..... | 6 |
| 3 | Public Question Time..... | 6 |
| 3.1 | Responses to Previous Public Questions Taken On Notice | 6 |
| 3.2 | Public Question Time..... | 6 |
| 4 | Apologies and Leave of Absence | 6 |
| 4.1 | Apologies..... | 6 |
| 4.2 | Previously Approved Leave of Absence..... | 6 |
| 4.3 | Requests for Leave of Absence | 7 |
| 5 | Petitions, Memorials and Deputations..... | 7 |
| 5.1 | Petitions..... | 7 |
| 5.2 | Memorials..... | 7 |
| 5.3 | Deputations | 7 |
| 6 | Declarations of Councillors and Officers Interest | 7 |
| 7 | Confirmation of Minutes of Previous Meetings | 7 |
| 7.1 | Minutes of the Governance, Audit and Community Services Meeting held on 19 February 2025 | 7 |
| 8 | Status Report..... | 8 |
| 9 | Motions of Which Notice Has Been Given | 8 |
| 10 | Receipt of Committee Minutes or Reports and Consideration of Recommendations | 8 |
| 11 | Notices of Motions for the Following Meeting | 8 |
| 12 | Reports and Information..... | 9 |
| 12.1 | Annual Compliance Audit Return 2024 | 9 |
| 12.2 | Budget Review 2024/2025..... | 12 |
| 13 | Confidential Reports and Information | 15 |
| 14 | Urgent Business..... | 15 |
| 15 | Closure..... | 15 |

1 Declaration of Opening

The Presiding Member, Cr Allan declared the meeting open at 10.35am and welcomed everyone to the meeting.

2 Attendance

2.1 Present

Councillors

| | |
|------------|--------------------------------|
| J Russell | Shire President – Acting Chair |
| J Mearns | Councillor |
| P Thompson | Councillor |
| L Corke | Councillor |

Employees

| | |
|-----------|--------------------------------|
| P Clarke | Acting Chief Executive Officer |
| E Clement | Deputy Chief Executive Officer |

Leave of Absence/Apologies

| | |
|-----------|------------------------|
| F Allan | Councillor - Chair |
| W Astbury | Deputy Shire President |
| T Miller | Councillor |

C Russell advised that Cr Allan was apology from this meeting who normally chairs this committee and therefore sought nominations from Councillors to chair the meeting in Cr Allans absence. No nominations were forthcoming, and Cr Russell continued to chair the meeting.

3 Public Question Time

3.1 Responses to Previous Public Questions Taken On Notice

Nil.

3.2 Public Question Time

Nil.

4 Apologies and Leave of Absence

4.1 Apologies

Nil.

4.2 Previously Approved Leave of Absence

Nil.

4.3 Requests for Leave of Absence

Nil.

5 Petitions, Memorials and Deputations

5.1 Petitions

Nil.

5.2 Memorials

Nil.

5.3 Deputations

Nil.

6 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.

7 Confirmation of Minutes of Previous Meetings

7.1 Minutes of the Governance, Audit and Community Services Meeting held on 19 February 2025

Officer Recommendation

That Council –

Confirm the minutes of the Audit and Governance Committee Meeting held on Wednesday 19 February 2025, as attached, as a true and accurate record.

Council Decision

Resolution AGM-190325-01

Moved Cr Corke

Second Cr Mearns

Confirm the minutes of the Audit and Governance Committee Meeting held on Wednesday 19 February 2025, as attached, as a true and accurate record.

Carried **4/0**
For **Cr J Russell, , Cr L Corke, Cr J Mearns, Cr P Thompson**
Against **Nil**

8 Status Report

| Item | Subject | Progress | Status | Action |
|------|---------|----------|--------|--------|
| | | | | |

Where a resolution is formal, procedural or lost it has not been recorded (e.g. confirmation of minutes, meeting behind closed doors, lapsed, etc.

Key

○ = in progress ✓ = completed ✕ =superseded

9 Motions of Which Notice Has Been Given

Nil.

10 Receipt of Committee Minutes or Reports and Consideration of Recommendations

Nil.

11 Notices of Motions for the Following Meeting

Nil.

12 Reports and Information

12.1 Annual Compliance Audit Return 2024

| | |
|-----------------------------|---|
| Submission to | Audit & Governance Council Meeting |
| Location / Address | - |
| Name of Applicant | - |
| File Reference | FM.AUD.1200 |
| Author | Erika Clement – Deputy Chief Executive Officer |
| Interest Disclosures | - |
| Report Written Date | 13 March 2025 |
| Attachments | Attachment 12.1.1 – Compliance Audit Return 2024 |

Summary

For each calendar year, Council is required to undertake a Compliance Audit Return to ascertain the Shire's level of adherence to legislatively required functions.

The responses to the 2024 Compliance Audit Return are firstly required to be presented to the Audit & Governance Committee for review before subsequently being submitted to Council.

Council is requested to adopt the 2024 Compliance Audit Return for submission to the Department of Local Government, Sport and Cultural Industries by 31 March 2025.

Background

Pursuant to legislation, local governments are required to carry out a compliance audit for each calendar year and to submit the audit findings to the Department of Local Government, Sport and Cultural Industries.

The compliance audit covers a range of matters requiring actions to be completed by local governments in performing their functions to maintain legislative compliance and focuses on areas considered to be high risk.

Each year the Compliance Audit Return covers various categories and for the 2024 Return, the areas covered are:

- Commercial Enterprises by Local Governments
- Delegation of Power/Duty
- Disclosures of Interest
- Disposal of Property
- Elections
- Finance
- Integrated Planning and Reporting
- Local Government Employees
- Official Conduct
- Other
- Tenders for Providing Goods and Services

Comments

Shire officers have responded to the questions in the 2024 Compliance Audit Return.

The 2024 Compliance Audit Return is being presented to the Audit & Governance Committee meeting to be held prior to the ordinary council meeting on 19 March 2025.. The officer recommendation below is the same as provided in the report to the Audit & Governance Committee. In the event of the committee making an alternative recommendation this will be submitted to council in lieu of the officer recommendation below.

Statutory Environment

Local Government (Audit) Regulations 1996

14. Compliance audits by local governments

- (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.
- (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.
- (3) After the audit committee has reported to the council under sub regulation (3A), the compliance audit return is to be —
 - (a) presented to the council at a meeting of the council; and
 - (b) adopted by the council; and
 - (c) recorded in the minutes of the meeting at which it is adopted.

15. Certified copy of compliance audit return and other documents to be given to Departmental CEO

- (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 Departmental CEO by 31 March next following the period to which the return relates.

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Nil

Voting Requirement

Simple Majority

Officer Recommendation

That Council adopt the Compliance Audit Return for the 2024 calendar year as shown in the attachment prior to it being submitted to the Department of Local Government, Sport and Cultural Industries.

Council Decision**Resolution** AGM-190325-02**Moved** Cr Thompson**Second** Cr Corke

That Council adopt the Compliance Audit Return for the 2024 calendar year as shown in the attachment prior to it being submitted to the Department of Local Government, Sport and Cultural Industries.

Carried 4/0**For** Cr J Russell, Cr L Corke, Cr J Mearns, Cr P Thompson**Against** Nil

12.2 Budget Review 2024/2025

| | |
|-----------------------------|--|
| Submission To | Audit & Governance Council Meeting |
| Location / Address | - |
| Name of Applicant | - |
| File Reference | FM.BU.1208 |
| Author | E.Clement – Deputy Chief Executive Officer |
| Interest Disclosures | - |
| Report Written Date | March 2025 |
| Attachments | Attachment 12.2.1 – 2024/2025 Budget Review and Budget Amendments |

Summary

To consider the Shire of Wickepin's financial position as at 28 February 2025 and performance for the period 1 July 2024 to 28 February 2025 in relation to the adopted annual budget and projections estimated for the remainder of the financial year.

Background

The budget review has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards.

The report for the period 1 July 2024 to 28 February 2025 (as attached) has been prepared incorporating year-to-date budget variations and forecasts to 30 June 2024 and is presented for Council's consideration.

Consideration of the status of various projects and programs was undertaken to ensure any anticipated variances were captured within the review document, where possible

Comments

The budget review report includes a summary of predicted variances by nature and type / program activities contained within the rate setting statement, including whether variances are considered to be permanent (where a difference is likely between the current budget and the expected outcome to 30 June) or due to timing (e.g. where a project is likely to be delayed), as below –

| | |
|---|---------------|
| Increase in Rates Discount | (\$8,565.00) |
| Adjustment of Financial Assistance grants | (\$73,735) |
| Increase in Fees & Charges | \$15,704.00 |
| Increase in Materials Contracts | \$17,313.00 |
| Decrease Interest Reserve Interest. | (\$20,000.00) |
| Decrease in Footpaths | (\$25,0000) |
| Reduction in Plant & Equipment | (\$3,175.00) |
| Increase in Road Funding WSN | \$293,947.00 |
| Increase in road costs | \$352,684.00 |
| Overall Change | \$0.00 |

In considering the above variances and projections within the attached budget review, there has been no change to the closing position, reflected in the Statement of Budget Review by Nature or Type.

Following completion of the budget review, and to properly consider the impact of estimated projections at 30 June 2024, some items have been identified as requiring a budget amendment to properly account for these variances where appropriate.

Required budget amendments have been included in Note 4 of the attached budget review document for information, and also presented as a separate recommendation to the budget review for council consideration.

Statutory Environment

Regulation 33A of the Local Government (Financial Management) Regulations 1996 requires:

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

(2A)(a) Consideration and review is to be given to a local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year.

(b) Consideration and review is to be given to the local government's financial position as at the review date.

(c) Review of the outcomes for the end of the financial year that are forecast in the budget is to be undertaken.

(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.
Section 6.8(1) (b) of the Local Government Act 1995 provides that expenditure can be incurred when not included in the annual budget provided it is authorised in advance by resolution (absolute majority required).*

Policy Implications

Nil

Financial Implications

Authorisation of expenditure through budget amendments recommended. Other specific financial implications are as outlined in the body of this report.

Strategic Implications

Nil

Voting Requirement

Absolute majority

Officer Recommendation

That Council pursuant to Regulation 33A of the Local Government (Financial Management) Regulations 1996, adopts the review of the 2024-2025 Annual Budget (as attached) and acknowledges the proposed revisions to revenue and expenditure estimates contained in the review.

Council Decision

Resolution **AGM-190325-03**

Moved **Cr Corke**

Second **Cr Thompson**

That Council pursuant to Regulation 33A of the Local Government (Financial Management) Regulations 1996, adopts the review of the 2024-2025 Annual Budget (as attached) and acknowledges the proposed revisions to revenue and expenditure estimates contained in the review.

Carried **4/0**

For **Cr J Russell, , Cr L Corke, Cr J Mearns, Cr P Thompson**

Against **Nil**

13 Confidential Reports and Information

14 Urgent Business

15 Closure

There being on further business, the Chair declared the meeting closed at 10.48am

I certify that these minutes were confirmed at the Audit and Governance Committee

held on _____

.....
Presiding Member – Cr Julie Russell

.....Date