



AUDIT COMMITTEE MINUTES

AUDIT COMMITTEE GENERAL MEETING
WEDNESDAY 16 DECEMBER 2020 – 12.30PM



NOTICE OF ORDINARY MEETING OF THE AUDIT COMMITTEE

Dear Elected Member & Community Members,

You are respectfully advised the next Ordinary Audit Committee Meeting of the Shire of Williams will be held on Wednesday 16 December 2020, in the Shire of Williams Council Chambers, 9 Brooking Street, Williams, commencing at 12.30 pm.

A handwritten signature in black ink, appearing to read 'Geoff McKeown', is written in a cursive style.

Geoff McKeown
Chief Executive Officer

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1.0 Declaration of Opening

CEO, Geoff McKeown declared the meeting open at 12.49pm, and in the absence of the President, called for the members of the committee to elect a presiding member to chair the meeting.

Committee Decision

Harding/Panizza

That Cr Medlen be the presiding member to chair the meeting.

Carried 3/0

Cr Medlen assumed the chair at 12.50pm.

2.0 Record of Attendance / Apologies / Leave of Absence

Elected Members

Cr Gilbert Medlen

Cr Simon Harding

Cr Bernie Panizza

Staff

Geoff McKeown - Chief Executive Officer

Cara Ryan - Manager of Finance

Apologies

Cr Jarrad Logie – President

3.0 Confirmation of Previous Minutes

3.1 Audit Committee Meeting Held 19/02/2020

Officer's Recommendation

That the Minutes of the Audit Committee Meeting held 19/02/2020, as previously circulated, be confirmed as a true and accurate record.

Committee Decision

Harding/Panizza

That the Minutes of the Audit Committee Meeting held 19/02/2020, as previously circulated, be confirmed as a true and accurate record.

Carried 3/0

4.0 Matters to be discussed

4.1 Presentation of the 2019-2020 Annual Financial Report, Completion Report and Independent Auditor's Report

File Reference	4.22.00
Statutory Ref.	<i>Local Government Act 1995</i>
Author & Date	Geoff McKeown 23 November 2020
Attachments	Appendix 1 – 2019-2020 Annual Financial Report Appendix 2 – Completion Report Appendix 3 – Auditors Opinion – Shire of Williams – for year ended 30 June 2020

Purpose

To consider and review the Audit Report of the Annual Financial Report for the year ending 30 June 2020 and address any issues presented in the report and recommend to Council any matters that require action to be taken.

Background

Following proclamation of the *Local Government Amendment (Auditing) Act 2017*, the Auditor General has become responsible for the annual financial report audit of the Shire of Williams.

The Auditor General contracted Butler Settineri Audit to perform the Shire of Williams annual financial report audit for the year ending 30 June 2020. The audit procedure has been conducted under the direction of the Auditor General, who retains responsibility for forming the audit opinion and issuing the Audit Report to the Shire.

Comment

On Thursday the 26 November 2020, Cr Jarrad Logie, Cr Simon Harding, Geoff McKeown and Cara Ryan attended an audit exit meeting with Suraj Karki (from the Office of the Auditor General) and Marcia Johnson (from Butler Settineri). Marcia Johnson discussed the key audit matters and audit outcomes.

Once again the Auditor's Opinion letter will report on the Operating Surplus Ratio as a significant adverse trend. It is below the Department of Local Government, Sport and Cultural Industries basic standard of 0.01, and has remained below this for the last three years. The 2019/2020 calculated Operating Surplus Ratio is (0.053).

The opinion letter also includes a finding from the interim audit about the access controls currently available to employees using the Shires accounting software. All finance employees have the ability to make modification in the system to supplier records. This is a limitation in the software to restrict some controls and an ICT Strategic Plan is currently being prepared. This will include investigation for alternative software options.

Other items discussed and contained in the Management Letters, for both the interim and final audit, that are currently being addressed are:

1. The Shire does not have an ICT Strategic Plan,
2. Purchasing Policy provides limited guidance in relation to contract variations and extensions.
3. The Shire has incorrectly recorded 100% of the income and expenditure of the joint venture operation of housing, instead of just recording the Shires portion.

There were no other unresolved issues or outstanding matters. The Auditor has issued an unqualified audit opinion.

Strategic Implications

This item aligns with the community's vision and aspirations as contained in the Shire of Williams Strategic Community Plan 2017 to 2032. Specifically, it relates to the following strategy(s):

CL 2.2 Maintain accountability, transparency and financial responsibility.

Financial Implications

Nil

Voting Requirements

Simple Majority

Officer's Recommendation

That the Audit Committee receives the 2019-2020 Annual Financial Report, including the Audit Completion Report and Independent Auditor's Report as presented. Further, the Audit Committee recommends to Council that it endorse the 2019-2020 Annual Financial Report and note the Audit Completion Report and Independent Auditor's Report.

Committee Decision

Harding/Panizza

That the Audit Committee receives the 2019-2020 Annual Financial Report, including the Audit Completion Report and Independent Auditor's Report as presented. Further, the Audit Committee recommends to Council that it endorse the 2019-2020 Annual Financial Report and note the Audit Completion Report and Independent Auditor's Report.

Carried 3/0

5.0 Business of Urgent Nature

6.0 Closure of Meeting

Cr Medlen declared the meeting closed at 1.04pm.