



AUDIT COMMITTEE MINUTES

AUDIT COMMITTEE GENERAL MEETING
WEDNESDAY 23 JUNE 2021 – 10.00AM



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 23 June 2021, in the Shire of Williams Council Chambers, 9 Brooking Street, Williams, commencing at 10.00 am.

A handwritten signature in black ink, appearing to read 'Geoff McKeown', is positioned above the printed name and title.

Geoff McKeown
Chief Executive Officer

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Table of Contents

1.0	Declaration of Opening	3
2.0	Record of Attendance / Apologies / Leave of Absence	3
3.0	Confirmation of Previous Minutes	3
3.1	Audit Committee Meeting Held 17/03/2021	3
4.0	Matters to be discussed	4
4.1	Audit Entrance and Planning	4
4.2	Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls	6
5.0	Business of Urgent Nature	8
6.0	Closure of Meeting	8

1.0 Declaration of Opening

The President, Cr Logie declared the meeting open at 10.00am

2.0 Record of Attendance / Apologies / Leave of Absence

Elected Members

Cr Jarrad Logie – President (Presiding Member)

Cr Simon Harding

Cr Gilbert Medlen - from 10.09am

Cr Bernie Panizza

Staff

Geoff McKeown - Chief Executive Officer

Cara Ryan - Manager of Finance

Visitors

Suraj Karki – OAG Director, via video call (10.00am to 10.34am)

Tim Partridge – AMD Director, via video call (10.00am to 10.34am)

3.0 Confirmation of Previous Minutes

3.1 Audit Committee Meeting Held 17/03/2021

Officer's Recommendation

That the Minutes of the Audit Committee Meeting held 17/03/2021, as previously circulated, be confirmed as a true and accurate record.

Committee Decision

That the Minutes of the Audit Committee Meeting held 17/03/2021, as previously circulated, be confirmed as a true and accurate record.

Carried 3/0

4.0 Matters to be discussed

4.1 Audit Entrance and Planning

File Reference	4.50.00
Statutory Ref.	<i>Local Government (Auditing) Act 2017</i>
Author & Date	Cara Ryan 18 June 2021
Attachments	2021 Audit Planning Summary (AMD)

Background

The Office of the Auditor General (OAG) is responsible for the audit of all WA Local Governments and has appointed AMD Chartered Accountants (AMD) to conduct the Shire of Williams annual financial audit for a 3 year period, commencing with the audit of this year ended 30 June 2021.

A requirement of the OAG's auditing process is to hold an entrance meeting. The purpose of this meeting is to provide the Shire's Audit Committee and the administration the proposed approach to the audit. AMD have provide an Auditing Planning Summary, which includes the following;

- Introduction
- Terms of Engagement and Appointment
- Our Audit Approach
- Significant Risks and Other Audit Issues
- Audit Emphasis and Significant Account Balances
- Management Representation Letter
- Related Entities
- Reporting Protocols
- Proposed Audit Schedule
- Audit Evidence - Specific Audit Requirements
- Your Audit Team

Comment

The OAG Director, Suraj Karki and AMD's Director, Tim Partridge with be in attendance via video call to discuss the Audit Planning Summary as attached.

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.
- CL 4.4 Monitor and ensure compliance with regulatory framework for local government business.

Financial Implications

Nil

Voting Requirements

Simple Majority

Officer's Recommendation

That the Audit Committee receives the 2021 Audit Planning Summary as presented by Tim Partridge from AMD Chartered Accountants.

Cr Medlen entered the meeting at 10.09am

Committee Decision

That the Audit Committee receives the 2021 Audit Planning Summary as presented by Tim Partridge from AMD Chartered Accountants.

Carried 4/0

Suraj Karki and Tim Partridge left the meeting at 10.34am

4.2 Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls

File Reference	4.22.00
Statutory Ref.	Local Government Act 1995 Local Government (Audit) Regulations 1996
Author & Date	Cara Ryan 21 June 2021
Attachments	Nil

Background

A role of the Audit Committee is to oversee the implementation of any action that the local government is required to take for improvements identified in Audits conducted under *Local Government (Audit) Regulations 1996* – Reg 16. A review of financial management, risk management, legislative compliance and internal controls was conducted in January 2020 and presented to the Audit Committee in February 2020. This review was conducted under the requirements of *Local Government (Financial Management) Regulations 1996* – Regulation 17 and *Local Government (Audit) Regulations 1996* - Regulation 5.

Statutory Environment

Local Government (Audit) Regulations 1996 – Reg 16 (f) states:

16. Functions of audit committee

An audit committee has the following functions —

- (f) to oversee the implementation of any action that the local government —
 - (i) is required to take by section 7.12A(3); and
 - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
 - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
 - (iv) has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);

Local Government (Audit) Regulations 1996 Regulation 17 states:

17. CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
 - (a) risk management; and
 - (b) internal control; and
 - (c) legislative compliance.

(2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

(3) The CEO is to report to the audit committee the results of that review.

Local Government (Financial Management) Regulations 1996 Regulation 5 (2)(c) states:

5. CEO's duties as to financial management

(c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

Comment

A list of matters identified and improvement recommendations were included within the report presented to the Audit Committee in February 2020. A register has subsequently been compiled with actions/treatments for these to be prioritised in accordance with the risk rating. Attached is a copy of the register for the Committee's review.

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 reviews and receives the register of actions/improvements identified within the "Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls".

Committee Decision

That the Audit Committee reviews and receives the register of actions/improvements identified within the "Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls".

Carried 4/0

5.0 Business of Urgent Nature

6.0 Closure of Meeting

Cr Logie declared the meeting closed at 10.53am