



Shire of Cunderdin

Minutes of the Audit Committee Meeting

Dear Council Member,

A Meeting of the Shire of Cunderdin Audit Committee was held on Wednesday 22nd November 2023 in the Cunderdin Shire Council Chambers, Lundy Ave, Cunderdin WA 6407, at 4:30pm.

Stuart Hobley
Chief Executive Officer
22nd November 2023

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MINUTES

1. Declaration of opening

The Shire President declared the meeting open at 4.30pm.

The Shire of Cunderdin disclaimer was read aloud.

The *Local Government Act 1995* Part 5 Division 2 Section 5.25 and *Local Government (Administration) Regulations 1996* Regulation 13.

“No responsibility whatsoever is implied or accepted by the Shire of Cunderdin for any act, omission or statement or intimation occurring during this meeting. It is strongly advised that persons do not act on what is heard at this Meeting and should only rely on written confirmation of Council’s decisions, which will be provided within ten working days of this meeting”.

2. Record of Attendance, Apologies and Approved Leave of Absence

Record of attendances

Councillors

| | |
|-----------------------|------------------------|
| Cr AE (Alison) Harris | Shire President |
| Cr A (Anthony) Smith | Deputy Shire President |
| Cr B (Bernie) Daly | |
| Cr TE (Todd) Harris | |
| Cr NW (Norm) Jenzen | |
| Cr H (Holly) Godfrey | |

Apologies

Cr N (Natalie) Snooke

On Leave of Absence

Nil.

Staff

| | |
|------------------|---------------------------------------|
| Stuart Hobley | Chief Executive Officer |
| Hayley Byrnes | Deputy Chief Executive Officer |
| Samantha Pimlott | Governance and Administration Officer |
| Robert Bell | Manager of Works & Services |

Guests of Council

Nil.

Members of the Public

Nil

3. Public Question Time

Nil.

4. Confirmation of the Minutes of Previous Meetings

4.1 Confirmation of Minutes of Previous Meetings

| | |
|--------------------------------|---|
| Location: | Cunderdin |
| Applicant: | Chief Executive Officer |
| Date: | 20th November 2023 |
| Author: | Hayley Byrnes |
| Item Approved by: | Stuart Hobley, Chief Executive Officer |
| Disclosure of Interest: | Nil |
| File Reference: | Nil |
| Attachment/s: | Attachment 4.1 - Audit Committee Meeting Minutes 15 th June 2023 |

Proposal/Summary

To confirm the minutes of the meeting held on Thursday 15th June 2023.

Background

The minutes have been circulated to all Committee members.

Statutory Environment

Section 5.22 (2) of the *Local Government Act 1995* Section 5.22 (2) requires minutes of all council and committee meetings to be submitted to the next meeting of the council or the committee, as the case requires, for confirmation.

Financial Implications

Nil.

Resolution 4.1 Audit Committee Meeting November 2023

That the minutes of the Audit Committee meeting held on Thursday 15th June 2023 be confirmed.

Moved: Cr B (Bernie) Daly

Seconded: Cr HN (Holly) Godfrey

Vote – Simple majority

Carried: 6/0

5. Finance and Administration

5.1 Annual Audit Report 2022/2023 Financial Year

| | |
|--------------------------------|---|
| Location: | Shire of Cunderdin |
| Applicant: | Deputy Chief Executive Officer |
| Date: | 20th November 2023 |
| Author: | Hayley Byrnes |
| Item Approved by: | Stuart Hobley, Chief Executive Officer |
| Disclosure of Interest: | Nil |
| File Reference: | Nil |
| Attachment/s: | Annual Financial Statements 2022-23 Final Management Letter - For year ended 30 June 2023 SOC Audit Completion Report 2023 DRAFT Opinion- Shire of Cunderdin 2023 2022/2023 Annual Report |

Proposal/Summary

The Audit Committee is asked to adopt and then recommend to Council:

1. the adoption of the 2022/23 Annual Financial Statements,
2. the accompanying Auditor's Final Management Letter and Attachments,
3. arrangements for the holding of an Annual Electors Meeting on Wednesday 20th December 2023, and
4. the adoption of the Annual Report for the 2022/2023 Financial Year.

Background

Section 7.12A, clause 2, of the *Local Government Act 1995* requires that a local government is to meet with the auditor at least once in each financial year.

Council met with the auditors and staff from the Auditor General's office and Dry Kirkness via teleconference on the 22nd November 2023 to discuss the findings of the 2022/23 Audit.

The *Local Government Act 1995*, sections 5.53 & 5.54 provides for a local government to prepare an Annual Report in each financial year.

The Report is to be received by the local government no later than 31 December after that financial year, however if the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

The Report is to be prepared in accordance with the provisions of the Act and the Local Government (Financial Management) Regulations 1996.

Comment

The Shire of Cunderdin received an unqualified audit report insofar as the financial report for 2022/23 has been completed in accordance with relevant legislation, standards and regulations and gives "is based on proper accounts and records" and "fairly represents, in all material respects, the results of the operation 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 Interim Audit Management Letter Findings have been addressed and procedures have been developed and implemented to ensure compliance in the future.

The Management Letter has drawn attention to seven moderate items, these being Asset Stocktakes, IT Governance, Policies and Procedures, Business Continuity, Change Management, Lack of Cyber Security Training, Signed Service Level Agreement with IT Service Provider, Access Management and two minor items Changes to Supplier Master File and Fair Value of Infrastructure assets – Frequency of valuations.

The *Local Government Act 1995*, section 5.26 provides that Council holds a General Meeting of Electors within 56 days of receiving the Annual Report.

Consultation

Dry Kirkness

Office of the Auditor General

Statutory Implications

Local Government Act 1995

7.12A. Duties of local government with respect to audits

(1) A local government is to do everything in its power to —

- (a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and
- (b) ensure that audits are conducted successfully and expeditiously.

(2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.

(3) A local government must —

- (aa) examine an audit report received by the local government; and
- (a) determine if any matters raised by the audit report, require action to be taken by the local government; and
- (b) ensure that appropriate action is taken in respect of those matters.

(4) A local government must —

- (a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
- (b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.

5.27. Electors' general meetings

- (1) A general meeting of the electors of a district is to be held once every financial year.
- (2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.
- (3) The matters to be discussed at general electors' meetings are to be those prescribed.

5.53. Annual reports

- (1) The local government is to prepare an annual report for each financial year.
- (2) The annual report is to contain —
 - (a) a report from the mayor or president; and
 - (b) a report from the CEO; and
 - [(c), (d) deleted]
 - (e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and
 - (f) the financial report for the financial year; and

- (g) such information as may be prescribed in relation to the payments made to employees; and
- (h) the auditor's report for the financial year; and
- (ha) a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and
- (hb) details of entries made under section 5.121 during the financial year in the register of complaints, including —
 - (i) the number of complaints recorded in the register of complaints; and
 - (ii) how the recorded complaints were dealt with; and
 - (iii) any other details that the regulations may require; and
- (i) such other information as may be prescribed.

5.54. Acceptance of annual reports

- (1) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.

* Absolute majority required.

- (2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

Policy Implications

Nil.

Financial Implications

Nil.

Strategic Implications

Nil.

Resolution 5.1 Audit Committee Meeting November 2023

That the Audit Committee:

1. Adopt the 2022/23 Financial Report;
2. Receive the Auditors Report and Management Report from Dry Kirkness for the 2022/23 financial year;
3. Recommend to Council the adoption of the 2022/23 Financial Report, and receipt of the Auditor's Report and Management Report from Dry Kirkness for the 2022/23 financial year; and
4. Recommend to Council that the Annual Electors Meeting be held on Wednesday 20th December 2023 at the Shire of Cunderdin Council Chambers.
5. Pursuant to section 5.54 of the *Local Government Act 1995*, accepts the Annual Report for the 2022/23 Financial Year.

Moved: Cr B (Bernie) Daly

Seconded: Cr TE (Todd) Harris

Vote – Simple majority

Carried: 6/0

5.2 Annual Audit Report 2022/23 Financial Year – Significant Items Report

| | |
|--------------------------------|--|
| Location: | Shire of Cunderdin |
| Applicant: | Deputy Chief Executive Officer |
| Date: | 20 th November 2023 |
| Author: | Hayley Byrnes |
| Item Approved by: | Stuart Hobley, Chief Executive Officer |
| Disclosure of Interest: | Nil |
| File Reference: | Nil |
| Attachments: | Annual Financial Statements 2022-23 Final Management Letter - For year ended 30 June 2023 SOC Audit Completion Report 2023 DRAFT Opinion- Shire of Cunderdin 2023 |

Proposal/Summary

The Local Government Act requires a report to be prepared by the Local Government addressing any matters identified as significant by the auditors in the Council audit report.

Section 7.12A(4) of the Local Government Act 195 States that a local government must: Prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters.

The Audit Committee notes that there were no significant items and eight moderate items listed in the management letter by the auditor in the 2022/23 Audit Report.

Background

The Final Management letter from the 21/22 Audit completed by Dry Kirkness was presented to council on Thursday 27th of April 2023. The letter contained a total of 10 findings of which 5 were rated significant, 4 Moderate and 1 Minor.

Comment

The Shire of Cunderdin Audit Report 2022/23 Final Management letter Identified nine findings of which eight were listed as moderate and one listed as minor.

Consultation

Dry Kirkness
Office of the Auditor General

Statutory Implications

Local Government Act 1995

7.12A. Duties of local government with respect to audits

(1) A local government is to do everything in its power to —

- (a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and*
- (b) ensure that audits are conducted successfully and expeditiously.*

(2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.

(3) A local government must —

- (aa) examine an audit report received by the local government; and*

- (a) determine if any matters raised by the audit report, require action to be taken by the local government; and*
- (b) ensure that appropriate action is taken in respect of those matters.*

(4) A local government must —

- (a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and*
- (b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.*

Policy Implications

Nil.

Financial Implications

Nil.

Strategic Implications

Nil.

Resolution 5.2 Audit Committee Meeting November 2023

That the Audit Committee:

1. Notes that there were no significant items, eight moderate items and one minor item listed in the management letter by the auditor in the 2022/23 Audit Report.
2. Acknowledge the work of the Deputy CEO in the preparation of the Annual Financial Statements.

Moved: Cr NW (Norm) Jenzen

Seconded: Cr A (Tony) Smith

Vote – Simple majority

Carried: 6/0

6. Closure of meeting

There being no further business the Shire President is to declare the meeting closed at 4.45pm.