

SHIRE OF KOORDA

MINUTES

AUDIT COMMITTEE MEETING

Wednesday 16th December 2020

5.30pm



Shire of
Koorda

Drive in, stay awhile

CHAIRPERSON: TBD
CEO: DJ SIMMONS

Notice is hereby given that a Meeting of the Shire of Koorda Audit Committee will be held in Council Chambers, 10 Haig Street, Koorda commencing at 5.30pm on Wednesday, 16th December 2020.



Darren Simmons
Chief Executive Officer

DISCLOSURE OF INTEREST

✦ WRITTEN

- Prior to meeting
- CEO to advise Presiding Person
- Reported to meeting immediately before item discussed
- Standard form may be used

✦ VERBAL

- No round robin at start of meeting
- Advise immediately before item discussed

✦ TO BE DISCLOSED

- Nature of interest
- Extent if vote on participation held.



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In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a license, and statement or intimation of approval made by a member or officer of the Shire of Koorda during the course of any meeting is not intended to be and is not to be taken as notice of approval from the Shire of Koorda.

The Shire of Koorda warns that anyone who has any application lodged with the Shire of Koorda must obtain and should only rely on **written confirmation** of the outcome of the application, and any conditions attaching to the decision made by the Shire of Koorda in respect of the application.

To be read aloud if any member of the public is present.

Signed



DJ Simmons
CHIEF EXECUTIVE OFFICER

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1 DECLARATION OF OPENING

The Chief Executive Officer declared the meeting open at 5.30pm

2 RECORD OF ATTENDANCE

2.1 Record of Attendance:

Cr JM Stratford (Member)
Cr G Storer (Member)
Cr PL McWha (Member) - **Apology**
Cr LC Smith (Deputy Member) - **Member**

Darren Simmons, CEO
Lana Foote, DCEO

2.2 Announcement of Visitors

Cr GL Boyne
Cr BG Cooper

Phone Attendance:

Ms Ann Ang, Assistant Director, Office of the Auditor General WA
Ms Leanne Oliver, Director, Audit Partners Australia
Mr Vishal Desai, Senior Auditor, Audit Partners Australia

2.3 Apologies:

3 ELECTION OF PRESIDING AND DEPUTY PRESIDING MEMBER

The Committee are to elect a Presiding Member from amongst themselves in accordance with s5.12 of the Local Government Act 1995:

(1) The members of a committee are to elect a presiding member from amongst themselves in accordance with Schedule 2.3, Division 1 as if the references in that Schedule—

- (a) to “office” were references to “office of presiding member”; and*
- (b) to “council” were references to “committee”; and*
- (c) to “councillors” were references to “committee members”.*

(2) The members of a committee may elect a deputy presiding member from amongst themselves but any such election is to be in accordance with Schedule 2.3, Division 2 as if the references in that Schedule—

- (a) to “office” were references to “office of deputy presiding member”; and*
- (b) to “council” were references to “committee”; and*
- (c) to “councillors” were references to “committee members”; and*
- (d) to “mayor or president” were references to “presiding member”.*

Once the Committee have elected their Presiding Member, the Chief Executive Officer will hand the meeting over to them.

COMMITTEE DECISION
Officer Recommendation**Moved CR LC Smith****Seconded CR G Storer****That the Minutes of the previous Audit Committee Meeting held on the 18th February 2020, as circulated be confirmed and certified as a true and accurate record.****CARRIED: 3/0**

UNCONFIRMED

COMMITTEE DECISION
Officer Recommendation

Moved Cr G Storer

Seconded Cr LC Smith

That Standing Orders be suspended at 5.32pm to discuss item 5.1 2019/2020 Annual Audit Process.

CARRIED: 3/0

5.33pm – McWha entered -
 Cr LC Smith back to deputy member -

5.51pm – Ms Ann Ang, Ms Leanne Oliver and Mr Vishal Desai disconnected from phone attendance.

COMMITTEE DECISION
Officer Recommendation

Moved Cr G Storer

Seconded Cr PL McWha

That Standing Orders be resumed at 5.54pm with attendance as per attendance register.

CARRIED: 3/0

5.1 2019/2020 ANNUAL AUDIT PROCESS

Section 5.23 – Applicability

Location:

Portfolio:

Governance, Administration and Finance
 Cr JM Stratford

File Reference:

ADM 0114

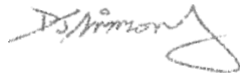
Disclosure of Interest:

No interest declared by the CEO

Author:

Lana Foote, Deputy Chief Executive Officer

Signature of CEO



Attachment:

Annual Report, Draft Annual Financial Statements, Draft Independent Auditor's Opinion

Background:

The Draft Independent Auditor's Opinion on the Audit of the Financial Report for the year ending 30 June 2020 has been received. Copies of audit process documents have been provided to the Councillors under separate cover.

This meeting will act as an exit meeting as part of the new audit requirements with the Office of Auditor General.

The Chief Executive Officer has reviewed the draft audited financials in readiness to return to the Auditor General. The Auditor General will respond and issue the final report and sign off within three to five business days. We anticipate that if any documents change, they will be referred to a future Audit Committee meeting, to consider and recommend to Council the adoption of the modified Annual Financial Statements and External Auditors Report for the year ending 30 June 2020.

Comment

Subject to the Auditor General's confirmation of the Draft Annual Financial Statements and Auditors report as presented, as part of the following item *11.2.4 Annual Reporting Requirements*, Council will consider receiving and adopting the Shire of Koorda Annual Report for the year ended 2019/2020.

The audit report raised no new concerns. The auditor comments are clearly identified in the bellow section (the blue text being the findings from the audit, and the black text being the management comment). The below blue exerts are from the Audit opinion, hence the personal comments.

In accordance with the *Local Government (Audit) Regulations 1996* the Auditor reports that;

- (i) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written law were identified during the course of my audit:

- a. The Shire has not reported the Asset Renewal Funding Ratio for 2019 and 2018 in the annual financial report as required by section 50(1) of the *Local Government (Financial Management) Regulations 1996*, as management could not confirm the reliability of the available information on planned capital renewals and required capital expenditure in the long-term financial plan and asset management plan respectively.

The management team supports the finding and in 2019/2020 engaged specialist external consultants to assist staff in developing and maintaining a new combined asset management and long-term financial plan in order to provide the verifiable information. The plan was endorsed at a Special meeting of Council held on 29 June 2020 (RES: 110620).

Reasonable assumptions to support an accurate and robust calculation of the asset renewal funding ratio for the 2019-20 and future financial years is now evident.

- (ii) All required information and explanations were obtained by me.

- (iii) All audit procedures were satisfactorily completed.

- (iv) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

No final management letter was issued.

Consultation:

Darren Simmons, CEO, Shire of Koorda

Vishal Desai, Senior Auditor, Audit Partners Australia

Leanne Oliver, Director, Audit Partners Australia
Ann Ang, Assistant Director, Office of the Auditor General for WA

Statutory Environment:

Local Government Act 1995 Section 6.10 & 7.9(1)
Local Government Financial Management Regulation 1996 Part 2
Local Government (Audit) Regulations 1996 – Reg 10

Policy Implications:

Nil

Financial Implications:

Nil

Strategic Implications:

- C 1.1 - Enhance open and interactive communication between Council and the community (ongoing)
- C 3.2 - Enhance the capacity and effectiveness of administrative processes (short term)
- C 3.3 - Provide reporting processes in a transparent, accountable and timely manner (short term)

Voting Requirement:

Simple majority

COMMITTEE DECISION
Office Recommendation

Moved CR PL McWha

Seconded CR JM Stratford

The Audit committee recommends to Council that the report of the Deputy Chief Executive Officer outlining the 2019/2020 annual audit process, subject to no change in the issued Draft Audit Opinion, be endorsed.

CARRIED: 3/0

Thanks and congrats for work behind the scenes Darren & Lana

6 CONFIDENTIAL BUSINESS

7 DATE OF NEXT MEETING

The next Audit Committee meeting is scheduled for when required.

8 CLOSURE

The chairperson declared the meeting closed at 5.56 pm

Signed

Presiding person at the meeting at which the minutes were confirmed

Date: TBC

