



AGENDA

Audit Committee Meeting

14 November 2023

4:00pm

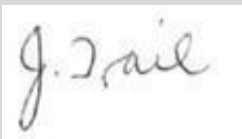
**Kambalda Recreation Centre, Barnes Drive,
Kambalda**

SHIRE OF COOLGARDIE

NOTICE OF AUDIT COMMITTEE MEETING

Dear Elected Member

The next Audit Committee Meeting of the Shire of Coolgardie will be held on Tuesday 14 November 2023 commencing at 4:00pm.

A rectangular box containing a handwritten signature in cursive script that reads "J. Trail".

JAMES TRAIL
CHIEF EXECUTIVE OFFICER

DISCLAIMER

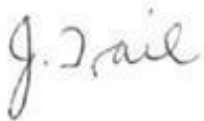
INFORMATION FOR PUBLIC ATTENDING COUNCIL MEETINGS

PLEASE NOTE:

THE RECOMMENDATIONS CONTAINED IN THIS AGENDA ARE OFFICERS RECOMMENDATIONS ONLY AND SHOULD NOT BE ACTED UPON UNTIL COUNCIL HAS RESOLVED TO ADOPT THOSE RECOMMENDATIONS.

THE RESOLUTIONS OF COUNCIL SHOULD BE CONFIRMED BY PERUSING THE MINUTES OF THE COUNCIL MEETING AT WHICH THESE RECOMMENDATIONS WERE CONSIDERED.

MEMBERS OF THE PUBLIC SHOULD ALSO NOTE THAT THEY ACT AT THEIR OWN RISK IF THEY ENACT ANY RESOLUTION PRIOR TO RECEIVING OFFICIAL WRITTEN NOTIFICATION OF COUNCILS DECISION.



James Trail
CHIEF EXECUTIVE OFFICER

Order Of Business

1	Declaration of Opening / Announcement of Visitors	5
2	Record of Attendance / Apologies / Approved Leave of Absence.....	5
3	Declarations of Interest	5
3.1	Declarations of Financial Interests – Local Government Act Section 5.60A	5
3.2	Declarations of Proximity Interests – Local Government Act Section 5.60B.....	5
3.3	Declarations of Impartiality Interests – Shire of Coolgardie Code of Conduct for Council Members, Committee Members and Candidates for Election, Code of Conduct for Employees.....	5
4	Confirmation of Minutes of Previous Meetings.....	6
4.1	Minutes of the Audit Committee Meeting held on 14 March 2023	6
5	Reports of Officers	7
5.1	Executive Services	7
5.1.1	Appointment of Chair and Deputy Chair of the Audit Committee.....	7
5.1.2	Risk Area Summary.....	9
5.2	Operation Services.....	11
5.2.1	Workplace Health and Safety Report	11
5.2.2	Geo Credit Card Listing From February 2023 to September 2023	13
5.2.3	Annual Financial Report for the year ended 30 June 2023.....	15
6	New Business of an Urgent Nature Introduced by Decision of Meeting	21
6.1	Elected Members.....	21
6.2	Council Officers	21
7	Closure of Meeting.....	21

- 1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**
- 2 RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE**
- 3 DECLARATIONS OF INTEREST**
 - 3.1 Declarations of Financial Interests – Local Government Act Section 5.60A**
 - 3.2 Declarations of Proximity Interests – Local Government Act Section 5.60B**
 - 3.3 Declarations of Impartiality Interests – Shire of Coolgardie Code of Conduct for Council Members, Committee Members and Candidates for Election, Code of Conduct for Employees**

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

4.1 MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 14 MARCH 2023

Date: 8 November 2023

Author: Kasey Turner, Executive Assistant

ATTACHMENTS

Nil

VOTING REQUIREMENT

Simple majority

AUDIT COMMITTEE RESOLUTION AND OFFICER RECOMMENDATION

That the Minutes of the Audit Committee Meeting held on 14 March 2023 be confirmed as a true and accurate record.

5 REPORTS OF OFFICERS

5.1 Executive Services

5.1.1 APPOINTMENT OF CHAIR AND DEPUTY CHAIR OF THE AUDIT COMMITTEE

Location: Shire of Coolgardie

Applicant: NIL

Disclosure of Interest: NIL

Date: 23 October 2023

Author: Rebecca Horan, Executive Manager Governance and Administration

SUMMARY

For the Audit Committee to endorse the appointment of Chair and Deputy Chair of the Audit Committee.

BACKGROUND

Council makes many appointments to statutory and community Boards and Committees, including its own internal bodies.

Many such appointments expire after the Ordinary elections every 2 years, and it is appropriate that the various appointments be made to various committees, boards and groups be reviewed accordingly.

COMMENT

CONSULTATION

Chief Executive Officer, James Trail

STATUTORY ENVIRONMENT

Local Government Act 1995

5.12. Presiding members and deputies, election of

- (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”.

POLICY IMPLICATIONS

Policy - Audit Committee – Terms of Reference

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Accountable and effective leaders

High quality corporate governance, accountability and compliance

ATTACHMENTS

Nil

VOTING REQUIREMENT

Absolute Majority

AUDIT COMMITTEE RESOLUTION AND OFFICER RECOMMENDATION

That the Audit Committee appoints the following Council Members as the Chair and Deputy Chair of the Audit Committee, for a period expiring at the next Ordinary elections in October 2025.

_____ **Chair**

_____ **Deputy Chair**

5.1.2 RISK AREA SUMMARY

Location: All areas
Applicant: Nil
Disclosure of Interest: Nil
Date: 7 November 2023
Author: Rebecca Horan, Executive Manager Governance and Administration

SUMMARY

That the Audit committee receive the risk area summary report as attached and recommend that the report be received by Council.

BACKGROUND

Management staff have been trained to use the risk reporting system (PULSE) and are managing their risks through this system. Staff will be able to report to the Audit committee quarterly or as requested.

COMMENT

All risks have been entered into the PULSE system and those risk owners are to action them accordingly.

CONSULTATION

Management Staff

STATUTORY ENVIRONMENT

Local Government (Audit) Regulation 17

POLICY IMPLICATIONS

Policy Number 2.12 Occupational Safety and Health

Policy 2.6 Risk Management

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS**Accountable and effective leaders**

High quality corporate governance, accountability and compliance

ATTACHMENTS

1. Risk Area Summary Report - November 2023

VOTING REQUIREMENT

Simple majority

AUDIT COMMITTEE RESOLUTION AND OFFICER RECOMMENDATION

That Audit Committee **RECEIVE** the Risk Area Summary report as attached and **RECOMMEND** the report be received by Council.

5.2 Operation Services

5.2.1 WORKPLACE HEALTH AND SAFETY REPORT

Location: Shire of Coolgardie

Applicant: Nil

Disclosure of Interest: Nil

Date: 14 November 2023

Author: Kathy Brooking, Leisure & Recreation Development Manager

SUMMARY

That the Audit Committee receive the Workplace Health and Safety Report in terms of progress.

BACKGROUND

Shire staff have been working in consultation with Nicole Tynan from HSE Collective within the area of Workplace health and Safety across the organisation.

COMMENT

Compliance to WHS Act and Regulations requires the Shire to maintain records and processes in accordance with the Act. Ensuring safety of staff, contractors and public is a primary responsibility and role of the Shire.

CONSULTATION

Shire Staff

Contractors

HSE Collective

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Accountable and effective leaders

High quality corporate governance, accountability and compliance

ATTACHMENTS

1. WHS Audit Committee Report November 2023

VOTING REQUIREMENT

Simple majority

AUDIT COMMITTEE RESOLUTION AND OFFICER RECOMMENDATION

That the Audit Committee RECEIVE the updated Workplace Health and Safety Report.

5.2.2 CEO CREDIT CARD LISTING FROM FEBRUARY 2023 TO SEPTEMBER 2023

Location: Nil

Applicant: Nil

Disclosure of Interest: CEO, James Trail has a financial interest in this item. In accordance with section 5.70(2) of the Local Government Act 1995, I declare a financial interest in the agenda item List of credit card payments. The interest is in relation to CEO credit card vouchers.

Date: 6 November 2023

Author: Corina Morgan, Finance Manager

SUMMARY

For the Audit Committee to receive the list of credit card payments from February 2023 to September 2023 for the Chief Executive Officer.

BACKGROUND

The Local Government (Financial Management) Regulations 1996, Regulation 13(3)(b) requires that Council receive a list of credit cards paid in the month, and that this be recorded in the minutes. Council has delegated to the Chief Executive Officer that authority to make these payments from the Municipal and Trust Funds.

COMMENT

The schedule of payments made under delegated authority as summarised below and recommended to be received by the audit committee, has been checked and is supported by vouchers and invoices which have been duly certified as to the receipt of goods and provision of services, and verification of process and costings.

It is deemed prudent that all Chief Executive Officer credit card vouchers now be presented to the Audit Committee for consideration and recommendation to Council. This is particularly the case given the authorisation required for the Chief Executive Officer credit card.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulations 1996, Regulation 13 – List of Accounts.

POLICY IMPLICATIONS

CS-PROCUREMENT POLICY. Policy CS-11 as amended, sets the guides with regards to the purchase of goods or services provided.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS**Accountable and effective leaders**

Maintain integrated strategic and operational plans

ATTACHMENTS**1. CEO Credit Card Listing for February 2023 to September 2023**

VOTING REQUIREMENT

Simple majority

AUDIT COMMITTEE RESOLUTION AND OFFICER RECOMMENDATION

That the Audit Committee,

- 1. Accept listing (attached) of credit card invoices totalling \$61,928.11 paid from February 2023 to September 2023 by the Chief Executive Officer under delegated authority of Council.**
- 2. Recommend the Council receive the listing of credit card invoices totalling \$61,928.11 paid from the period February 2023 to September 2023 by the Chief Executive Officer under delegated authority.**
- 3. Recommend to Council the Shire President authorise the credit card vouchers totalling \$61,928.11 paid from the period February 2023 to September 2023 by the Chief Executive Officer under delegated authority.**

5.2.3 ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

Location: Shire of Coolgardie
Applicant: Shire of Coolgardie
Disclosure of Interest: Nil
Date: 7 November 2023
Author: Martin Whitely, Consultant

SUMMARY

That the Audit Committee;

- Endorse the Chief Executive Officer response to the Audit Report for the period ending 30 June 2023 and recommend Council receive the Audit Report;
- Endorse the Action Report as attached and recommend the Report be received by Council;
- Recommend Council adopts the Annual Financial Report and OAG Audit Report for the year ended 30 June 2023.

Should any significant matters be raised in the Audit Report then an additional recommendation as below would also be applied;

- Recommend to Council that the Action Report be forwarded to the Minister in accordance with s 7.12A (4) of the Local Government Act 1995.

BACKGROUND

Pursuant to Section 7.9 of the *Local Government Act 1995* ("LGA"), an Auditor is required to examine the accounts and annual financial report submitted by a local government for audit. The Auditor is also required, by 31 December following the financial year to which the accounts and report relate, prepare a report thereon and forward a copy of that report to:

- (a) Mayor or President; and
- (b) The Chief Executive Officer; and
- (c) The Minister.

Furthermore, in accordance with Regulation 10(4) of the *Local Government (Audit) Regulations 1996* ("Audit Regulations"), where it is considered appropriate to do so, the Auditor may prepare a Management Report to accompany the Auditor's Report, which is also to be forwarded to the persons specified in Section 7.9 of the LGA.

On finalisation of the Shire's 2023 final audit, the Office of the Auditor General will forward the Annual Financials Statements along with the Audit Report and the Audit Findings.

The Audit Committee is required to examine the reports of the auditor after receiving a report from the Chief Executive Officer ("CEO") on the matters reported 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.

The Audit Committee is also required to review a report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and present the report to Council for adoption.

Matters identified as significant by the auditor in the audit report must state what action the local government has taken or intends to take with respect to each of those matters. In addition, a copy of that report is to be forwarded to the Minister within 3 months after the audit report is received by the local government.

Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

The Audit Committee is requested to consider and recommend adoption of the annual financial report to Council.

COMMENT

There were 2 matters raised in the Interim Management Letter;

1. Inadequate monitoring of portable and attractive assets
2. Insufficient quotes obtained per Shire's Purchasing policy

Notwithstanding that adhering to the Shire's Procurement Policy is ongoing, both matters were addressed prior to the final audit.

Following is the CEO's report to the Audit Committee on matters arising from the audit management report.

NOTE

To be provided to audit committee prior to the meeting if available. If not an additional audit committee meeting will need to be convened once OAG Final Reports received

CONSULTATION

RSM

Office Auditor General

Shire Staff

STATUTORY ENVIRONMENT

Local Government Act 1995

6.4. Financial report

- (1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.
- (2) The financial report is to —
 - (a) be prepared and presented in the manner and form prescribed; and
 - (b) contain the prescribed information.
- (3) By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —
 - (a) the accounts of the local government, balanced up to the last day of the preceding financial year; and
 - (b) the annual financial report of the local government for the preceding financial year.

7.9. Audit to be conducted

- (1) An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —
 - (a) the mayor or president; and
 - (b) the CEO of the local government; and
 - (c) the Minister.

- (2) Without limiting the generality of subsection (1), where the auditor considers that —
 - (a) there is any error or deficiency in an account or financial report submitted for audit; or
 - (b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or
 - (c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.
- (3) The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —
 - (a) prepare a report thereon; and
 - (b) forward a copy of that report to the Minister,and that direction has effect according to its terms.
- (4) If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government.

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) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

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.

Local Government (Audit) Regulations 1996

10. Report by auditor

- (1) An auditor's report is to be forwarded to the persons specified in section 7.9(1) within 30 days of completing the audit.
- (2) The report is to give the auditor's opinion on —
- (a) the financial position of the local government; and
 - (b) the results of the operations of the local government.
- (3) The report must include a report on the conduct of the audit.

[(4A) *deleted*]

- (4) Where it is considered by the auditor to be appropriate to do so, the auditor is to prepare a management report to accompany the auditor's report and to forward a copy of the management report to the persons specified in section 7.9(1) with the auditor's report.

Local Government (Financial Management) Regulations 1996

17A. Valuation of certain assets for financial reports

- (1) In this regulation —

carrying amount, in relation to a non-financial asset, means the carrying amount of the non-financial asset determined in accordance with the AAS;

fair value, in relation to a non-financial asset, means the fair value of the non-financial asset measured in accordance with the AAS;

last valuation date, in relation to a non-financial asset of a local government, means —

- (a) if the asset has been revalued by the local government — the date of the last revaluation;
- (b) otherwise — the date of acquisition by the local government;

reportable value — see subregulation (4);

right-of-use asset, of a local government, includes the local government's right to use —

- (a) Crown land; or
- (b) other land that is not owned by the local government,

that is vested in the local government at nil or nominal cost for an indefinite period for the purpose of roads or for any other purpose;

vested improvement, in relation to a local government, means a pre-existing improvement on land of which the care, control or management is vested in the local government at nil or nominal cost for an indefinite period.

- (2) A local government must show in each financial report for a financial year ending on or after 30 June 2020 —
- (a) the reportable value of all of the non-financial assets of the local government that are —
 - (i) land and buildings that are classified as property, plant and equipment; or
 - (ii) investment properties; or
 - (iii) infrastructure; or

- (iv) vested improvements that the local government controls;
 - and
 - (b) the carrying amount of all of the non-financial assets of the local government that are plant and equipment type assets measured using the cost model in accordance with the AAS;
 - and
 - (c) the carrying amount of all of the right-of-use assets of the local government (other than vested improvements referred to in paragraph (a)(iv)) measured using the cost model in accordance with the AAS.
- [(3) *deleted*]
- (4) For the purposes of subregulation (2)(a), the **reportable value** of a non-financial asset of a local government is the fair value of the asset as at its last valuation date minus the following (to the extent applicable) —
 - (a) the accumulated depreciation in respect of the asset subsequent to its last valuation date;
 - (b) the accumulated impairment losses in respect of the asset subsequent to its last valuation date.
- (4A) A local government must revalue a non-financial asset of the local government referred to in subregulation (2)(a) as follows —
 - (a) if the asset is an investment property —
 - (i) whenever required under the AAS known as AASB 140; and
 - (ii) in any event, on the day after the period of 5 years beginning on the asset's last valuation date;
 - (b) otherwise — on the day after the period of 5 years beginning on the asset's last valuation date.
- (4B) A local government —
 - (a) is not required to revalue a non-financial asset of the local government referred to in subregulation (2)(a) otherwise than as required under subregulation (4A); but
 - (b) may revalue the asset earlier than is required under subregulation (4A) if the local government chooses to do so.
- (4C) A local government is not required to comply with the AAS known as AASB 136 to determine the recoverable amounts of its non-financial assets referred to in subregulation (2)(a) for an impairment indicator of a general decrease in asset values.
- (5) A non-financial asset is to be excluded from the assets of a local government if the fair value of the asset as at the date of acquisition by the local government is under \$5 000.

17B. CEO to take steps to protect excluded portable and attractive assets

A CEO must take all reasonable steps to prevent the theft or loss of —

- (a) a non-consumable asset that is susceptible to theft or loss due to its portable nature and attractiveness for personal use or resale; and
- (b) an asset referred to in regulation 17A(5).

POLICY IMPLICATIONS

02 Investment of Surplus Funds

21 Risk Management

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS**Accountable and effective leaders**

High quality corporate governance, accountability and compliance

Demonstrating sound financial management and plans for the Shire's long term financial sustainability

Ensuring the Shire of Coolgardie is well positioned to meet future needs

ATTACHMENTS

1. **2022/23 Draft Annual Financial Statements**

VOTING REQUIREMENT

Absolute Majority

AUDIT COMMITTEE RESOLUTION AND OFFICER RECOMMENDATION

That the Audit Committee;

1. **Recommend Council receive the Chief Executive Officer response to the Audit Report for the period ending 30 June 2023;**
2. **Receive the Management Action Report as attached and recommend the Report be received by Council;**
3. **Recommend Council receive the Audit Management Report**
4. **Recommend Council adopts the Annual Financial Report and OAG Audit Report for the year ended 30 June 2023**
5. **Recommend to Council that the action report be forwarded to the Minister in accordance with s 7.12A of the Local Government Act 1995.**

- 6 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING**
- 6.1 Elected Members**
- 6.2 Council Officers**
- 7 CLOSURE OF MEETING**