

SHIRE OF MOORA
AUDIT COMMITTEE MINUTES
19 APRIL 2022
HELD IN THE COUNCIL CHAMBERS, MOORA

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* Separate Attachments
Item 4.1 Annual Financial Report for the Year Ended 30 June 2022; Independent Audit Report for the Year Ended 30 June 2022; and Final Management Letter Responses 2022
Item 4.2 2022 Compliance Audit Return

1. DECLARATION OF OPENING

The Presiding Member declared the meeting open at 3.46pm.

2. ATTENDANCE & APOLOGIES

ATTENDANCE

TL Lefroy	-	President/ Presiding Member
SJ Gilbert	-	Deputy President
TL Errington	-	Councillor
DV Clydesdale-Gebert	-	Councillor
EI Hamilton	-	Councillor
KM Seymour	-	Councillor
SA Bryan	-	Councillor
GW Robins	-	Chief Executive Officer

3. CONFIRMATION OF MINUTES

3.1 **AUDIT COMMITTEE MEETING - 16 MARCH 2022**

COMMITTEE RESOLUTION

30/23 Moved Cr Gilbert, seconded Cr Hamilton that the Minutes of the Audit Committee Meeting held on 16 March 2022 be confirmed as a true and correct record of the meeting.

CARRIED 7/0

4. REPORTS OF OFFICERS

4.1 **ANNUAL FINANCIAL REPORT AND INDEPENDENT AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2022**

FILE REFERENCE: F/AUD-3

REPORT DATE: 17 April 2023

OFFICER DISCLOSURE OF INTEREST:

PREVIOUS MEETING REFERENCES: Nil

AUTHOR: Rhona Hawkins, Consultant Financial Services

ATTACHMENTS: Annual Financial Report for the Year Ended 30 June 2022
Independent Audit Report for the Year Ended 30 June 2022
Final Management Letter Responses 2022

PURPOSE OF REPORT:

The Audit Committee is requested to examine the Annual Financial Report for the year ending 30 June 2022 and recommend its adoption by Council.

BACKGROUND:

The purpose and responsibilities of the Audit Committee is outlined in Part 7 of the Local Government Act 1995. One of the Audit Committee's responsibilities is to examine the reports of the auditor. The committee would then determine if any matters raised in the reports require action to be taken by the local government and to ensure that appropriate action is implemented. The Audit Committee is to receive and authorise a report relating to the audit prepared by the Chief Executive Officer that is subsequently to be sent to the Minister.

COMMENT:

The Annual Financial Report for the Year Ended 30 June 2022 forms part of the 2021/22 Annual Report.

The Independent Audit Report to the Electors of the Shire of Moora is provided as a separate attachment to this agenda and is included in the 2021/22 Annual Report and Annual Financial Statements as required under the Act.

The Management Letter received from the OAG dated 13 April 2023, noted the annual audit was generally satisfactory. However, there were 13 Findings identified during the Final Audit as areas for improvement within the internal controls and these are listed in the attachment along with comments from the responsible officer. These findings will be rectified and procedures updated to reflect best practice.

POLICY REQUIREMENTS:

There are no known policy requirements related to this matter.

LEGISLATIVE REQUIREMENTS:

Local Government Act 1995 and Local Government (Financial Management) Regulations 1996.

STRATEGIC IMPLICATIONS:

Presentation of the audit report to the Management and Audit Committee assists to improve the governance role of Council.

SUSTAINABILITY IMPLICATIONS:

- **Environment**
There are no known significant environmental implications associated with this proposal.
- **Economic**
There are no known significant economic implications associated with this proposal.
- **Social**
There are no known significant social implications associated with this proposal.

FINANCIAL IMPLICATIONS:

Nil

VOTING REQUIREMENTS:

Simple Majority Required

COMMITTEE RECOMMENDATION

31/23 Moved Cr Gilbert, seconded Cr Bryan that it is recommended Council note and receive the Annual Financial Report for the year ended 30 June 2022 including the Independent Audit Report and Final Management Letter Responses 2022.

CARRIED 7/0

4.2 **SHIRE OF MOORA ANNUAL COMPLIANCE AUDIT RETURN FOR 2022**

FILE REFERENCE: GA/SCO2

REPORT DATE: 17 April 2023

APPLICANT/PROPONENT: N/A

OFFICER DISCLOSURE OF INTEREST: The author has no financial or other interest in this matter.

PREVIOUS MEETING REFERENCES: N/A

AUTHOR: Rhona Hawkins, Consultant Financial Services

ATTACHMENTS: 2022 Compliance Audit Return

PURPOSE OF REPORT:

The statutory Compliance Audit Return (CAR) has been completed for the 2022 calendar year and is being presented for consideration and report the results of the review to Council.

BACKGROUND:

Each local government is required to carry out a compliance audit for the period 1 January to 31 December in the manner and form prescribed, whether of a financial nature or not.

The Audit Committee is to review the CAR and report to Council the results of the review (*r.14 Local Government (Audit) Regulations 1996*). The CAR is then presented to Council for adoption, and a certified copy along with the relevant section of the minutes and any additional information explaining or qualifying the compliance audit is to be submitted to the Department of Local Government, Sport and Cultural Industries by 31 March.

The Return is considered a very useful device for local governments to check their level of compliance with the legislative requirements of the *Local Government Act 1995* and other relevant legislation, as well as forming an important part of the Shire's monitoring program.

COMMENT:

The purpose of the annual CAR is for individual local governments to assess their level of compliance with the Local Government Act 1995 and associated Regulations.

There were 11 categories this year:

- Commercial Enterprises by Local Governments
- Delegation of Power/Duty
- Disclosure of Interest
- Disposal of Property
- Elections
- Finance
- Local Government Employees
- Official Conduct

- Tenders for Providing Goods and Services
- Integrated Planning and reporting
- Optional Questions

The report is provided in the attachment for further review.

POLICY REQUIREMENTS:

Nil

LEGISLATIVE REQUIREMENTS:

Local Government Act 1995, s. 7.13(1)(i) and r. 14 and 15 of the Local Government (Audit) Regulations 1996 as set out below;

14. Compliance audits by local governments

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3A) The local government’s audit committee is to review the compliance audit return and is to report to the council the results of that review.
- (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —
 - (a) presented to the council at a meeting of the council; and
 - (b) adopted by the council; and
 - (c) recorded in the minutes of the meeting at which it is adopted.

15. Certified copy of compliance audit return and other documents to be given to Departmental CEO

- (1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —
 - (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
 - (b) any additional information explaining or qualifying the compliance audit,
 is to be submitted to the Departmental CEO by 31 March next following the period to which the return relates.
- (2) In this regulation —

certified in relation to a compliance audit return means signed by —

 - (a) the mayor or president; and
 - (b) the CEO.

STRATEGIC IMPLICATIONS:

There are no known strategic implications associated with this proposal.

SUSTAINABILITY IMPLICATIONS:

- **Environment**
There are no known significant environmental implications associated with this proposal.
- **Economic**

There are no known significant economic implications associated with this proposal.

➤ **Social**

There are no known significant social implications associated with this proposal.

FINANCIAL IMPLICATIONS:

Nil

VOTING REQUIREMENTS

Simple Majority Required

COMMITTEE RECOMMENDATION

32/23 *Moved Cr Clydesdale-Gebert, seconded Cr Lefroy that it is recommended Council adopts the attached Compliance Audit Return for the 2022 Calendar Year (1 January 2022 to 31 December 2022) and forward with the duly signed Joint Certification by the President and Chief Executive Officer, to the Department of Local Government, Sport and Cultural Industries.*

CARRIED 7/0

5. CLOSURE OF MEETING

There being no further business, the Presiding Member declared the meeting closed at 4.14pm.

CONFIRMED

PRESIDING MEMBER