



**Shire of Wyalkatchem Audit and Risk Committee (ARC)
Meeting Minutes, held on Thursday 17 February 2022,
at 3.00pm in the Council Chambers,
Honour Avenue, Wyalkatchem**

Regulation 16 of the Local Government (Audit) Regulations 1996 states that:

“An audit committee —

- a)** is to provide guidance and assistance to the local government —
 - i.** as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
 - ii.** as to the development of a process to be used to select and appoint a person to be an auditor; and**

- b)** may provide guidance and assistance to the local government as to —
 - i.** matters to be audited; and*
 - ii.** the scope of audits; and*
 - iii.** its functions under Part 6 of the Act; and*
 - iv.** the carrying out of its functions relating to other audits and other matters related to financial management; and**

- c)** is to review a report given to it by the CEO under regulation 17(3) (the CEO’s report) and is to —
 - i.** report to the council the results of that review; and*
 - ii.** give a copy of the CEO’s report to the council.”**

Preface

When the Chief Executive Officer approved these Minutes for distribution they are in essence “*Unconfirmed*” until the following Audit and Risk Management Meeting where the minutes will be confirmed subject to any amendments.

The “*Confirmed*” Minutes are then signed off by the Presiding Member

Unconfirmed Minutes

These minutes were approved for distribution on 24 February 2022.

Peter Klein
Chief Executive Officer
Shire of Wyalkatchem

TABLE OF CONTENTS

1. DECLARATION OF OPENING.....	4
2. PUBLIC QUESTION TIME	4
3. ATTENDANCE /APOLOGIES/LEAVE OF ABSENCE	4
4. PETITIONS, DEPUTATIONS, PRESENTATIONS	4
5. DECLARATIONS OF INTEREST.....	4
6. CONFIRMATION AND RECEIPT OF MINUTES.....	4
6.1. AUDIT AND RISK COMMITTEE MEETING – NIL.....	4
7. MATTERS ARISING FROM THE MINUTES - NIL	4
8. ANNOUCEMENT BY THE PRESIDING PERSON WITHOUT DISCUSSIONS	4
9. MATTERS FOR WHICH THE MEETING MAY BE CLOSED.....	4
10. MATTERS REQUIRING A COMMITTEE DECISION	5
10.1. CORPORATE SERVICES REPORTS	5
10.1.1. AUDIT AND RISK COMMITTEE STATUS REPORT.....	5
10.1.2. AUDIT FINDINGS ACTION PLAN STATUS REPORT	6
10.2. RISK MANAGEMENT	9
10.2.1. COMPLIANCE STATUS REPORTS.....	9
10.2.2. COMPLIANCE AUDIT RETURN 2021	11
11. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN.....	13
12. QUESTIONS BY MEMBER OF WHICH DUE NOTICE HAS BEEN GIVEN	13
13. URGENT BUSINESS APPROVED BY THE PRESON PRESIDING OR BY DECISION.....	13
14. MATTERS BEHIND CLOSED DOORS.....	13
15. CLOSURE OF THE MEETING.....	13

1. DECLARATION OF OPENING

The Chairperson, Cr Owen Garner opened the meeting at 3:10pm.

2. PUBLIC QUESTION TIME

Public question time opened at 3:10pm

There were no members of the public.

Public question time closed at 3:11pm.

3. ATTENDANCE /APOLOGIES/LEAVE OF ABSENCE

Members: Cr. Owen Garner
Cr. Emma Holdsworth
Cr. Quentin Davies
Cr. Stephen Gamble
Cr. Mischa Stratford
Cr, Christy Petchell

Staff: Peter Klein Chief Executive Officer
Stephanie Elvidge Governance Executive Officer
Rajinder Sunner Manager of Corporate Services

Apologies: Terence Delane Manager of Works

4. PETITIONS, DEPUTATIONS, PRESENTATIONS

Nil

5. DECLARATIONS OF INTEREST

Nil

6. CONFIRMATION AND RECEIPT OF MINUTES

6.1. AUDIT AND RISK COMMITTEE MEETING

Nil

7. MATTERS ARISING FROM THE MINUTES

Nil

8. ANNOUNCEMENT BY THE PRESIDING PERSON WITHOUT DISCUSSIONS

Nil

9. MATTERS FOR WHICH THE MEETING MAY BE CLOSED

Nil

10. MATTERS REQUIRING A COMMITTEE DECISION

10.1. CORPORATE SERVICES REPORTS

10.1.1. AUDIT AND RISK COMMITTEE STATUS REPORT

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	10 February 2022
Reporting Officer:	Rajinder Sunner, Manager of Corporate Services
Disclosure of Interest:	No interests to disclose
File Number:	12.02.02
Attachment Reference:	Attachment 10.1.1 – Committee Action Report February 2022

BACKGROUND

The committee meets every quarter to fulfil its functions and objectives as outlined in its Terms of Reference.

COMMENT

Please refer to attachment 10.1.1 which shows actions since the last report.

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulations 1996 s.5 (2)(c)

Local Government (Audit) Regulations 1996 s.17

Local Government Act 1995

POLICY IMPLICATIONS

There are no direct policy implications in relation to this item.

FINANCIAL IMPLICATIONS

There are no direct financial implications in relation to this item.

COMMUNITY & STRATEGIC OBJECTIVES

This matter promotes the following Strategic Community Plan goal.

GOAL: 10

Outcome No.	Outcome
Transparent, accountable and effective governance	Ensuring a well-informed Council makes good decisions for the community Ensuring sound financial management and plans for the Shire's long-term financial sustainability High quality corporate governance, accountability and compliance Maintaining Integrated Strategic and Operational plans

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION / COMMITTEE RESOLUTION:

(01/2022) Moved: Cr Holdsworth

Seconded: Cr Gamble

That the Audit and Risk Committee receives the Audit and Risk Committee Action Report, as per attachment 10.1.1.

CARRIED 6/0

10.1.2. AUDIT FINDINGS ACTION PLAN STATUS REPORT

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	11 February 2022
Reporting Officer:	Rajinder Sunner – Manager of Corporate Services
Disclosure of Interest:	No interests to disclose
File Number:	12.02.01
Attachment Reference:	Attachment 10.1.2 FY 21 Audit Findings Action Plan Report

SUMMARY

Council is required to meet with the auditor annually. Council has given delegated authority to the Audit Committee to meet with the auditor to satisfy the requirement of s.7.12A (2) of the *Local Government Act 1995* (the Act). A meeting with the Auditor General's representative was conducted via telephone on the 18th November 2021.

COMMENT

The Audit identified five main management control issues and an action plan attached has been prepared to track that all matters are addressed by the Shire in a timely manner.

STATUTORY ENVIRONMENT

Local Government Act 1995 section 7.12A – Duties of local government with respect to audits.

The requirements of this section include:

- a. Upon receipt of the auditor's report, the local government must prepare a report for its Audit Committee to address the significant matters raised and outline what action(s) the local government has taken or intends to take in respect of each of the matters raised.

A local government is not considered compliant with its statutory obligations until the above action has been completed.

POLICY IMPLICATIONS

There are no direct policy implications in relation to this item.

FINANCIAL IMPLICATIONS

There are no direct financial implications in relation to this item.

COMMUNITY & STRATEGIC OBJECTIVES

This matter promotes the following Strategic Community Plan goal.

GOAL 10

Outcome No.	Outcome
Transparent, accountable and effective governance	<ul style="list-style-type: none">• Ensuring a well-informed Council makes good decisions for the community• Ensuring sound financial management and plans for the Shire's long term financial sustainability• High quality corporate governance, accountability and compliance Maintaining Integrated Strategic and Operational plans

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION / COMMITTEE RESOLUTION:

(02/2022) Moved: Cr Petchell

Seconded: Cr Davies

That the Audit and Risk Management Committee receives the current FY21 Financial Audit Findings Action Plan Report.

CARRIED 6/0

10.2. RISK MANAGEMENT

10.2.1. COMPLIANCE STATUS REPORTS

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	10 February 2022
Reporting Officer:	Rajinder Sunner, Manager of Corporate Services
Disclosure of Interest:	No interests to disclose
File Number:	12.02.02, 13.11, 12.19.01
Attachment Reference:	Attachment 10.2.1 – Compliance Calendar Status Report

BACKGROUND

Audit Regulation 17 and Financial Management Systems Review.

The Regulation 17 Review Audit and the Financial Management Systems Review is currently being conducted in 2022 by Stantons Corporate Compliance and Advisory Firm who will produce a list of recommendations in the following areas

- Risk Management
- Legislative Compliance
- Internal Controls

Audit Regulation 17

The 2021/22 Audit Regulation 17 Review is currently underway.

On completion an action plan and status report will be developed to be included in the future Audit and Risk Management Committee Meetings.

Financial Management Review

The 2021/22 Financial Management Review is currently underway.

On completion, an action plan and status report will be developed to be included in the future Audit and Risk Management Committee Meetings.

Progress made this quarter –

- **4.2.2 FBT is now Independently reviewed by Stantons Consultants – in progress**

Statutory Compliance Calendar

The Statutory Compliance Calendar identifies annual compliance obligations. Please refer to attachment 10.2.1.

For Council review and discussion.

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulations 1996 s.5 (2)(c)

Local Government (Audit) Regulations 1996 s.17

Local Government Act 1995

POLICY IMPLICATIONS

There are no direct policy implications in relation to this item.

FINANCIAL IMPLICATIONS

There are no direct financial implications in relation to this item.

COMMUNITY & STRATEGIC OBJECTIVES

This matter promotes the following Strategic Community Plan goal.

GOAL 10

Outcome No.	Outcome
Transparent, accountable and effective governance	<ul style="list-style-type: none">• Ensuring a well-informed Council makes good decisions for the community• Ensuring sound financial management and plans for the Shire’s long term financial sustainability• High quality corporate governance, accountability and compliance Maintaining Integrated Strategic and Operational plans

VOTING REQUIREMENT

Simple Majority

COMMITTEE RESOLUTION:

(03/2022) Moved: Cr Gamble

Seconded: Cr Holdsworth

That the Audit and Risk Committee notes the Statutory Compliance Calendar Status Report.

CARRIED 6/0

10.2.2. COMPLIANCE AUDIT RETURN 2021

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	10 February 2022
Reporting Officer:	Rajinder Sunner, Manager of Corporate Services
Disclosure of Interest:	No interests to disclose
File Number:	12.19.01
Attachment Reference:	Attachment 10.2.2 – 2021 Compliance Audit Return

BACKGROUND

Western Australian local governments are required to complete an annual Compliance Audit Return (CAR) in accordance with the provisions of the Local Government (Audit) Regulations 1996 (Regulations). The CAR must be submitted to the Department of Local Government, Sport and Cultural Industries (Department) by 31 March 2022. The period examined by this audit is 1 January to 31 December 2021.

The completed return is required to be:

- Reviewed by the Audit Risk Management Committee
- Considered and adopted by Council
- Certified by the President and CEO following Council adoption
- Submitted together with a copy of the Council Minutes to the Department by 31 March 2022.

The report assists the Shire of Wyalkatchem to monitor legislative compliance by examining a range of prescribed requirements under Regulation 13.

STATUTORY ENVIRONMENT

Local Government (Audit) Regulations 1996 section 14 – Compliance Audits by Local Governments.

POLICY IMPLICATIONS

There are no direct policy implications in relation to this item.

FINANCIAL IMPLICATIONS

There are no direct financial implications in relation to this item.

COMMUNITY & STRATEGIC OBJECTIVES

This matter promotes the following Strategic Community Plan goal.

Goal 10

Outcome No.	Outcome
Transparent, accountable and effective governance	<ul style="list-style-type: none">• Ensuring a well-informed Council makes good decisions for the community• Ensuring sound financial management and plans for the Shire's long term financial sustainability• High quality corporate governance, accountability and compliance Maintaining Integrated Strategic and Operational plans

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION / COMMITTEE RESOLUTION:

(04/2022) Moved: Cr Petchell

Seconded: Cr Holdsworth

That the Audit and Risk Committee:

- 1. Receives the 2021 Compliance Audit Return for the period 1 January 2021 to 31 December 2021 as per attachment 10.2.2*
- 2. Notes the areas of non-compliance within the 2021 Compliance Audit Return.*
- 3. Recommends that Council:*
 - i. adopts the 2021 Compliance Audit Return for the period 1 January 2021 to 31 December 2021.*
 - ii. Notes the areas of non-compliance within the 2021 Compliance Audit Return.*
 - iii. Submit a certified copy of the 2021 Compliance Audit Return to the Director General of the Department of Local Government, Sport and Cultural Industries by 31 March 2022.*

CARRIED 6/0

11. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

12. QUESTIONS BY MEMBER OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

13. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION

Nil

14. MATTERS BEHIND CLOSED DOORS

Nil

15. CLOSURE OF THE MEETING

There being no other business to discuss, the Chairperson closed the meeting at 3:44pm