



**Shire of Wyalkatchem Audit and Risk Committee (ARC)
Meeting Minutes, held on Thursday 19 May 2022,
at 3.38pm 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.”**

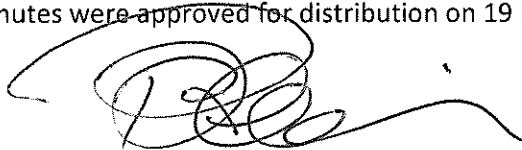
Preface

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

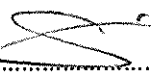
These minutes were approved for distribution on 19 May 2022.



Peter Klein
Chief Executive Officer
Shire of Wyalkatchem

Confirmed Minutes

These minutes were confirmed at the Audit and Risk Committee Management Meeting on 19 May 2022

Signed: 

Emma Holdsworth, Chairperson
Shire of Wyalkatchem

Note: The Presiding Member at the meeting at which the minutes where confirmed is the person who signs above

Disclaimer

No responsibility whatsoever is implied or accepted by the Shire of Wyalkatchem 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 days of this meeting

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1. DECLARATION OF OPENING

The Deputy Chairperson, Cr Emma Holdsworth opened the meeting at 3:38pm.

Cr Holdsworth proposed a change to the order of business in that Item 6.2 Audit and Risk Management Committee Meeting Minutes 19 May 2022 confirmation be considered after Item 14.

2. PUBLIC QUESTION TIME

Public question time opened at 3:40pm
There were no members of the public.
Public question time closed at 3:40pm

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
Cr. Christopher Loton

Staff: Peter Klein Chief Executive Officer
Stephanie Elvidge Governance Executive Officer
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 – 17 February 2022

Minutes of the Shire of Wyalkatchem’s Audit and Risk Committee Meeting held on Thursday 17 February (Attachment 6.1)

OFFICERS RECOMMENDATION / COMMITTEE RESOLUTION

(5/2022) Moved: Cr Petchell

Seconded: Cr Stratford

That the minutes of the Wyalkatchem Audit and Risk Committee Meeting held on Thursday the 17 February 2022 (Attachment 6.1) be confirmed as a true and correct record.

CARRIED 7/0

6.2. AUDIT AND RISK COMMITTEE MEETING – 19 May 2022

Minutes of the Shire of Wyalkatchem’s Audit and Risk Committee Meeting held on Thursday 19 May (Attachment 6.2)

OFFICERS RECOMMENDATION / COMMITTEE RESOLUTION

(12/2022) Moved: Cr Garner

Seconded: Cr Stratford

That the minutes of the Wyalkatchem Audit and Risk Committee Meeting held on Thursday the 19 May 2022 (Attachment 6.2) be confirmed as a true and correct record.

CARRIED 7/0

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 ACTION REPORT

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	13 May 2022
Reporting Officer:	Stephanie Elvidge – Governance Executive Officer
Disclosure of Interest:	No interests to disclose
File Number:	12.02.02
Attachment Reference:	Attachment 10.1.1 - Action Report

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION / COMMITTEE RESOLUTION:

(6/2022) Moved: Cr Gamble

Seconded: Cr Davies

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

CARRIED 7/0

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

10.1.2. AUDIT FINDINGS ACTION PLAN STATUS REPORT

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	11 May 2022
Reporting Officer:	Stephanie Elvidge – Governance Executive Officer
Disclosure of Interest:	No interests to disclose
File Number:	12.02.01
Attachment Reference:	Attachment 10.1.2 FY 2021 Audit Findings Action Plan Status Report

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION / COMMITTEE RESOLUTION:

(7/2022) Moved: Cr Davies

Seconded: Cr Gamble

That the Audit and Risk Management Committee receives the current outstanding 2018 Management Action and FY 2021 FMR and Reg 17 Audit Findings Action Plan Status Report.

CARRIED 7/0

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.

The CEO is to review the appropriateness and effectiveness of a Local Government's systems and procedures. This process is prescribed in the Local Government (Audit) Regulation 1996) s. 14, 16 & 17. This is conducted via an internal Audit 17 and Financial Management Regulation 5 Audit.

COMMENT

The Officer of Auditor General Management Letter from 2018 identified five main management control issues of which 1 remains.

An action plan attached has been prepared to ensure all matters are addressed by the Shire in a timely manner.

The recommendations from the FMR and Reg. 17 Report have been added to this document for January 2021 to December 2021.

STATUTORY ENVIRONMENT

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

The requirements of this response are:

- 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.

2. Local Government (Audit) Regulation 1996) s.17 *The CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to —*
- (a) risk management; and*
 - (b) internal control; and*
 - (c) legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

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
<p>Transparent, accountable and effective governance</p>	<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 <p>Maintaining Integrated Strategic and Operational plans</p>

10.1.3 AUDIT 17 AND FMR 5 REGULATION REVIEW – APRIL 2022

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	10 May 2022
Reporting Officer:	Rajinder Sunner, Manager of Corporate Services
Disclosure of Interest:	No interest to disclose
File Number:	12.10.02
Attachment Reference:	Confidential Attachment 10.1.3 – Final Audit 17 & FMR 5 Regulations Review Report April 2022 – separate cover

VOTING REQUIREMENT

Absolute Majority

OFFICERS RECOMMENDATION / COMMITTEE RESOLUTION

(8/2022) Moved: Cr Garner

Seconded: Cr Stratford

That the Audit Committee:

- 1. Receive the Review of Audit 17 and Financial Management Regulations 5 review Report for period ending 31 December 2021 report given by the Chief Executive Officer (CEO).***
- 2. Recommend that the CEO present the 17 May 2022 Audit Committee Meeting Report, the associated Minutes and the attached Audit 17 and FMR 5 Regulation Review reports at the May 2022 Ordinary Council Meeting.***
- 3. Recommend that Council, adopt and record in the minutes of the May 2022 Ordinary Council Meeting the:***
 - 17 May 2020 Audit Committee minutes, the Review of Audit 17, Financial Management Regulations 5 review Report for period ending 31 December 2021***
- 4. The Chief Executive Officer (CEO) reports back to Council by December 2022 confirming that the ‘matters’ identified for improvement in the ‘Audit 17 and Financial Management, Risk Management Legislative Compliance and Internal Control Report’, have been appropriately managed to comply with legislation.***

CARRIED 7/0

BACKGROUND

The CEO is to review the appropriateness and effectiveness of a Local Government’s systems and procedures. This process is prescribed in the Local Government (Audit) Regulation 1996) s. 14, 16 & 17.

COMMENT

The Audit Committee note the Shire of Wyalkatchem Final Audit 17 and FMR 5 regulation Review Report detailed in Confidential Attachment 10.1.4

STATUTORY ENVIRONMENT

Local Government (Audit) Regulation 1996) s. 14, 16 & 17.

The Local Government (Audit) Regulations 1996 regulation 14 and 17 states that:

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 sub regulation (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.

16. Functions of audit committee

- (c) 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

17. CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to —
 - (a) risk management; and
 - (b) internal control; and
 - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.
- (3) The CEO is to report to the audit committee the results of that review.

POLICY IMPLICATIONS

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

Goal: Transparent, accountable and effective governance.

Goal No.	Strategies		Actions
Goal 10	Transparent, accountable and effective governance	10.1	<ul style="list-style-type: none"> • Ensuring a well-informed Council makes good decisions for the community
		10.2	<ul style="list-style-type: none"> • Ensuring sound financial management and plans for the Shire’s long-term financial sustainability
		10.3	<ul style="list-style-type: none"> • High quality corporate governance, accountability and compliance
		10.4	<ul style="list-style-type: none"> • Maintaining Integrated Strategic and Operational plans

10.2. RISK MANAGEMENT

10.2.1. COMPLIANCE STATUS REPORTS

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	10 September 2021
Reporting Officer:	Stephanie Elvidge, Governance Executive Officer
Disclosure of Interest:	No interests to disclose
File Number:	12.02.02, 13.11, 12.19.01
Attachment Reference:	Attachment 10.2.1.1 – Compliance Calendar Status Report Attachment 10.2.1.2 – Compliance Audit Return Action plan

VOTING REQUIREMENT

Simple Majority

OFFICERS RECOMMENDATION / COMMITTEE RESOLUTION

(9/2022) Moved: Cr Garner

Seconded: Cr Stratford

That the Audit and Risk Committee;

- 1. Notes the Compliance Audit Return Action Plan*
- 2. Notes the Statutory Compliance Calendar Status Report*

CARRIED 7/0

BACKGROUND

Statutory Compliance Calendar

The Statutory Compliance Calendar identifies annual compliance obligations. Please refer to attachment 10.2.1.1.

Compliance Audit Return

WA local governments are required to complete an annual Compliance Audit Return (CAR) in accordance with Regulation 13 of the *Local Government (Audit) Regulations 1996* (Regulations).

The period examined by this audit is 1 January to 31 December 2021 which has some outstanding actions.

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

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

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

OFFICERS RECOMMENDATION / COMMITTEE RESOLUTION

(10/2022) Moved: Cr Petchell

Seconded: Cr Loton

That the meeting be adjourned at 4:00pm

CARRIED 7/0

OFFICERS RECOMMENDATION / COMMITTEE RESOLUTION

(11/2022) Moved: Cr Davies

Seconded: Cr Stratford

That the meeting be resumed at 4:20pm to consider Item 6.2 Confirmation of Minutes 19 May 2022.

CARRIED 7/0

15. CLOSURE OF THE MEETING

There being no further business to discuss, the meeting closed at 4:26pm.