



*Shire of*  
**Koorda**

*Drive in, stay awhile*

# MINUTES

## **Audit Committee Meeting**

Held in Shire of Koorda Council Chambers

10 Haig Street, Koorda WA 6475

Monday 19 December 2022

Commencing 5.00pm

CONFIRMED

## NOTICE OF MEETING

Dear Audit Committee Members,

The next Audit Committee Meeting of the Shire of Koorda will be held on Monday 19 December 2022 in the Shire of Koorda Council Chambers, 10 Haig Street, Koorda, commencing at 5.00pm.

Darren Simmons  
Chief Executive Officer  
16 December 2022

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The Shire of Koorda disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee meeting does so at that person's or legal entity's own risk.

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



Darren Simmons  
Chief Executive Officer

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CONFIRMED

**Shire of Koorda  
Audit Committee Meeting  
5.00pm, Monday 19 December 2022**



### 1. Declaration of Opening

The Chairperson welcomed those in attendance and declared the meeting open at 5.00pm.

### 2. Record of Attendance, Apologies and Leave of Absence

#### Committee Members:

Cr JM Stratford	President & Chair
Cr NJ Chandler	Member
Cr LC Smith	Member
Cr BG Cooper	Deputy Member

#### Staff:

Mr DJ Simmons	Chief Executive Officer (via MS Teams)
Miss L Foote	Deputy Chief Executive Officer

#### Visitors:

Marius van der Merwe	Partner, Dry Kirkness (via MS Teams)
Ann Ang	Director, Office of the Auditor General for WA (via MS Teams)

#### Apologies:

Cr GW Greaves
Cr GL Boyne

#### Approved Leave of Absence:

### 3. Public Question Time

Nil.

### 4. Disclosure of Interest

Nil.

### 5. Confirmation of Minutes from Previous Meetings

#### 5.1. Audit Committee Meeting held on 28 September 2022

[Click here to view the previous minutes](#)

#### Voting Requirements

Simple Majority     Absolute Majority

#### Officer Recommendation/Resolution

Moved CR NJ Chandler

Seconded CR LC Smith

That, in accordance with Sections 5.22(2) and 3.18 of the *Local Government Act 1995*, the Minutes of the Audit Committee Meeting held 28 September 2022, as presented, be confirmed as a true and correct record of proceedings.

**CARRIED 3/0**

## 6. Presentations


Marius van der Merwe, Partner, Dry Kirkness and Ann Ang, Director, Office of the Auditor General for WA spoke to their audit documents, provided opportunities for questions and congratulated Council and staff on the recommended unqualified audit result.

5.50pm - Marius van der Merwe and Ann Ang withdrew from MS Teams and left the meeting.

## 7. Officer's Reports

The Final Audit Opinion was received after the meeting and has formed part of the minute attachments.

### 7.1. 2021/2022 Annual Audit Process

<b>Governance and Compliance</b>		
<b>Date</b>	16 December 2022	
<b>Location</b>	Not Applicable	
<b>Responsible Officer</b>	Lana Foote Deputy Chief Executive Officer	
<b>Author</b>	As above	
<b>Legislation</b>	<i>Local Government Act 1995 Section 6.10 &amp; 7.9(1)</i> <i>Local Government Financial Management Regulation 1996 Part 2</i> <i>Local Government (Audit) Regulations 1996 – Reg 10</i>	
<b>Disclosure of Interest</b>	Nil	
<b>Purpose of Report</b>	<input checked="" type="checkbox"/> Executive Decision <input checked="" type="checkbox"/> Legislative Requirement <input type="checkbox"/> Information	
<b>Attachments</b>	<a href="#">2021-2022 DRAFT Annual Report</a> <a href="#">2021-2022 DRAFT Annual Financial Statements</a> <a href="#">Independent Auditor's Report.</a>	

### Background:

The Draft Independent Auditor's Opinion on the Audit of the Financial Report for the year ending 30 June 2022 has not been received at the time of this report. Copies of annual audit completion report have been provided to the Councillors under separate cover.

This meeting will act as an exit meeting as part of the 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 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 Independent Auditor's Report for the year ending 30 June 2022.

### Comment:

Subject to the Auditor General's confirmation of the Draft Annual Financial Statements and Independent Auditor's Report (to be presented at the audit meeting), as part of the following item 5.2 *Annual Reporting Requirements*, at the Special Council Meeting, Council will consider receiving and adopting the Shire of Koorda Annual Report for the year ended 2021/2022.

Management will comment on any issues made when the Draft Independent Auditor's Opinion is received.

**Consultation:**

Darren Simmons, CEO, Shire of Koorda  
Marius van der Merwe, Partner, Dry Kirkness  
Ashish Agrawal, Senior Analyst, Dry Kirkness  
Ann Ang, Director, Office of the Auditor General for WA

**Statutory Implications:**

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.

**Strategic Implications:**

Shire of Koorda Integrated Strategic Plan 2022  
4.1.1 - Ensure the use of resources is effective, efficient and reported regularly. (e.g. Financial Management)

**Financial Implications:**

Nil

**Voting Requirements:**

Simple Majority     Absolute Majority

**Officer Recommendation/Resolution**

**Moved CR NJ Chandler**

**Seconded CR LC Smith**

**That the Audit Committee recommends;**

- 1. That Council endorse the report of the Deputy Chief Executive Officer outlining the 2021/2022 annual audit process, indicating a clean unqualified audit, subject to no change in the issued Draft Audit Opinion, and**
- 2. Pursuant to Section 7.12A (2) of the Local Government Act 1995, recognises the exit meeting held with the Office of the Auditor General and Dry Kirkness on 19 December 2022 as a meeting with the auditor of the Local Government.**

**CARRIED 3/0**



## APPENDIX I – Terms of Reference

### Audit Committee Terms of Reference

#### 1. Establishment

The Audit Committee was re-established by the Council at the Special Meeting of Council on 23 March 2020 and this Terms of Reference sets out the membership, responsibilities, authority and operations of the Committee.

The Committee was created in recognition of the importance of, and legislative obligation for, the establishment and maintenance of an effective internal audit function, best practice governance systems, oversight of the risk management and governance frameworks and performance, and maintenance of strong financial management controls and processes.

#### 2. Objective of the Audit Committee

The primary objective of the Audit Committee (the Committee) is to accept responsibility for the annual external audit, liaise with the Shire's external auditor and provide review and oversight of internal audit process, including performance and independence of internal auditor, so that Council can be satisfied with the performance of the Shire in managing its financial affairs.

Reports from the Committee will assist Council in discharging its legislative responsibilities of controlling the Shire's affairs, determining the Shire's policies and overseeing the allocation of the Shire's finances and resources. The Committee will ensure openness in the Shire's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the Shire's financial accounting systems and compliance with legislation.

The Committee is to facilitate:

- a) the enhancement of the credibility and objectivity of internal and external financial reporting;
- b) effective management of financial and other risks and the protection of Council assets;
- c) compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;
- d) the coordination of the internal audit function with the external audit;
- e) the provision of an effective means of communication between the external auditor, the CEO and the Council and
- f) the reduction of fraud, corruption and misconduct risk as a part of their oversight of financial reporting.

The Committee is to undertake its responsibilities cognisant of:

- a) requirements for meetings to fit in with requisites around the planning calendar and decisions at significant times in the Governance cycle (i.e. Compliance Audit Return, Interim Audit, End of year Audit and other reviews);
- b) obligations to have oversight of all matters that relate to the risk management framework of the Shire;
- c) obligations and good governance practices within the local government environment.

#### 3. Powers of the Audit Committee

- a) The Audit committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.
- b) The committee is a formally appointed committee of council and is responsible to that body.
- c) The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility.



- d) The committee does not have any management functions and cannot involve itself in management processes or procedures.

#### **4. Responsibilities of the Committee Chair**

The Audit Committee Chair has the following responsibilities:

- a) Reports to the Council on the actions of the Committee;
- b) Encourages broad participation from members in discussion;
- c) Summarises decisions and assignments at the conclusion of each meeting; and
- d) Signs off on minutes of meetings after they have been received by the Committee.

#### **5. Responsibilities of Audit and Governance Committee Members**

Individual Committee members have the following responsibilities:

- a) to execute the role, scope, and responsibilities of the Committee;
- b) to act on opportunities to communicate positively about the Shire's activities;
- c) to actively participate in meetings through attendance, discussion, and review of minutes, papers and Governance documents;
- d) to participate in professional development opportunities;
- e) To support open discussion and debate and encourage fellow Committee members to voice their insights.

#### **6. Membership**

The Committee will consist of three elected members, with a fourth elected member acting as a deputy.

All full members shall have full voting rights.

The CEO and employees are not members of the committee. The CEO or his/her nominee is to be available to attend meetings to provide advice and guidance to the Committee. The Shire shall provide secretarial and administrative support to the Committee.

#### **7. Quorum**

A quorum of two Committee members must be present at a Committee meeting to constitute a meeting.

#### **8. Frequency of Meetings**

The Committee shall meet at least twice once per calendar year. Additional meetings shall be convened at the discretion of the presiding person.

#### **9. Reporting**

Reports and recommendations of each Committee meeting shall be presented to the next ordinary meeting of the Council.

#### **10. Duties and Responsibilities**

The duties and responsibilities of the committee will be to:

- a) provide guidance and assistance to Council as to the carrying out the functions of the Shire in relation to audits;
- b) meet with the external auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions;
- c) liaise with the CEO to ensure that the Shire does everything in its power to:
  - assist the auditor to conduct the audit and carry out his or her other duties under the Local Government Act 1995 and associated Regulations; and
  - ensure that audits are conducted successfully and expeditiously;
- d) examine the reports of the auditor after receiving a report from the CEO on the matters to:
  - determine if any matters raised require action to be taken by the Shire; and

- ensure that appropriate action is taken in respect of those matters;
- e) review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;
- f) review the Shire's draft annual financial report, focusing on:
  - accounting policies and practices;
  - changes to accounting policies and practices;
  - the process used in making significant accounting estimates; iv. significant adjustments to the financial report (if any) arising from the audit process;
  - compliance with accounting standards and other reporting requirements; and
  - significant variances from prior years.
- g) address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the committee's terms of reference;
- h) seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the Council;
- i) Review the annual Compliance Audit Return and report to the council the results of that review,
- j) Monitor the progress of the internal audit plan, review findings from internal and external audits, monitor the implementation of the recommendations; and
- k) Consider the CEO's triennial reviews of the appropriateness and effectiveness of the Shire's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the Committee, and report to the council the results of those reviews.

#### 11. Agendas, Minutes and Decision Papers

The responsibility for ensuring that Agendas and supporting materials are delivered to members in advance of meetings rests with the Chief Executive Officer. The agenda and associated attachments will be sent to Committee members and attendees at least 72 hours in advance of a Committee meeting.

#### 12. Conflicts of Interest

Committee Members and invited attendees at each meeting must:

- a) Declare any conflict of interest, potential conflict of interest or apparent conflict of interest in matters that might potentially be considered or, are proposed to be considered by the Committee;
- b) Provide a further declaration should any conflict of interest, potential conflict of interest or apparent conflict of interest arise after making a declaration; and
- c) Maintain confidential, all information provided to them in their role as a member or attendee. This includes all matters discussed, formally presented or tabled at meetings of the Committee or such matters associated with dealings of the Committee in carrying out its responsibilities.

#### 13. Review

The Terms of Reference shall be reviewed every two years when Council considers the re-establishment of the Committee to coincide with Local Government elections and any amendment to it require approval of Council.

#### Version Control

Version No.	Version Date	Prepared by	Reviewed by	Council Resolution No. and Date
1	09/09/2021	Lana Foote	Darren Simmons	RES: 060921 Date:15/09/2021