



Shire of
Koorda

Drive in, stay awhile

MINUTES

Audit Committee Meeting

Held in Shire of Koorda Council Chambers

10 Haig Street, Koorda WA 6475

Wednesday 22 March 2023

Commencing 4.00pm

CONFIRMED

NOTICE OF MEETING

Dear Audit Committee Members,

The next Audit Committee Meeting of the Shire of Koorda will be held on Wednesday 22 March 2023 in the Shire of Koorda Council Chambers, 10 Haig Street, Koorda, commencing at 4.00pm.

Darren Simmons
Chief Executive Officer
17 March 2023

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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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**Shire of Koorda
Audit Committee Meeting
4.00pm, Wednesday 22 March 2023**



1. Declaration of Opening

The Chairperson welcomed those in attendance and declares the meeting open at 4.00pm.

2. Record of Attendance, Apologies and Leave of Absence

Committee Members:

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

Staff:

Mr DJ Simmons	Chief Executive Officer
Miss L Foote	Deputy Chief Executive Officer

Visitors:

Cr GL Boyne	Councillor – 4.17pm
Cr GW Greaves	Councillor – 4.32pm

Apologies:

Cr NJ Chandler	Member
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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 19 December 2022

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

Voting Requirements

Simple Majority Absolute Majority

Officer Recommendation/Resolution

Moved CR BG Cooper

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 19 December 2022, as presented, be confirmed as a true and correct record of proceedings.


CARRIED 3/0

6. Presentations

Nil.

7. Officer's Reports

7.1. Shire of Koorda Compliance Audit Return 2022

Governance and Compliance		
Date	15 March 2023	
Location	Not Applicable	
Responsible Officer	Darren Simmons Chief Executive Officer	
Author	As above	
Legislation	<i>Local Government Act 1995 Section 7.13 (i)</i> <i>Local Government (Audit) Regulations 1996 – Reg 13, 14 and 15</i>	
Disclosure of Interest	Nil	
Purpose of Report	<input type="checkbox"/> Executive Decision <input checked="" type="checkbox"/> Legislative Requirement <input type="checkbox"/> Information	
Attachments	Shire of Koorda Compliance Audit Return 2022	

Background:

Each local government is to carry out a Compliance Audit return for the period 1 January to 31 December of the previous year against certain requirements included within a Compliance Audit Return (CAR) provided by the Department of Local Government, Sport and Cultural Industries.

The CAR, once completed, is to be presented to the Audit Committee and then a report is to be presented to Council for adoption of the return. A copy of the completed CAR is included as an attachment for this item.

The Audit Committee has been requested to review the CAR for 2022 at a meeting immediately preceding Council's to be held on 22 March 2023 and, if so resolved, present to Council for adoption so the CAR may be submitted prior to 31 March 2023.

Comment:

The Compliance Audit Return for 2022 has been completed as required;

- Care was taken when completing the Compliance Audit Return to endeavour to ensure all items were adequately addressed in accordance with the 'Audit of Compliance' per Section 7.13(i) of the Local Government Act 1995.

The Compliance Audit Return is:

- Now presented to Council (via the Audit Committee) for adoption,
- Should be received by the Department of Local Government by 31 March 2023.

The Compliance Audit Return has endeavoured to cover various aspects of Statutory Compliance as required by the Local Government Act and various regulations, to include statutory requirements listed in the Local Government (Audit) Regulations in the return.

There is a possible interpretation on completion of the "Compliance Audit" and the requirement that a Local Government is to complete this Compliance Audit Return. These are matters that are the responsibility of the Auditor to verify compliance. It is noted that the Compliance Audit Return does not contain several the provisions of the Local Government (Financial Management) Regulations 1996.

Consultation:

Lana Foote, Deputy CEO, Shire of Koorda

Statutory Implications:

Local Government Act 1995 Section 7.13 (i)

Local Government (Audit) Regulations 1996 – Reg 13, 14 and 15

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
Committee Decision**

Moved CR LC Smith

Seconded CR BG Cooper

That the Audit Committee recommends to Council:


That the Compliance Audit Return for the 2022 calendar year, as presented to the Audit Committee meeting held 22 March 2023, be adopted.

CARRIED 3/0

4.17pm Cr GL Boyne joined the meeting as a guest

4.32pm Cr GW Greaves joined the meeting as a guest

7.2. Third Quarterly Reporting of Integrated Strategic Plan, Workforce Plan and CEO Key Performance Indicators

Governance and Compliance		
Date	15 March 2023	
Location	Not Applicable	
Responsible Officer	Darren Simmons, Chief Executive Officer	
Author	As above	
Legislation	<i>Local Government Act 1995; Local Government (Administration) Regulations 1996</i>	
Disclosure of Interest	Nil	
Purpose of Report	<input checked="" type="checkbox"/> Executive Decision <input checked="" type="checkbox"/> Legislative Requirement <input type="checkbox"/> Information	
Attachments	Third Quarterly Scorecard January to March 2023 (Confidential – provided to Councillors by separate email cover)	

Background:

This report is to inform the Committee and Council of its obligations in relation to the integrated planning and reporting (IPR) requirements under the Local Government Act 1995, the Local Government (Administration) Regulations 1996 and associated CEO employment contract and standards.

Following the Committee's recommendation of 28 September 2022, the quarterly scorecard reporting document approach was adopted by Council on 26 October 2023.

Comment:

Council adopted its Integrated Strategic Plan and Workforce Plan at its meeting held on 20 April 2022 and the CEO's 2022-23 key performance indicators at its special meeting held on 30 August 2022.

To assist Council to meet its IPR requirements under the Local Government Act 1995, the Local Government (Administration) Regulations 1996 and associated CEO employment contract and standards, Shire staff have prepared draft quarterly reporting documents (provided as confidential attachment) for the Committee to consider and, if appropriate, recommend to Council that the third quarterly scorecard be adopted and the Integrated Strategic Plan and Workforce Plan components be endorsed for publication.

(Please note: Due to external audit and end-of-year meeting scheduling conflict at the time, the second quarterly report was provided to Councillors in early December 2022 for information however the information provided is included within the third quarterly scorecard in 'unbold' text).

Consultation:

Deputy Chief Executive Officer

Statutory Implications:

Local Government Act 1995 and relevant subsidiary legislation.
CEO recruitment, performance and termination standards and
CEO Employment Contract

Policy Implications:

CEO Performance Review Policy as adopted on 30 August 2022.

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
Committee Decision**

Moved CR BG Cooper

Seconded CR LC Smith

That the Audit Committee recommends:

That Council:

- 1. Adopts the third quarterly reporting documents (January to March 2023) as presented to the Audit Committee meeting held on 22 March 2023; and**
- 2. Endorses the publication of the Integrated Strategic Plan and Workforce Plan components for community information.**

CARRIED 3/0

8. Urgent Business Approved by the Person Presiding or by Decision

Nil.

9. Date of Next Meeting

To be advised.

10. Closure

The Chairperson thanked everyone for their attendance and closed the meeting at 4.54pm

Signed: *Stratford*

Presiding Person at the meeting at which the minutes were confirmed.

Date: 17 May 2023

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