



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 28 September 2022

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 28 September 2022 in the Shire of Koorda Council Chambers, 10 Haig Street, Koorda, commencing at 4.00pm.

Darren Simmons
Chief Executive Officer
21 September 2022

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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 28 September 2022**



1. Declaration of Opening

The Chairperson welcomes 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 NJ Chandler	Member
Cr LC Smith	Member
Cr BG Cooper	Deputy Member

Staff:

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

Visitors:

Apologies:

Approved Leave of Absence:

3. Public Question Time

4. Disclosure of Interest

5. Confirmation of Minutes from Previous Meetings

5.1. Audit Committee Meeting held on 20 April 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 20 April 2022, as presented, be confirmed as a true and correct record of proceedings.

CARRIED 3/0

6. Presentations

7. Officer's Reports

4.02pm – SUSPEND STANDING ORDERS

Officer Recommendation/Resolution

Moved: CR NJ Chandler

Seconded: CR LC Smith

That standing orders be suspended to discuss item 7.1 Quarterly Reporting of Integrated Strategic Plan, Workforce Plan and CEO Key Performance Indicators.

CARRIED 3/0

4.33pm – RESUMPTION OF STANDING ORDERS

Officer Recommendation/Resolution


Moved: CR NJ Chandler

Seconded: CR LC Smith

That standing orders be resumed as per the attendance register.

CARRIED 3/0

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

Governance and Compliance		
Date	21 September 2022	
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	Confidential attachments: a. Proposed Quarterly Scorecard July to September 2022 b. Draft Council Resolution Register c. Financial Health Indicator Information	

Background:

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

It is also to seek Committee and Committee guidance and subsequent adoption of the proposed documents involved in meeting such obligations

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 integrated planning and reporting 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 attachments) for the Committee to consider and, if appropriate, recommend to Council endorsement thereof.

Committee consideration and advice on the draft council resolution register and financial health indicator information as well as desired information to include for work health and safety and customer service indicators is also respectfully requested.

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/Resolution

Moved: CR LC Smith

Seconded: CR NJ Chandler

That the Audit Committee recommends:

That Council;

- 1. adopts the quarterly reporting documents as presented to the Audit Committee meeting held on 28 September 2022;**
- 2. authorises the CEO to make minor adjustments to the action reporting; and**
- 3. endorses the publication of the Integrated Strategic Plan & Workforce Plan for community information.**

CARRIED 3/0

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

9. Date of Next Meeting

Thursday, 15 December 2022 at 5.00pm

10. Closure

The Chairperson thanked everyone for their attendance and closed the meeting at 4.39pm.

Signed: Stratford

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

Date: 19 December 2022

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