



# SHIRE OF WOODANILLING



## Audit Committee Meeting Agenda 20 February 2024

*Dear Elected Member*

*The next Audit Committee Meeting of the Shire of Woodanilling will be held on Tuesday 20 February 2024 in the Council Chambers, 3316 Robinson Road, Woodanilling commencing at 3p.m.*

*Belinda Knight*

**ACTING CHIEF EXECUTIVE OFFICER**

## **DISCLAIMER**

This agenda has yet to be dealt with by the Audit Committee. The recommendations shown at the foot of each item have yet to be considered by the Audit Committee and are not to be interpreted as being the position of the Audit Committee. The minutes of the meeting held to discuss this agenda should be read to ascertain the decision of the Audit Committee.

In certain circumstances members of the public are not entitled to inspect material, which in the opinion of the Chief Executive Officer is confidential, and relates to a meeting or a part of a meeting that is likely to be closed to members of the public.

No responsibility whatsoever is implied or accepted by the Shire of Woodanilling for any act, omission, statement or intimation occurring during Council or Committee meetings.

The Shire of Woodanilling 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 of 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 that person's or legal entity's own risk.

## **CONTENTS**

<b>1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS</b>	<b>2</b>
<b>2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (PREVIOUSLY APPROVED)</b>	<b>2</b>
<b>3. APOLOGIES</b>	<b>2</b>
<b>4. APPROVED LEAVE OF ABSENCE</b>	<b>2</b>
<b>5. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE</b>	<b>2</b>
<b>6. PUBLIC QUESTION TIME</b>	<b>2</b>
<b>7. DECLARATIONS OF COUNCILLORS OR OFFICERS INTEREST</b>	<b>2</b>
<b>8. CONFIRMATION OF PREVIOUS MINUTES:</b>	<b>2</b>
8.1. <i>AUDIT COMMITTEE MEETING 21 FEBRUARY 2023</i>	2
<b>9. OFFICERS REPORTS</b>	<b>3</b>
9.1. <i>ANNUAL REPORT 2022/2023</i>	3
9.2. <i>COMPLIANCE AUDIT RETURN 2023</i>	6
<b>10. CLOSURE OF MEETING</b>	<b>7</b>

# ORDINARY MEETING OF COUNCIL AGENDA

## 1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chairperson, Cr Douglas will declare the meeting open at \_\_\_\_am. The Chairperson will alert the meeting to the procedures for emergencies including evacuation, designated exits, and muster points.

## 2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

### Present:

Cr D Douglas	Shire President
Cr HR Thomson	Deputy Shire President
Cr B Smith	
Cr I Garstone	
Cr R Marshall	
Cr K Stephens	

### Officers:

Belinda Knight	Acting Chief Executive Officer
Phil Burgess	Executive Manager Infrastructure

### Apologies:

### Observers:

## 3. APOLOGIES

## 4. APPROVED LEAVE OF ABSENCE

## 5. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

## 6. PUBLIC QUESTION TIME

## 7. DECLARATIONS OF COUNCILLORS OR OFFICERS INTEREST

## 8. CONFIRMATION OF PREVIOUS MINUTES:

### 8.1. AUDIT COMMITTEE MEETING 21 FEBRUARY 2023

#### COUNCIL DECISION

That the Minutes of the Audit Committee meeting held 21 February 2023 be confirmed as a true and correct record of proceedings without amendment.

## 9. OFFICERS REPORTS

### 9.1. ANNUAL REPORT 2022/2023

<b>File Reference</b>	ADM0017
<b>Date of Report</b>	10 January 2024
<b>Responsible Officer</b>	Kellie Bartley, Chief Executive Officer
<b>Author of Report</b>	Kellie Bartley, Chief Executive Officer
<b>Disclosure of any Interest</b>	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .
<b>Voting Requirement</b>	Simple Majority
<b>Attachments</b>	<b>Attachment 9.1.1</b> – Shire of Woodanilling Annual Report 2022/2023 <b>Attachment 9.1.2</b> - Independent Audit Report <b>Confidential Attachment 9.1.3</b> – Management Letter

#### BRIEF SUMMARY

The purpose of this report is for the Audit Committee to consider the adoption of the 2022/2023 Shire of Woodanilling Annual Report and the Management Letter and Independent Audit Report from the Office of the Auditor General (OAG).

#### BACKGROUND/COMMENT

The OAG conducted the Annual Financial Audit for 2022/2023 commencing in October/November 2023 and concluded in December 2023. This item discusses the outcomes of the Audit.

The final audited financial statements have been received from the Office of Auditor General (OAG) and Lincolns and the formal audit exit meeting was held on 6 December 2023. In attendance at this meeting (via virtual meeting) was:

- Jay Teichert, Director Financial Audit, (OAG);
- Mr Chris Martain, Auditor, Lincolns;
- Mr Thomas Warner, Manager, Lincolns;
- Cr Dale Douglas, Shire President; and
- Mrs Kellie Bartley, Chief Executive Officer.

During this meeting the report was discussed for the year ended 30 June 2023, which included:

#### Audit Opinion

The OAG has expressed a qualified audit opinion for 2022/2023 Annual Financial Report.

The Opinion states by the auditor was that the financial report was:

- Based on proper accounts and reports;
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2023 and its financial position as at the end of that period ;
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

#### Basis for qualified opinion

##### Building assets

I qualified building assets stated at \$4,942,954 in the prior year because the Shire had not revalued its building assets with sufficient regularity or in accordance with Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996. The Shire has not made the appropriate corrections for this prior year figure in the current year. Consequently, my opinion on the current year financial report is modified because of the possible effect of this matter on the comparability of the current period's building asset figure in Note 9 and the corresponding figure of the financial report.

##### Management Letter

- Management Letter Findings – there were 3 findings in the management letter as contained in **Confidential Attachment 9.1.3.**
- Regulation 17 – was identified as a significant issue with the management comment stating: *‘The recommendation is acknowledged and accepted. The Chief Executive Officer was initially unable to obtain a consultant mid-year however has now managed to obtain one and will be completed by 30 June 2024. Staffing issues have also been a factor on this matter.’*
- Strategic Community Plan & Corporate Business Plans were identified as moderate. With these two plans in progress and to be finalised by 30 June 2024.

Noting that this report was not able to be presented to the December 2023 Meeting of Council as the assessment through the OAG, the Audit Report was changed to qualified opinion based on the fact that the Fair Value was completed however was over 2022/2023 and into the 2023/2024 year. Therefore, the OAG did not issue the Shire with the final findings and signed off until late on the 21 December 2023. Due to Council not holding a meeting in the month of January 2024, the report is just being presented this month.

Following the formal Audit Exit meeting, the Office of Auditor General released the independent auditor’s reports (including the Annual Report document as contained in).

The Annual Report has been prepared in accordance with the *Local Government Act 1995*, associated regulations and is contained in **Attachment 9.1.2.** This will be required to be taken to Council for endorsement and approval the set Annual Electors Meeting date as detailed in the recommendation.

### **STATUTORY/LEGAL IMPLICATIONS**

The *Local Government Act 1995* requires the Council to accept the Annual Report by 31 December each year unless the audit report is not available. If unable to be accepted by 31 December in any given year, then Council must accept the report within two (2) months of the audit report becoming available.

The Annual Electors Meeting must then be held within fifty-six (56) days of Council accepting the Annual Report. A minimum of fourteen days local public notice is required of the date, time, place and purpose of the meeting.

### **POLICY IMPLICATIONS**

There is no policy associated with this item.

### **FINANCIAL IMPLICATIONS**

There are no financial implications for this report. The Annual Report contains the annual financial statements for 2022/2023 with the current financial position of the Council for this period.

### **STRATEGIC IMPLICATIONS**

#### **THEME 3**

#### **Governance**

#### **OBJECTIVES**

To promote continual improvement that is supported by efficient and effective governance structures and processes.

#### **STRATEGIES**

By ensuring legislation is used to effectively enable quality decision making.

### **CONSULTATION/COMMUNICATION**

Consultation has been undertaken with the Chief Executive Officer, DL Consulting and finance staff, OAG and Lincolns in regards to the management letter and audit requirements for this report. The Exit Meeting occurred with one member of the Audit Committee held on 6 December 2022. It must be noted that the Shire President was available at this time and the OAG was ok with the representatives for this meeting held.

### **RISK MANAGEMENT**

There is a risk that should the Annual Report not be adopted within the timeframes outlined, Council may be in breach of the *Local Government Act 1995*, and applicable subsidiary legislation. Accordingly, the risk associated with this matter is assessed as “High”.

Consequence Likelihood	Insignificant	Minor	Moderate	Major	Extreme
Almost	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

#### VOTING REQUIREMENTS

Simple Majority

#### OFFICER’S RECOMMENDATION

The Audit Committee will be meeting at 3pm on Tuesday 20 February 2024 to discuss this report and will make a recommendation to the Council.

That the Audit Committee recommends to Council:

1. In accordance with section 5.54 of the *Local Government Act 1995*, accepts the Shire of Woodanilling 2022/2023 Annual Financial Report and Auditor’s Independent Audit Report for the financial year ended 30 June 2023 as presented in **Attachments 9.1.1 & 9.1.2**; and
2. Receives the Management Report from the Office of the Auditor General for the year ended 30<sup>th</sup> June 2023 as contained in **Confidential Attachment 9.1.3**.

**9.2. COMPLIANCE AUDIT RETURN 2023**

This item will be distributed separately prior to the meeting.

## **10. CLOSURE OF MEETING**

There being no further business to discuss the Chairperson, Cr Jefferies will declare the meeting closed at \_\_\_\_\_ am.