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CONFIRMED MINUTES

Shire of West Arthur Audit and Risk Committee Meeting 16th August 2022

MISSION STATEMENT

To value and enhance our community lifestyle and environment through strong local leadership, community involvement and effective service delivery.

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of West Arthur for any act, omission or statement or intimation occurring during Council or Committee meetings or during formal/informal conversations with staff. The Shire of West Arthur 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 or discussions. Any person or legal entity that act or fails to act in reliance upon any statement does so at the person's or legal entity's own risk.

The purpose of this council meeting is to discuss and, where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on basis of such decision or on any advice or information provided by a member or officer, or on the content of any discussion occurring, during the course of the meeting.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of West Arthur during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of West Arthur. The Shire of West Arthur warns that anyone who has an application lodged with the Shire of West Arthur must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the Shire of West Arthur in respect of the application.

Persons should be aware that the provisions of the Local Government Act 1995 (section 5.25 (e)) establish procedures for revocation or rescission of a Council decision.

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These Minutes were confirmed at the Audit and Risk Committee meeting on 16 March 2023.

Signed: _____

Presiding Member at the meeting at which the Minutes were Confirmed.

SHIRE OF WEST ARTHUR AUDIT COMMITTEE

Minutes of the Audit and Risk Committee Meeting held on Tuesday 16th August 2022 in the Council Chambers commencing at 5.00pm.

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SHIRE OF WEST ARTHUR

Minutes of the Audit and Risk Committee Meeting held on Wednesday 16 August 2022 at the Shire of West Arthur Council Chambers.

1. Declaration of Opening/Announcement of Visitors

The President declared the meeting open at 7.05pm.

2. Record of Attendance and ApologiesCommittee Members

Cr Neil Morrell (President)
Cr Karen Harrington

Staff

Vin Fordham Lamont (Chief Executive Officer)
Rajinder Sunner (Manager Corporate Services)

Apologies

Cr Neil Manuel

Members of the Public:

Cr Graeme Peirce (Deputy Shire President)
Cr Adam Squires
Cr Robyn Lubcke
Cr Duncan South

3. Question Time

(Only matters that relate to the Audit and Risk Committee).
Nil.

4. Disclosures of Interest

Nil.

5. Confirmation of Minutes of Previous Meeting**5.1 Audit Committee Meeting Minutes 9th March 2022****Statutory Environment:**

Section 5.22 of the Local Government Act provides that minutes of all meetings are to be kept and submitted to the next ordinary meeting of the council or the committee, as the case requires, for confirmation.

Voting Requirements:

Simple Majority

Recommendation:

That the Minutes of the Audit Committee Meeting held on 9th March 2022 be confirmed as true and correct.

Moved: Cr Harrington

Seconded: Cr Morrell

CARRIED 2/0

ATTACHMENT

Minutes of Audit Committee Meeting – 9th March 2022 – Available on the website.



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UNCONFIRMED MINUTES

Shire of West Arthur Audit Committee Meeting 9th March 2022

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6. Reports

6.1 2021-22 OAG Audit Interim Management Letter

FILE REFERENCE:	2.1.19
LOCATION:	N/A
APPLICANT:	N/A
AUTHOR:	Rajinder Sunner - MCS
AUTHORISING OFFICER:	V Fordham Lamont - CEO
DATE:	10 August 2022
DISCLOSURE OF INTEREST:	N/A
ATTACHMENTS:	CONFIDENTIAL - 6.1.1 2021-2022 OAG Audit Interim Management Letter CEO CONFIDENTIAL - 6.1.2 2021-2022 Audit Interim Management with Comments

SUMMARY:

Audit and Risk Committee is required to accept the 2021-2022 Audit Interim Management Letter prepared by the office of the Auditor General and recommend the endorsement by Council.

BACKGROUND:

Council is required to have an Interim Audit which is undertaken by an Auditor approved by the OAG. The focus of the interim audit is to evaluate the Shire of West Arthur's overall control environment, but not for the purpose of expressing an opinion on the effectiveness of internal control, and to obtain an understanding of the key business processes, risks and internal controls relevant to the audit of the annual financial report.

COMMENT:

The Officer of Auditor 2021-22 Audit Interim Management Letter has identified Five management control issues, one Significant, Three Moderate and one minor which are detailed in attachment 6.1 Office of Auditor – Audit findings Report. It is recommended that the Audit and Risk Management Committee endorse this report and recommend the endorsement by Council. Once endorsed, the report will be published on the Shire's website.

CONSULTATION:

CEO
Manager Financial Reporting

STATUTORY ENVIRONMENT:

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.
- b. The Audit Committee minutes and the report to the Minister are referred to Council for proper review and endorsement of any proposed actions.
- c. Within 3 months of receipt of the auditor's report, a copy of the Council-endorsed report must be provided to the Minister.
- d. Within 14 days of providing a copy of the report to the Minister, a copy must be published on the local government's website.

A local government is not considered compliant with its statutory obligations until all the above actions have been completed.

POLICY IMPLICATIONS:

Nil

FINANCIAL IMPLICATIONS:

Nil

STRATEGIC IMPLICATIONS:

2031 Community Strategic Plan

Theme: Leadership and Management – Inspirational, Dynamic, Transparent

Outcome: Establish and maintain sound business and governance structures

Strategy: Comply with regulations and best practice standards to drive good decision making by Council and Staff.

RISK IMPLICATIONS:

A risk theme is the categorising of risk. For example, the collection of risks that represent compliance failure. The risk themes in the shire Risk Register include:

- Business Disruption
- Community Disruption
- IT or Communications Failure
- External Threat or Fraud
- Misconduct
- Inadequate safety or security practices
- Inadequate project or change management
- Errors Omissions or Delays
- Inadequate Document Management Processes
- Inadequate supplier / contract management
- Providing inaccurate advice / information
- Ineffective Employment practices
- Compliance failure
- Inadequate asset management
- Inadequate engagement practices
- Ineffective facility or event management
- Inadequate environmental management

Risk Matrix:

Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

Description of Key Risk	
Risk Rating (Prior to Treatment or Control): Likelihood x Consequence	Extreme (20)
Risk Likelihood (based on history and with existing controls)	Almost Certain (5)
Risk Consequence	Major (4)
Principal Risk Theme	Compliance Failure
Risk Action Plan (Controls or Treatment Proposed)	2021-2022 Audit Interim management letter identified 5 management control issues, which has now been addressed.

VOTING REQUIREMENTS:

Simple majority

OFFICER RECOMMENDATION:

• **That the Audit and Risk Committee:**

Accepts the 2021-2022 management letter prepared by Office of Auditor General (Attachment 6.1.1) and accept management comments and actions in relation to the audit outcomes (Attachment 6.1.2)

• **That the Audit and Risk Committee recommends that council:**

Accepts the 2021-2022 management letter prepared by Office of Auditor General and accepts management comments and actions in relation to the audit outcomes and recommendations.

Moved: Cr Harrington

Seconded: Cr Morrell

CARRIED 2/0

ATTACHMENT

CONFIDENTIAL - 6.1.1

2021-2022 OAG Audit Interim Management Letter CEO

CONFIDENTIAL - 6.1.2

2021-2022 Audit Interim Management Letter With Comments

7. Other Urgent Business by Decision of Meeting

Nil.

8. Tabling of Items for Next Meeting

Nil.

9. Closure and Next Meeting

The President declared the meeting closed at 7.10pm.