



MINUTES

Special Meeting Audit & Risk Committee

Friday, 31 January 2025 at 9.00 am.

COUNCIL CHAMBERS, 15 ADAM STREET, NANNUP

The purpose of the Special meeting is for the Committee to:

1. Confirm the minutes from the Audit and Risk Committee meeting held on 26 March 2024 as a true and correct record, and
2. Meet with the Office of the Auditor General (Auditor) and it's representatives, by electronic means, to conduct the Audit Exit meeting in relation to the 2023/2024 Financial Audit.

Advice Note: The meeting will be closed to the Public when the meeting with the Auditor General representatives occurs.

Unconfirmed Minutes

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A G E N D A

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS/ACKNOWLEDGMENT OF COUNTRY:

The Presiding Member declared the meeting open and welcome the public gallery.

The Presiding Member acknowledged the traditional custodians of the land, the Wardandi and Bibbulmun people, paying respects to Elders past, present, and emerging.

The Presiding member advised that the meeting is being audio recorded in accordance with the Local Government Act 1995 and will be published on the Shire's website within 14 days.

Members of the public are reminded that no other visual or audio recording of this meeting by any other means is allowed without the permission of the chairperson. Whilst ever endeavour has been made to only record those who are actively participating in the meeting, loud comments or noises from the gallery may be picked up on the recording.

2. ATTENDANCE/APOLOGIES:

2.1 ATTENDANCE

Presiding Member/Shire President	Anthony (Tony) Dean
Deputy Shire President	Vicki Hansen
Councillor	Cheryle Brown
Councillor	Ian Gibb
Councillor	Timothy Sly
Chief Executive Officer	David Taylor
Executive Manager Corporate Services	Kim Dolzadelli
Executive Support Officer	Lisa Atkinson
Finance Coordinator	Robin Lorkiewicz

2.2 APOLOGIES

Councillor	Patricia Fraser
Councillor	Lynette Curtis

3. PUBLIC QUESTION TIME:

Nil.

4. MEMBERS ON LEAVE OF ABSENCE AND APPLICATIONS FOR LEAVE OF ABSENCE:

4.1 APPROVED LEAVE OF ABSENCE:

Nil.

4.2 APPLICATION FOR A LEAVE OF ABSENCE:

Nil.

5. CONFIRMATION OF MINUTES:

5.1 Audit and Risk Committee Minutes – 26 March 2024 (Received by Council – OCM 18 April 2024)

EXECUTIVE RECOMMENDATION:

That the minutes from the Audit and Risk Committee meeting held on 26 March 2024 be confirmed as a true and correct record (attachment 5.1).

COUNCIL RESOLUTION 310125.1**MOVED: CR HANSEN****SECONDED: BROWN**

That the minutes from the Audit and Risk Committee meeting held on 26 March 2024 be confirmed as a true and correct record (attachment 5.1)

CARRIED**TOTAL VOTES FOR: 5****Cr Dean, Cr Hansen, Cr Brown, Cr Gibb, Cr Sly****TOTAL VOTES AGAINST: 0**

6. ANNOUNCEMENTS FROM PRESIDING MEMBER:

Nil.

7. DISCLOSURE OF INTEREST:

Nil.

The Shire of Nannup Disclosure of Interest Register is on our website [here](#).

8. REPORTS OF OFFICERS:

AGENDA NUMBER & SUBJECT:	8.1 – Meeting with Auditor
LOCATION/ADDRESS:	Various
NAME OF APPLICANT:	N/A
FILE REFERENCE:	FNC1
AUTHOR:	Kim Dolzadelli–Executive Manger Corporate Services
REPORTING OFFICER:	Kim Dolzadelli–Executive Manger Corporate Services
DISCLOSURE OF INTEREST:	Nil
DATE OF REPORT:	21 January 2025
PREVIOUS MEETING REFERENCE	Nil
ATTACHMENTS:	8.1.1 - Shire of Nannup Draft Annual Financial Report - 2023-24 8.1.2 - Audit Exit Brief (Confidential Attachment) 8.1.3 - Interim Management Letter (Confidential Attachment) 8.1.4 - Final Management Letter (Confidential Attachment) 8.1.5 – Audit Planning Summary (Confidential Attachment)

BACKGROUND:

A local government is to meet with the auditor of the local government at least once in every year.

Council has delegated this power to the Audit and Risk Committee (ARC) to conduct the formal meeting with the Shire’s external Auditor required in accordance with section 7.12(A)(2) of the local government Act 1995.

It is noted that all Council members are also members of the Committee.

COMMENT:

The Local Government Act 1995 and the Local Government (Audit) Regulations 1996 stipulate that the Office of the Auditor General (OAG) is to carry out the financial audit of all local governments in Western Australia, noting that approximately 85% of WA local governments annual financial audits are further outsourced by the OAG.

During the 2023/24 financial year audit, Council staff liaised directly with AMD Chartered Accounts, who in turn, communicated directly with the OAG throughout the process

In Finalising the Audit of the Annual Financial Statements for the period ending 30 June 2024 (attachment 8.1 Shire of Nannup Draft Annual Financial Report - 2023-24), the OAG, Councils appointed Auditor holds what is termed an “Audit Exist” meeting to close out the Audit process prior to the issuance of the Final Auditors Report and signed of Financial Statements.

Normally the OAG require the Shire President, Chief Executive Officer, and Finance Officers as the minimum attendings. These meeting are held by electronic means.

Given that the ARC has delegated power to conduct the required formal meeting with the Shire's external Auditor the author is recommending that the ARC meet with the Office of the Auditor General (Auditor) and its representatives, by electronic means, to conduct the Audit Exit meeting in relation to the 2023/2024 Financial Audit.

STATUTORY ENVIRONMENT:

Local Government Act 1995

Division 4

7.12A. Duties of local government with respect to audits

- (1) A local government is to do everything in its power to -
 - (a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.

Regulation 19 of the *Local Government (Administration) Regulations 1996* requires that a written record of each delegated decision is kept.

The Local Government Act 1995 and the Local Government (Audit) Regulations 1996 stipulate that the OAG is to carry out the financial audit of all local governments in Western Australia, noting that approximately 85% of WA local governments annual financial audits are further outsourced by the OAG.

POLICY IMPLICATIONS:

Nil

FINANCIAL IMPLICATIONS:

Nil

RISK MANAGEMENT MATRIX:

The Shire, through its adopted Risk Management Framework, has identified a number of risk areas that need to be assessed and where necessary treated, like, but not limited to:

Audit risks	Financial and credit risks
Operational risks	Technological and IT risks
Compliance and regulatory risks	Environmental risks
Legal risks	Strategic risks
Political risks	Sustainability and security risks

Officers have undertaken a Risk Assessment with respect to the item before Council and advise that no risks have been identified.

STRATEGIC IMPLICATIONS:

Nil.

VOTING REQUIREMENT:

Simple majority.

OFFICER RECOMMENDATION 1:

That the Audit and Risk Advisory meet with the Office of the Auditor General (Auditor) and its representatives, by electronic means, to conduct the Audit Exit meeting in relation to the 2023/2024 Financial Audit.

COUNCIL RESOLUTION 310125.2

MOVED: CR BROWN

SECONDED: CR HANSEN

That the Audit and Risk Advisory meet with the Office of the Auditor General (Auditor) and its representatives, by electronic means, to conduct the Audit Exit meeting in relation to the 2023/2024 Financial Audit.

CARRIED

TOTAL VOTES FOR: 5

Cr Dean, Cr Hansen, Cr Brown, Cr Gibb, Cr Sly

TOTAL VOTES AGAINST: 0

OFFICER RECOMMENDATION 2:

That Standing Orders be suspended to enable open communication in meeting with the Office of the Auditor General (Auditor) and its representatives, by electronic means.

COUNCIL RESOLUTION 310125.3

MOVED: CR SLY

SECONDED: CR HANSEN

That Standing Orders be suspended to enable open communication in meeting with the Office of the Auditor General (Auditor) and its representatives, by electronic means.

CARRIED

TOTAL VOTES FOR: 5

Cr Dean, Cr Hansen, Cr Brown, Cr Gibb, Cr Sly

TOTAL VOTES AGAINST: 0

OFFICER RECOMMENDATION 3:

That Audit and Risk Committee go behind closed doors to enable open communication in meeting with the Office of the Auditor General (Auditor) and it's representatives, by electronic means.

COUNCIL RESOLUTION 310125.4**MOVED: CR SLY****SECONDED: CR BROWN**

That the Audit and Risk Committee go behind closed doors to enable open communication in meeting with the Office of the Auditor General (Auditor) and its representatives, by electronic means.

CARRIED**TOTAL VOTES FOR: 5****Cr Dean, Cr Hansen, Cr Brown, Cr Gibb, Cr Sly****TOTAL VOTES AGAINST: 0**

Advise Note: The meeting will go behind closed doors to allow open communication including the ability for the Committee to have staff leave the meeting such that it may directly discuss staff performance through the audit process.

Reason for Confidentiality: Local Government Act 1995 (WA)

Section 5.23 (2) (f) - "a matter that if disclosed, could be reasonably expected to –

- (i) impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law;
- (ii) endanger the security of the local government's property; or
- (iii) prejudice the maintenance or enforcement of a lawful measure

Section 5.23 (2) (a) - "a matter that if disclosed, could be reasonably expected to –

- (i) a matter affecting an employee or employees.

OFFICER RECOMMENDATION 4:

That the meeting comes out of Closed Doors and Standing Orders be resumed on completion of the meeting with Auditors.

COUNCIL RESOLUTION 310125.5**MOVED: CR SLY****SECONDED: CR BROWN**

That the meeting comes out of Closed Doors and Standing Orders be resumed on completion of the meeting with Auditors.

CARRIED**TOTAL VOTES FOR: 5****Cr Dean, Cr Hansen, Cr Brown, Cr Gibb, Cr Sly****TOTAL VOTES AGAINST: 0****OFFICER RECOMMENDATION 5:**

That the Audit and Risk Committee advises Council that it has completed Audit Exit meeting with the Auditors in accordance with section 7.12(A)(2) of the local government Act 1995, on Friday, 31 January 2025.

COUNCIL RESOLUTION 310125.6**MOVED: CR SLY****SECONDED: CR BROWN**

That the Audit and Risk Committee advises Council that it has completed Audit Exit meeting with the Auditors in accordance with section 7.12(A)(2) of the local government Act 1995, on Friday, 31 January 2025.

CARRIED**TOTAL VOTES FOR: 5****Cr Dean, Cr Hansen, Cr Brown, Cr Gibb, Cr Sly****TOTAL VOTES AGAINST: 0****12 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN:**

Nil.

13. MEETING MAY BE CLOSED:

Nil.

14. CLOSURE OF MEETING:

Shire President declared the meeting closed at 9.36am.

Attachments

Item	Attachment	Title
5.1	1	Audit and Risk Committee Meeting held on 26 March 2024
8.1.1	1	Shire of Nannup Draft Annual Financial Report -2023-24
8.1.2	1	Audit Exit Brief (Confidential Attachment)
8.1.3	1	Interim Management Letter (Confidential Attachment)
8.1.4	1	Final Management Letter (Confidential Attachment)
8.1.5	1	Audit Planning Summary (Confidential Item)