



## AUDIT AND RISK MANAGEMENT COMMITTEE MEETING

# MINUTES

SECTION 5.9(2)(a) LGA 1995

### Committee Brief

1. *Provide guidance and assistance to the local government -*
  - a) *as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
  - b) *as to the development of a process to be used to select and appoint a person to be an auditor; and*
2. *May provide guidance and assistance to the local government as to -*
  - a) *matters to be audited; and*
  - b) *the scope of audits; and*
  - c) *its functions under Part 6 of the Act; and*
  - d) *the carrying out of its functions relating to other audits and other matters related to financial management; and*
3. *Is to review a report given to it by the CEO under Regulation 17(3) (the CEO's report) and is to -*
  - a) *report to the Council the results of that review; and*
  - b) *give a copy of the CEO's report to the Council.*

A meeting of the Audit and Risk Management Committee was held  
in the Committee Room, Lowood Road, Mount Barker WA 6324,  
at 4:00 pm Tuesday 18 June 2024.

  
Julian Murphy  
CHIEF EXECUTIVE OFFICER

### Committee Members

Cr L Handasyde, Cr A Fraser, Cr J Liebeck, Cr K Clements, Cr S Etherington (Deputy), Cr J Oldfield (Deputy), Cr W Sheard (Deputy) (Council 167/23)

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## **1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The Presiding Member declared the meeting open at 4.00pm.

## **2 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE**

### Members Present

Cr L Handasyde (Presiding Member)  
Cr A Fraser  
Cr J Lieback  
Cr K Clements

### Observers

Cr S Etherington (Deputy)  
Cr J Oldfield (Deputy)  
Cr W Sheard (Deputy)

### Staff

Mr Julian Murphy – Chief Executive Officer  
Mr Anthony Middleton - Executive Officer Corporate and Community Services  
Ms Jodi Masson – Manager Finance

### Apologies

Nil

## **3 CONFIRMATION OF MINUTES**

### **OFFICER RECOMMENDATION / COMMITTEE DECISION**

**Moved Cr J Lieback, seconded Cr K Clements:**

**That the Minutes of the Ordinary Meeting of the Audit and Risk Management Committee held on 26 March 2024 as circulated, be taken as read and adopted as a correct record.**

**CARRIED 4-0**

## **4 DISCLOSURE OF INTEREST**

Part 5 Division 6 Local Government Act 1995

There were no disclosures of interest.

## 5 REPORTS OF COMMITTEE MEMBERS AND OFFICERS

### 5.1 ANNUAL FINANCIAL REPORT 2022/2023 & GENERAL MEETING OF ELECTORS

**File Ref:**

**Attachment:**

Financial Report for the year ended 30 June 2023  
Independent Auditors Report 2023  
Auditor's Management Letter

**Responsible Officer:**

**Anthony Middleton**  
**Executive Manager – Corporate & Community**

**Author:**

**Anthony Middleton**  
**Executive Manager – Corporate & Community**

**Proposed Meeting Date:**

**18 June 2024**

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#### PURPOSE

The purpose of this report is to consider the 2022/2023 Financial Report, incorporating the Independent Auditors Report, and the Auditors Management Letter.

#### BACKGROUND

Every local government in WA is required to prepare an annual Financial Report for each financial year. The *Local Government (Financial Management) Regulations 1996* define the content and format of the Financial Report.

#### EXTERNAL CONSULTATION

Nil

#### STATUTORY ENVIRONMENT

Section 5.26 to 5.33 (Electors meetings), 5.53 & 5.54 (Annual Reports), part 6 & 7 (Financial Management & Audit) of the Local Government Act 1995 and the *Local Government (Financial Management) Regulations 1996* apply to this item.

#### POLICY IMPLICATIONS

Policy implications do not apply for this report and it is the opinion of the author that policy development is not required.

#### FINANCIAL IMPLICATIONS

This item reports on the financial position of the Shire as at 30 June 2023. The recommendation does not in itself have a financial implication.

#### BUDGET IMPLICATIONS

There are no budget implications for this report.

#### LEGAL IMPLICATIONS

There are no legal implications for this report.

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## ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications as no assets are being created or acquired.

## STRATEGIC IMPLICATIONS

The Shire of Plantagenet Corporate Business Plan 2022/23 – 2025/26 provides:

*At Outcome 4 Performance & Leadership* the following Strategies:

Strategy 4.1.3:

‘A Shire that is open and transparent with its community.’

Accordingly, the recommended outcome for this report aligns with the Corporate Business Plan.

## STRATEGIC RISK IMPLICATIONS

A key element of the Strategic Risk Register relates to ‘Failure to Fulfil Compliance Requirements (Statutory, Regulatory)’. Currently, the overall control rating is assessed as adequate.

## REGIONAL IMPLICATIONS

There are no regional implications for this report.

## OFFICER COMMENT

The annual Financial Report is attached. Key points to note in this report are as follows:

- Net Operating Result (prior to asset revaluations) of (positive) \$303,061 (page 3);
- Infrastructure Assets (e.g. roads, bridges, parks, etc) have been revalued in accordance with legislative requirements resulting in an increase from \$194m to \$407m (page 4);
- The year resulted in a positive cash flow of \$703,504 (page 6);
- The Shire is in a surplus position at 30 June 2023 of \$4.198m (page 7);
- Current rate receivables at 30 June 2023 were \$441,563 (page 13);
- Rates raised for the year totalled \$7.4m (page 34);
- Loan borrowings for the year reduced from \$2.07m to \$1.65m (page 36); and
- Reserve accounts (money saved for a future financial year) increased from \$4.0m to \$5.0m (page 38).

The Independent Audit Report that relates to this Financial Report is ‘qualified’ as a result of comparative figures (i.e. those figures that relate to the previous financial year) having received a qualification last year.

The Auditors Management Letter is also provided to the Committee for transparency and full disclosure. The seven (7) issues raised in the management letter will form a newly created ‘Status Report’ for inclusion in all future Committee agenda’s. This will ensure that Committee members can monitor staff progress in addressing each item.

The Annual Electors Meeting must be held within 56 days of the Council accepting the Annual Report, allowing appropriate time after adoption to give public notice of the meeting, say 14 days. This effectively means that the Annual Electors Meeting needs to be held between 9 July 2024 and 20 August 2024 if the Annual Report is adopted by the Council on 25 June 2024.

This Financial Report will be consolidated into the Shire's Annual Report prior to being considered by the Council at its meeting to be held on 25 June 2024.

### **VOTING REQUIREMENTS**

Simple Majority

### **OFFICER RECOMMENDATION / COMMITTEE DECISION**

Moved Cr K Clements, seconded Cr A Fraser:

That Council:

1. Adopts the 2022/2023 Annual Financial Report; and
2. Notes the seven (7) matters raised in the Auditor's Management Letter be included in a Committee Status Report of future Audit and Risk Committee agendas.

CARRIED 4-0

## **6 GENERAL BUSINESS**

Nil.

## **7 NEXT MEETING**

To be advised.

## **8 CLOSURE OF MEETING**

There being no further business to discuss, the Presiding Member declared the meeting closed at 4.34pm.

CONFIRMED: PRESIDING MEMBER \_\_\_\_\_ DATE: \_\_\_\_/\_\_\_\_/\_\_\_\_