



**AGENDA**

**AUDIT AND RISK MANAGEMENT  
COMMITTEE**

**to be held on**

**Thursday, 17 December 2020**

**at 5:00 pm**



WESTERN AUSTRALIA'S  
WILDFLOWER COUNTRY

*'This meeting is being recorded on audio tape and to assist with minute taking purposes. The public is reminded that in accordance with Section 6.16 of the Shire of Morawa Meeting Procedures Local Law 2012 that nobody shall use any visual or vocal recording device or instrument to record the proceedings of Council without the written permission of the presiding member.'*

*DISCLAIMER*

*No responsibility whatsoever is implied or accepted by the Shire of Morawa for any act, omission, statement or intimation occurring during Council or Committee Meetings. The Shire of Morawa 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, and statement of intimation occurring during Council or Committee Meetings.*

*Any person or legal entity that acts or fails to act in reliance upon any statement, act or omission occurring in a Council or Committee Meeting does so at their own risk. The Shire of Morawa advises that any person or legal entity should only rely on formal confirmation or notification of Council resolutions.*

## DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS

*Local Government Act 1995 – Section 5.65, 5.70 and 5.71 Local Government (Administration) Regulation 34C*

<i>This form is provided to enable members and officers to disclose an Interest in a matter in accordance with the regulations of Section 5.65, 5.70 and 5.71 of the Local Government Act and Local Government (Administration) Regulation 34C</i>			
Name of person declaring the interest			
Position			
Date of Meeting			
Type of Meeting (Please circle one)	Council Meeting/ Committee Meeting/ Special Council Meeting Workshop/ Public Agenda Briefing/ Confidential Briefing		
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Important Note:** Should you declare a **Financial** or **Proximity** Interest, in accordance with the Act and Regulations noted above, you are required to leave the room while the item is being considered. For an **Impartiality** Interest, you must state the following prior to the consideration of the item:

*“With regard to agenda item (read item number and title), I disclose that I have an impartiality interest because (read your reason for interest). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.”*

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## Item 1 Opening of Meeting

The Presiding Member to declare the meeting open.

## Item 2 Acknowledgement of Traditional Owners and Dignitaries

The Presiding Member acknowledges the traditional custodians, the Yamatji people, and recognises the contribution of Yamatji elders past, present and future, in working together for the future of Morawa.

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## Item 3 Recording of Attendance

### 3.1 Attendance

#### Committee Members

President Councillor Karen Chappel (Presiding Member)  
 Deputy President Councillor Dean Carslake  
 Councillor Jane Coaker  
 Councillor Debbie Collins  
 Councillor Yvette Harris  
 Councillor Shirley Katona  
 Councillor Ken Stokes

#### Staff

Chief Executive Officer	Scott Wildgoose
Executive Manager Corporate & Community Services	John van der Meer
Executive Manager Works and Assets	Paul Buist
Economic Development Manager	Ellie Cuthbert
Executive Assistant	Rondah Toms

#### Members of the Public

WA Auditor General	Caroline Spencer (Teleconference)
Office of the Auditor General	Subha Gunalan
RSM Australia representative	David Wall
RSM Australia representative	Krushna Hirani

### 3.2 Attendance by Telephone / Instantaneous Communications

In accordance with section 14 of the *Local Government (Administration) Regulations 1996* "Meetings held by electronic means in public health emergency or state of emergency (Act s. 5.25(1)(ba))", the President to declare that this Meeting may take place via instantaneous communication. All Councillors and staff are to be available either via telephone (teleconference) or in person.

### 3.3 Apologies

3.4 Approved Leave of Absence

3.5 Disclosure of Interests

**Item 4 Applications for Leave of Absence**

**Item 5 Response to Previous Questions**

**Item 6 Questions from Members without Notice**

**Item 7 Announcements by Presiding Member without Discussion**

**Item 8 Declarations of All Members to have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting**

The Elected Members to declare that they had given due consideration to all matters contained in the agenda.

**Item 9 Confirmation of Minutes of Previous Meeting**

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**OFFICER'S RECOMMENDATION**

That the Audit Committee Meeting Minutes held on Thursday, 19 November 2020 are confirmed to be a true and correct record.

***SIMPLE MAJORITY VOTE REQUIRED***

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*Disclaimer*

*Members of the public are cautioned against taking any action on Council decisions, on items in this agenda in which they may have an interest, until formal notification in writing from the Shire has been received. Decisions made at this meeting can be revoked pursuant to the Local Government Act 1995.*

**Item 10 Reports of Officers****10.1 Acceptance of Annual Report, Annual Financial Statements and Audit Report**

<b>Author:</b>	Executive Manager Corporate and Community Services
<b>Authorising Officer:</b>	Chief Executive Officer
<b>Disclosure of Interest:</b>	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

**OFFICER'S RECOMMENDATION**

That the Audit Committee:

1. **Adopts the Shire of Morawa 2019/20 Annual Financial Statements as presented.**
2. **Receives the Auditor's Closing Report for the year ended 30 June 2020.**
3. **Endorses the actions and strategies as determined to be undertaken by Shire staff in response to the Management Letter as presented by RSM.**

***ABSOLUTE MAJORITY VOTE REQUIRED***

**PURPOSE**

The Audit and Risk Management Committee ('Committee') is to report to Council and provide appropriate advice and recommendations regarding audit reporting. Committee will be provided with the audited Annual Financial Report, Closing Report, Audit Opinion and Management Letter for the Shire of Morawa for the year ended 30 June 2020.

**DETAIL**

It is a statutory requirement that all Local Governments conduct an independent audit of the accounts and financial statements of the entity at the completion of each financial year.

The Audit and Risk Management Committee must then consider this report and provide endorsement to the actions and strategies as determined by Staff in response to the report and/or management letter. In discussions with RSM Australia representatives, the Shire was assured that the audit report and management letter would be available well within time for consideration by Committee/Council.

At the time of preparing this Report, the Shire's auditor RSM Australia was still to provide the audit report and management letter. Once received, it will be provided to Committee/Council under separate cover.



**LEVEL OF SIGNIFICANCE**

High – a representation of the financial position of the Shire of Morawa as at 30 June 2020. Risks associated with the audit findings will be identified and addressed.

**CONSULTATION**

**Internal**

Shire President  
Senior Management Team

**External**

RSM Australia  
Office of Auditor General  
Bob Waddell Consultancy

**LEGISLATION AND POLICY CONSIDERATIONS**

*Local Government Act 1995*  
*Local Government (Audit) Regulations 1996*  
*Local Government (Financial Management) Regulations 2011*  
*Local Government (COVID-19 Response) Order 2020*

**FINANCIAL AND RESOURCES IMPLICATIONS**

The costs associated with conducting the annual audit are included in the 2020/2021 Budget.

**STRATEGIC AND SUSTAINABILITY IMPLICATIONS**

*Shire of Morawa Community Strategic Plan 2018-2028 (Desktop Review June 2020)*

**Outcome 4.3** A local government that is respected, professional and accountable.

**Outcome 4.5** Long term financial viability.

**RISK MANAGEMENT CONSIDERATIONS**

The findings will be identified by RSM Australia in its the audit of the Annual Financial Report. The Management Letter is to be presented by RSM Australia and any identified items will be responded to by the Shire in an updated Report. The Audit Report is to be accepted by Council no later than 31 December (s5.54 *Local Government Act 1995*).

**CONCLUSION**

The Annual Financial Report, Audit Closing Report, draft Audit Opinion and Management Letter are to be provided to Committee/Council under separate cover. Once received, the Shire will provide a response and update Report.

**ATTACHMENTS**

*Attachment 1* – 10.1 Annual Financial Report

*Attachment 2* – 10.1 Closing Report

*Attachment 3* – 10.1 Draft Audit Opinion

*Attachment 4* – 10.1 Audit Closing Meeting Agenda

*Attachment 5* – 10.1 Management Letter (*confidential*)

**Item 11 Motions of Which Previous Notice Has Been Given**

**Item 12 New Business of an Urgent Nature**

**Item 13 Closure**

There being no further business, the Presiding Member to declare the meeting closed.