



MINUTES

AUDIT & RISK MANAGEMENT COMMITTEE

held on

Monday, 18 December 2023 at 4:30pm

at the

**Shire of Morawa Council Chambers,
26 Winfield Street, Morawa**



WESTERN AUSTRALIA'S
WILDFLOWER COUNTRY

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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 at 4:30pm.

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.

Item 3 Recording of Attendance**3.1 Attendance****Committee Members – Electronic Attendance**

President Councillor Karen Chappel (Presiding Member)
Deputy President Councillor Ken Stokes

Committee Members – In person Attendance

Councillor Debbie Collins
Councillor Diana North

Staff

Chief Executive Officer	Scott Wildgoose
Executive Manager Corporate & Community Services	Jackie Hawkins

3.2 Apologies

Nil

3.3 Approved Leave of Absence

Nil

3.4 Disclosure of Interests

Nil

Item 4 Applications for Leave of Absence

Nil

Item 5 Response to Previous Questions

Nil

Item 6 Questions from Members without Notice

Nil

Item 7 Announcements by Presiding Member without Discussion

Nil

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

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

- President Councillor Karen Chappel (Presiding Member)
- Deputy President Councillor Ken Stokes
- Councillor Debbie Collins
- Councillor Diana North

Item 9 Confirmation of Minutes of Previous Meeting

The Minutes of the 10 August 2023 Audit & Risk Management Committee Meeting were provided under separate cover via the Shire of Morawa's secure portal to all Councillors on 11 August 2023.

OFFICER'S RECOMMENDATION/RESOLUTION**231201****Moved: Cr Stokes****Seconded: Cr Collins**

That the Audit & Risk Management Committee Meeting Minutes held on Thursday, 10 August 2023 are confirmed to be a true and correct record.

CARRIED BY SIMPLE MAJORITY 4/0

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 Financial Statements and Audit Report**

Author: Executive Manager Corporate & Community Services

Authorising Officer: Chief Executive Officer

Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

Motion to Suspend Standing Orders

MOVED: Cr Stokes

SECONDED: Cr Collins

ACCEPTED 4/0

Standing Orders Suspended at 4:32pm

Committee Members and Staff discussed exit report, OAG process and findings.

Motion to Resume Standing Orders

MOVED: Cr Collins

SECONDED: Cr Stokes

ACCEPTED 4/0

Standing Orders Resumed at 4:36pm**OFFICER'S RECOMMENDATION/RESOLUTION**

231202

Moved: Cr North

Seconded: Cr Collins

That the Audit and Risk Committee:

- 1. Accepts the Shire of Morawa 2022-2023 Annual Financial Statements**
- 2. Recommends Council adopt the Annual Report for the 2022-2023 financial year inclusive of the Annual Financial Report and Auditor Opinion.**
- 3. Receives the Auditor's Closing Report for the year ended 30 June 2023.**
- 4. Endorses the actions and timeframes as per the Management Comments to address the findings identified in the Auditors Management Letter.**

CARRIED BY ABSOLUTE MAJORITY 4/0

PURPOSE

The Audit and Risk Committee (ARC) is to report to Council and provide appropriate advice and recommendations regarding audit reporting.

This report presents to the Committee the audited Annual Financial Report, Closing Report, Audit Opinion and Management Letter for the Shire of Morawa for the year ended 30 June 2023.

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 ARC 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.

The 2022-2023 Audit report will be issued as an unqualified opinion but will have mention the items included in the Management Letter that is attached.

LEVEL OF SIGNIFICANCE

High – provides a representation of the financial position of the Shire of Morawa as at 30 June 2023.

CONSULTATION

Internal

Shire President
Deputy Shire President
Senior Management Team
Finance Team

External

Nexia
Office of Auditor General

LEGISLATION AND POLICY CONSIDERATIONS

Local Government Act 1995
Local Government (Financial Management) Regulations 2011

Strategic Community Plan 2022 to 2032)

Be future focused in all we do:

1. Ensure the Shire and its assets are well resourced and sustainable.

FINANCIAL AND RESOURCES IMPLICATIONS

The costs associated with conducting the annual audit are included in the 2022-2023 Budget.

RISK MANAGEMENT CONSIDERATIONS

The Management Letter presented by Nexia identified two items, one deemed significant and one moderate. It should be noted that item 1 had previously been identified in the Financial Management Review that was conducted during February 2022 and had a completion date of June 2023. Staff have responded to these items and these responses can be seen in the attached management letter for detail regarding risks identified by Nexia (*Attachment 2*).

The Audit Report is to be accepted by Council no later than 31 December (Section 5.54 of the Local Government Act 1995). Not accepting the report by this time will be a breach of the Local Government Act.

CONCLUSION

The Annual Financial Report, Audit Closing Report, Audit Opinion and Management Letter are attached for the Audit Committee's review. The Shire of Morawa is continuously working towards improvements in the financial management area and while there has been progress in some areas further work is still required in creating stronger controls around accounts payable, procurement and our rates debtors.

ATTACHMENTS

Attachment 1 – 10.1a Annual Report including the 2022-2023 Annual Financial Report

Attachment 2 – 10.1b Management Letter

Attachment 3 – 10.1c Audit Closing Report (confidential)

Item 11 Motions of Which Previous Notice Has Been Given
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Nil

Item 12 New Business of an Urgent Nature

Nil

Item 13 Closure

13.1 Date of Next Meeting

The next Audit & Risk Committee will be held on Thursday, 14 March 2023 commencing at 6.00pm.

13.2 Closure

There being no further business, the President declared the meeting closed at 4:39pm.