



# Published Minutes

Audit And Risk Management Committee Meeting

Tuesday, 14 February 2023

Date:	Tuesday 14 February 2023
Time:	8:30am
Location:	Clem Thompson Sport Pavilion, Stadium Road, Tom Price
Distribution Date:	Friday 17 February 2023



**Shire of Ashburton  
Audit And Risk Management Committee Meeting**

The Chief Executive Officer recommends the endorsement of these minutes at the next Audit And Risk Management Committee Meeting.

K Donohoe  
Chief Executive Officer  
17 February 2023

These minutes were confirmed by Council as a true and accurate record of proceedings at the Audit And Risk Management Committee Meeting held on Tuesday, 14 February 2023.

Presiding Member Kim White

Date 14-04-2023

**Disclaimer**

*The Shire of Ashburton warns anyone who has an application lodged with Council must obtain, and should only rely on, written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by Council in respect of the application. No responsibility whatsoever is implied, or accepted, by the Shire of Ashburton for any act, omission, statement, or intimation occurring during a Council meeting.*

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## 1 Declaration Of Opening

The Presiding Member declared the meeting open at 8:30am.

### Presiding Member Recommendation

In accordance with regulation 14C(2)(b) of the *Local Government (Administration) Regulations 1996*, approves Councillor M Gallanagh and Councillor Kerry White to attend the meeting via electronic means, noting they are in instantaneous communication with the meeting.

### 1.1 Acknowledgement Of Country

As representatives of the Shire of Ashburton Council, we respectfully acknowledge the local Indigenous people, the traditional custodians of this land where we are meeting upon today and pay our respects to them and all their elders both past, present and emerging.

## 2 Announcement Of Visitors

Nil

## 3 Attendance

### 3.1 Present

Elected Members:	Cr M Lynch Cr R De Pledge Cr M Gallanagh Cr L Rumble JP Cr A Smith Cr T Mladenovic	Tom Price Ward (Presiding Member)  Ashburton Ward Pannawonica Ward (via electronic means) Paraburdoo Ward Tom Price Ward Tom Price Ward
Employees:	K Donohoe T Dayman R Miller R Wright A Lennon J Bray	Chief Executive Officer Acting Director Corporate Services Director Infrastructure Services Executive Manager Land, Property and Regulatory Services Manager Media and Communications Manager Governance



## 4.2 Declaration Of Interest

A member who has an Impartiality, Proximity or Financial interest in any matter to be discussed at this meeting must disclose the nature of the interest either in a written notice, given to the Chief Executive Officer, prior to the meeting, or at the meeting immediately before the matter is discussed.

A member who makes a disclosure in respect to an interest must not preside at the part of the meeting which deals with the matter, or participate in, or be present during any discussion or decision-making process relative to the matter, unless the disclosing member is permitted to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995*.

The following declarations of interest are disclosed –

Nil

## 5 Confirmation Of Minutes

### 5.1 Confirmation Of Previous Minutes

#### 5.1.1 Minutes Of The Audit And Risk Management Committee Meeting Held On 8 November 2022

##### Committee Decision

Moved                                      Cr R De Pledge

Seconded                                      Cr T Mladenovic

**That the Minutes of the Audit And Risk Management Committee Meeting held 8 November 2022 (Item 5.1.1 Attachment 1) be received.**

**Carried 6/0**

## 6 Public Agenda Items

### 6.1 Audit Log Status Update

<b>File Reference</b>	CM52
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	J Bray, Manager Governance
<b>Authorising Officer</b>	T Dayman, Acting Director of Corporate Services
<b>Previous Meeting Reference</b>	Ordinary Council Meeting 13 December 2022 - Item 17/6.2 – 182/2022
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	1. Internal Audit Log as at 9 February 2023 <a href="#">⇒</a>

#### Report Purpose

Council is required to review the Audit Log actions.

The purpose of this report is to provide Council oversight of the implementation of actions resulting from internal audits and external reviews.

Council is requested to receive the Audit Log status updates.

#### Background

The Chief Executive Officer (CEO) is required to ensure adequate systems and processes are established for the effective management and control of the Shire.

Internal audits and external reviews are examples of methods Council may use to ensure sound management of the Shire is occurring.

Following the finalisation of an internal audit and/or external review, recommendations are included in the Audit Log to ensure progress monitored and recorded.

#### Comments

The Shire of Ashburton has previously undertaken internal audits and external reviews of financial and other processes and systems.

This report provides an update on the implementation of the recommendations from those audits and reviews.

A progress update is provided to the Audit and Risk Management Committee to ensure oversight of the implementation of recommendations as a result of an internal audit and/or external review. Full details of the outstanding actions as shown in Attachment 1.

#### Internal Audits

A summary of the progress on the implementation of internal audit recommendations is provided in the following table. Please note: the recommendations from the three internal audits listed on the current Audit and Risk Management Committee have been included in the totals.

Internal Audit	Total Recommendations	Not Started	In Progress	Completed
Review of 2019 FMR	4	0	4	0
Procurement Systems and Controls	23	2	12	9
Risk Management Practices	19	5	10	4
Grants Management	11	10	1	0
Records Management 21	15	6	10	5
Records Management 22	32	12	14	6
Cybersecurity	23	9	14	0
Business Continuity	26	25	1	0
Building Permits	26	20	1	5
Contract Management	17	6	8	3
Fraud and Corruption	27	23	1	3
Payroll and HR	8	0	0	0
<b>Total</b>	<b>231</b>	<b>126</b>	<b>70</b>	<b>35</b>

23 recommendations have been completed since last reported to the Audit and Risk Management Committee on 8 November 2022.

#### Financial Audits

A summary of the progress on the implementation of financial audit recommendations is provided in the following table.

Financial Year Ended	Total Recommendations	Not Started	In Progress	Completed
30 June 2021	Not received	Not received	Not received	Not received
30 June 2020	5	4	0	1
30 June 2019	4	2	0	2
30 June 2018	1	1	0	0
30 June 2017	1	1	0	0
30 June 2016	1	1	0	0
<b>Total</b>	<b>12</b>	<b>9</b>	<b>0</b>	<b>3</b>

No recommendations have been completed since last reported to the Audit and Risk Management Committee on 8 November 2022.

Resourcing issues have prevented satisfactory progress of addressing the recommendations from these audits and reviews from occurring.

#### **Consultation**

The relevant members of the Executive Leadership Team and Middle Management Group were consulted on the progress of the outstanding actions on the Audit Log.

Moore Australia has been provided updates to the Audit Log and verified evidence provided to close actions.



**Strategic Community Plan**

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.6 Visionary community leadership with sound, diligent and accountable governance
Strategy	3 Deliver best practice governance and risk management.

**Council Policy**

Nil

**Financial Implications**

Current Financial Year

Nil

Future Financial Year(s)

Nil

**Legislative Implications**

In accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*, the CEO is to review the appropriate and effectiveness of a local government’s systems and procedures in relation to:

- Risk management,
- Internal control, and
- Legislative compliance.

The CEO is to report to the Audit and Risk Management Committee, the results of each review.

**Risk Management**

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Compliance	Compliance failures if areas identified for improvement are not addressed.	Possible (3)	Major (4)	High (10-16)	Implement process improvements as a result of internal audits/external reviews and provide regular progress reporting to the Audit and Risk Management Committee.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be high.

**Voting Requirements**

Simple Majority

**Officer Recommendation**

That with respect to Audit Log Status Update, the Audit and Risk Management Committee recommends that Council, receives the updated Audit Log.

**Committee Decision**

**Moved Cr A Smith**

**Seconded Cr T Mladenovic**

**That with respect to Audit Log Status Update, the Audit and Risk Management Committee recommends that Council, receives the updated Audit Log.**

**Carried 6/0**

## 6.2 Internal Audit Report - Contract Management

<b>File Reference</b>	CM52
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	J Bray, Manager Governance
<b>Authorising Officer</b>	T Dayman, Acting Director of Corporate Services
<b>Previous Meeting Reference</b>	Nil
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	1. Internal Audit Report - Contract Management - 2 December 2022 - Confidential

### Report Purpose

Council is required to review the Internal Audit Report on Contract Management.

The purpose of this report is to provide the Council oversight of the internal audit conducted and the related findings.

Council is requested to receive the Internal Audit Report on Contract Management.

### Background

An internal audit on the Shire of Ashburton's systems and process in place to manage contracts was included in the 2021/2022 internal audit program.

Moore Australia (WA) Pty Ltd were engaged to conduct the audits included in the internal audit program.

### Comments

The internal audit was completed in December 2022 and identified a total of seven findings, three high-risk matters and four medium-risk matters. Full details of the findings are available in the confidential attachment.

All matters identified will be addressed in accordance with the agreed action, by the target completion date.

All findings from the internal audit will be included in the Internal Audit Log. Progress on the actions will be provided at each Audit and Risk Management Committee meeting.

### Consultation

Moore Australia (WA) Pty Ltd was engaged to conduct the review.

The Chief Executive Officer, Director Projects and Procurement, Senior Procurement Officer, Acting Director Corporate Services and Manager Governance were consulted during the internal audit and in the collation of the final audit internal report.

**Strategic Community Plan**

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.6 Visionary community leadership with sound, diligent and accountable governance
Strategy	3 Deliver best practice governance and risk management.

**Council Policy**

The review identified the need to review the Purchasing and Procurement Policy. The review of this policy was adopted by Council at its meeting held 13 December 2022.

**Financial Implications**

Current Financial Year

Nil

Future Financial Year(s)

The Internal Audit Report identified a need for the Shire to investigate a contract management software solution. Quotes are currently being sought to ascertain the cost of implementing a software solution. A request for funds may be listed for consideration in the 2023/2024 Annual Budget, if required.

**Legislative Implications**

In accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*, the CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to –

- Risk management,
- Internal control, and
- Legislative compliance.

The CEO is to report to the Audit and Risk Management Committee the results of each review.

**Risk Management**

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Reputation (social/community)	Loss of community trust if the Shire doesn't manage contracts appropriately.	Possible (3)	Major (4)	High (10-16)	Implement process improvements as a result the internal audit and provide regular progress reporting to the Audit and Risk Management Committee.



### 6.3 Internal Audit Report - Fraud and Corruption

<b>File Reference</b>	CM52
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	J Bray, Manager Governance
<b>Authorising Officer</b>	T Dayman, Acting Director of Corporate Services
<b>Previous Meeting Reference</b>	Nil
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	1. Internal Audit Report - Fraud and Corruption - 1 February 2023 - Confidential

#### Report Purpose

Council is required to review the Internal Audit Report on Fraud and Corruption.

The purpose of this report is to provide the Council oversight of the internal audit conducted and the related findings.

Council is requested to receive the Internal Audit Report on Fraud and Corruption.

#### Background

An internal audit on the Shire of Ashburton's systems and processes in place to prevent fraud and corruption was included in the 2021/2022 internal audit program.

Moore Australia (WA) Pty Ltd were engaged to conduct the audits included in the internal audit program.

#### Comments

The internal audit was completed in February 2023 and identified a total of 13 findings, six high-risk matters, six medium-risk matters and one low-risk matter. Full details of the findings are available in the confidential attachment.

All matters identified will be addressed in accordance with the agreed action, by the target completion date.

All findings from the internal audit will be included in the Internal Audit Log. Progress on the actions will be provided at each Audit and Risk Management Committee meeting.

#### Consultation

Moore Australia (WA) Pty Ltd was engaged to conduct the review.

The Chief Executive Officer, Acting Director Corporate Services, Manager Organisational Development and Manager Governance were consulted during the internal audit and in the collation of the final audit internal report.

**Strategic Community Plan**

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.6 Visionary community leadership with sound, diligent and accountable governance
Strategy	3 Deliver best practice governance and risk management.

**Council Policy**

The review identified the need to review a number of Council policies. This process is already underway. In addition, it is recommended to develop a Fraud and Corruption Policy. This policy is currently being drafted and it is anticipated that it will be presented to Council in March 2023.

**Financial Implications**

Current Financial Year

Nil

Future Financial Year(s)

Funds may be required to implement the actions detailed in the attached report. A request for funds may be listed for consideration in the 2023/2024 Annual Budget, if required.

**Legislative Implications**

In accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*, the CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to –

- Risk management,
- Internal control, and
- Legislative compliance.

The CEO is to report to the Audit and Risk Management Committee the results of each review.

**Risk Management**

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Reputation (social/community)	Loss of trust in the community if the Shire is the subject of a fraud or corruption investigation.	Possible (3)	Major (4)	High (10-16)	Implement process improvements as a result the internal audit and provide regular progress reporting to the Audit and Risk Management Committee.





## 6.4 Internal Audit Report - Payroll and Human Resources

<b>File Reference</b>	CM52
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	J Bray, Manager Governance
<b>Authorising Officer</b>	T Dayman, Acting Director of Corporate Services
<b>Previous Meeting Reference</b>	Nil
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	1. Internal Audit Report - Payroll and HR - 1 February 2023 - Confidential

### Report Purpose

Council is required to review the Internal Audit Report on Payroll and Human Resources.

The purpose of this report is to provide the Council oversight of the internal audit conducted and the related findings.

Council is requested to receive the Internal Audit Report on Payroll and Human Resources.

### Background

An internal audit on the Shire of Ashburton's payroll and human resources systems and processes in place was included in the 2021/2022 internal audit program.

Moore Australia (WA) Pty Ltd were engaged to conduct the audits included in the internal audit program.

### Comments

The internal audit was completed in February 2023 and identified a total of six findings, three high-risk matters, two medium-risk matters and one low-risk matter. Full details of the findings are available in the confidential attachment.

All matters identified will be addressed in accordance with the agreed action, by the target completion date.

All findings from the internal audit will be included in the Internal Audit Log. Progress on the actions will be provided at each Audit and Risk Management Committee meeting.

### Consultation

Moore Australia (WA) Pty Ltd was engaged to conduct the review.

The Chief Executive Officer, Acting Director Corporate Services, Manager Organisational Development, Payroll Officer and Manager Governance were consulted during the internal audit and in the collation of the final audit internal report.

**Strategic Community Plan**

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.6 Visionary community leadership with sound, diligent and accountable governance
Strategy	3 Deliver best practice governance and risk management.

**Council Policy**

The review identified the need to implement and/or review a number of Council policies.

**Financial Implications**

Current Financial Year

Nil

Future Financial Year(s)

Funds may be required to implement the actions detailed in the attached report. A request for funds will be listed for consideration in the 2023/2024 Annual Budget, if required.

**Legislative Implications**

In accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*, the CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to –

- Risk management,
- Internal control, and
- Legislative compliance.

The CEO is to report to the Audit and Risk Management Committee the results of each review.

**Risk Management**

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
People	Inconsistent payroll and human resources processing resulting in significant errors.	Possible (3)	Major (4)	High (10-16)	Implement process improvements as a result the internal audit and provide regular progress reporting to the Audit and Risk Management Committee.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be high.



## 6.5 2022 Compliance Audit Return

<b>File Reference</b>	GV32
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	J Bray, Manager Governance
<b>Authorising Officer</b>	T Dayman, Acting Director of Corporate Services
<b>Previous Meeting Reference</b>	Nil
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	1. 2022 Compliance Audit Return <a href="#">↔</a>

### Report Purpose

Council is required to review the 2022 Compliance Audit Return (refer to Attachment 1).

The purpose of this report is to present the responses to the 2022 Compliance Audit Return for review by the Audit and Risk Management Committee and subsequent Council endorsement.

Council is requested to endorse the completed 2022 Compliance Audit Return for submission to the Department of Local Government, Sport and Cultural Industries by 31 March 2023.

### Background

In accordance with regulation 14 of the *Local Government (Audit) Regulations 1996*, local governments are required to carry out a compliance audit for the period 1 January to 31 December each year.

The compliance audit covers a range of matters that require actions to be completed by local governments in performing their functions to maintain legislative compliance with the *Local Government Act 1995* and associated regulations and focuses on areas considered to be high risk.

### Comments

The 2022 Compliance Audit Return contains the following compliance categories:

- Commercial Enterprises by Local Governments
- Delegation of Power/Duty
- Disclosure of Interest
- Disposal of Property
- Elections
- Finance
- Integrated Planning and Reporting
- Local Government Employees
- Official Conduct

- Tenders for Providing Goods and Services
- Optional Questions.

Responsible officers have responded to the questions in the 2022 Compliance Audit Return indicating either yes, no or not applicable.

The following table summarises the Shire's performance in each of the compliance categories. The Shire is 96.8% compliant for the 2022 Compliance Audit Return.

Category	2022 Questions	Compliance Rating
Commercial Enterprises by Local Governments	5	100%
Delegation of Power/Duty	13	100%
Disclosure of Interest	22	100%
Disposal of Property	2	100%
Elections	3	100%
Finance	7	100%
Integrated Planning and Reporting	3	100%
Local Government Employees	5	100%
Official Conduct	4	100%
Optional Questions	9	77.7%
Tenders for Providing Goods and Services	22	100%
<b>Total</b>	<b>95</b>	<b>96.8%</b>

Two areas of non-compliance were identified in the 2022 Compliance Audit Return in the Optional Questions category. Further details are as follows:

1. Section 5.87C of the *Local Government Act 1995* – Gift disclosures made by elected members and the Chief Executive Officer are required to be submitted within 10 days after receipt of the gift.

Two gifts were disclosed outside of the prescribed timeframe.

The Shire has initiated regular reminders to elected members and staff on gift disclosure requirements.

2. Section 5.96A(1), (2), (3) and (4) of the *Local Government Act 1995* – Consolidated local laws are to be published on the local government's website.

Currently, the Shire has published the *Government Gazette* versions of its local laws (both principal and amendments).

Consolidated versions are being prepared (where the amendments have incorporated into the principal). It is anticipated to be completed and available on the Shire's website by 31 March 2023.

Following Council endorsement, the 2022 Compliance Audit Return must be certified by the Shire President and Chief Executive Officer and submitted to the Department of Local Government, Sport and Cultural Industries no later than 31 March 2023.

**Consultation**

The Chief Executive Officer, Directors, Managers and relevant officers were consulted in the compilation of the CAR responses.

**Strategic Community Plan**

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.6 Visionary community leadership with sound, diligent and accountable governance
Strategy	3 Deliver best practice governance and risk management.

**Council Policy**

Nil

**Financial Implications**

Current Financial Year

Nil

Future Financial Year(s)

Nil

**Legislative Implications**

In accordance with regulation 14 and 15 of the *Local Government (Audit) Regulations 1996* the local government is to carry out a compliance audit for the period 1 January to 31 December each year and submit a certified copy of the return to the Department of Local Government, Sport and Cultural Industries by 31 March.

**Risk Management**

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Compliance	Not completing the CAR will result in non-compliance with the Shire’s statutory reporting obligations.	Unlikely (2)	Moderate (3)	Moderate (5-9)	Council endorsement of the completed CAR for submission to the Department of Local Government, Sport and Cultural Industries.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be low.



## 6.6 2020-2021 Annual Report

<b>File Reference</b>	FM09
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	T Dayman, Acting Director of Corporate Services
<b>Authorising Officer</b>	T Dayman, Acting Director of Corporate Services
<b>Previous Meeting Reference</b>	Nil
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	<ol style="list-style-type: none"> <li>1. 2020-2021 Annual Report <a href="#">⇒</a></li> <li>2. 2020-2021 Audit Report <a href="#">⇒</a></li> <li>3. 2020-2021 Auditors Report <a href="#">⇒</a></li> <li>4. Auditors Report Management Letter A <a href="#">⇒</a></li> <li>5. Auditors Report Management letter B <a href="#">⇒</a></li> </ol>

### Report Purpose

Council is required to accept the annual report no later than 31 December after that financial year or if not available, no later than 2 months after the auditor's report becomes available.

The purpose of this report is to provide Audit and Risk Management Committee with a copy of the 2020-2021 Annual Report, Audited Financial Statements, and the Auditors General Independent Auditor's report and Auditors Report, including auditors' findings and recommendations.

The Audit and Risk Management Committee is requested to endorse and recommend to Council to accept the Annual Report, Financial Statements and Auditors Report for the period ending 30 June 2021.

### Background

In accordance with Section 5.54(1) of the *Local Government Act 1995* Council is required to prepare and accept the annual report for each financial year no later than 31 December after that financial year.

If the auditor's report is not available in time for the annual report for a financial year to be accepted by the 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

As defined within the Audit and Risk Management Committee Terms of Reference, the role of the Committee is to provide guidance and assistance to Council in fulfilling its governance and oversight responsibilities in relation to key areas including review the Shire's draft annual financial report and consider and recommend the Shire's annual financial report to Council for adoption.

On 28 October 2017, the Local Government Amendment (Auditing) Act 2017 was proclaimed, giving the Auditor General the mandate to audit Western Australia's 139 local governments and 9 regional councils.

In April 2021 Council received correspondence from the Office of the Auditor General of the appointment of RSM to conduct the shires annual financial audit for a 3-year period, commencing with the audit for the year ended 30 June 2021.



## Comments

On behalf of the Office of Auditor General, RSM conducted an onsite visit to conduct the 2021 audit at the Tom Price Administration Officer from the 4 October 2021 to the 7 October 2021. Remaining testing of the statement of financial position was conducted remotely.

A number of factors have contributed to the Shire experienced significant delays in finalising the 2020-2021 financial statements and receiving signed Audited Financial Statements.

The Office of Auditor General and RSM auditors conducted an exit meeting via teleconference on the 22 December 2021 with the Shire's Audit and Risk Committee Chairperson, Chief Executive Officer, and Acting Director Corporate Services in attendance.

On the 22 December 2022, the Office of Auditor General issued the Auditor General's auditor's report, together with the audited annual financial report, which was forward to the Chief Executive Officer, Shire President, and the Minister for Local Government, as required under the Act.

Two (2) Management letters of findings was received from the Office of Auditor General being.

1. Findings identified during the audit; and
2. Findings indemnified during in the information system audit.

These findings and recommendations have been reviewed by management, and management comments are provided for within the report addressing each finding raised.

While a number of matters raised have been addressed, where there are matters that may or are outstanding, will be added to the Shire's Audit log to ensure that they are progressed, and status update provided to the committee and Council.

Council is required to accept the annual report by the 22 February 2022 being within 2 months of the reports becoming available. Once accepted and as soon as practical, the Chief Executive Officer is required to give local public notice it its availability and publish the annual report of the Shire's official website within 14 days.

In accordance with Section 5.27(2) of the *Local Government Act 1995*, a general meeting of electors is to be held on a day not more than 56 days after the local government accepts the annual report for the previous financial year.

It is proposed that the Electors general meeting is held on the 4 April 2021 in Paraburdoo.

It is recommended that the Audit and Risk Management Committee recommend Council adopts the 2020-2021 Annual Report, Financial Statements and Auditors report for the period ending 30 June 2021.

## Consultation

Executive Leadership Team

Office of Auditor General

RSM Australia

Finance Team

Governance Team

Media and Communication Team

**Strategic Community Plan**

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.2 Appropriate, sustainable, and transparent management of community funds
Strategy	4 Ensure financial transactions are accurate and timely.

**Council Policy**

Nil

**Financial Implications**Current Financial Year

Advertising, printing costs are included in the 2022-2023 Annual Budget

Future Financial Year(s)

Nil

**Legislative Implications***Local Government Act 1995*

## 5.54. Acceptance of annual reports

- 1) Subject to subsection (2), the annual report for a financial year is to be accepted\* by the local government no later than 31 December after that financial year.

\* Absolute majority required.

- 2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

## 5.55. Notice of annual reports

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

## 5.55A. Publication of annual reports

The CEO is to publish the annual report on the local government's official website within 14 days after the report has been accepted by the local government.

## 5.27. Electors' general meetings

- 1) A general meeting of the electors of a district is to be held once every financial year.
- 2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.
- 3) The matters to be discussed at general electors' meetings are to be those prescribed.

## Risk Management

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Compliance	Minor (2)	Rare (1)	Minor (2)	Moderate (5-9)	Audit and Risk Committee recommend the acceptance of the 2020-2021 Annual Report and Financial Statements.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be medium.

## Voting Requirements

Absolute Majority

## Officer Recommendation

That with respect to the 2020-2021 Annual Report and Financial Statements, the Audit and Risk Management Committee recommends that Council,

1. Accepts the Auditors Report for the year ending 30 June 2021, as provided for in Attachment 3, 4 and 5, and notes the findings and recommendations,
2. Accepts the Annual Report, Financial Statements and Audit Report for the year ended 30 June 2021 as provided for in Attachment 1 and 2, and
3. Holds a general meeting of electors on the 4 April 2023, at the Ashburton Hall, Paraburdoo.

## Committee Decision

**Moved** Cr R De Pledge

**Seconded** Cr L Rumble JP

**That with respect to the 2020-2021 Annual Report and Financial Statements, the Audit and Risk Management Committee recommends that Council,**

- 1. Accepts the Auditors Report for the year ending 30 June 2021, as provided for in Attachment 3, 4 and 5, and notes the findings and recommendations,**
- 2. Accepts the Annual Report, Financial Statements and Audit Report for the year ended 30 June 2021 as provided for in Attachment 1 and 2, and**
- 3. Holds a general meeting of electors on the 4 April 2023, at the Ashburton Hall, Paraburdoo.**

**Carried By Absolute Majority 6/0**

## **7 New Business Of An Urgent Nature Introduced By Council Decision**

Nil

## **8 Next Meeting**

The next Audit And Risk Management Committee Meeting is tentatively to be held at 8:30am on Tuesday 14 March 2023 at Council Chambers, Onslow Shire Complex, Second Avenue, Onslow.

## **9 Closure Of Meeting**

There being no further business, the Presiding Member closed the meeting at 8:51am.