



Shire of
YILGARN

“good country for hardy people”

*Audit
Committee
Meeting
Minutes*

16 June

2021

Objectives of Audit Committees

The primary objective of the audit committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

Reports from the committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources. The committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the local government's financial accounting systems and compliance with legislation.

The committee is to facilitate –

- the enhancement of the credibility and objectivity of external financial reporting;
- effective management of financial and other risks and the protection of Council assets;
- compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;
- the provision of an effective means of communication between the external auditor, the CEO and the Council.

Powers of the Audit Committee

The Audit committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

The committee is a formally appointed committee of council and is responsible to that body. The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The committee does not have any management functions and cannot involve itself in management processes or procedures.

Membership

The committee will consist of four members with three elected and one external person. All members shall have full voting rights.

External persons appointed to the committee will have business or financial management/reporting knowledge and experience, and be conversant with financial and other reporting requirements.

Appointment of external persons shall be made by Council by way of a public advertisement and be for a maximum term of two years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to Council's elected representatives.

A sitting fee equal to that applicable to elected members will be paid to each external person who is a member of the committee.

The CEO and employees are not members of the committee.

The CEO or his/her nominee is to be available to attend meetings to provide advice and guidance to the committee.

The local government shall provide secretarial and administrative support to the committee.

Meetings

The committee shall meet at least annually.

Additional meetings shall be convened at the discretion of the presiding person.

Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.

Duties and Responsibilities

The duties and responsibilities of the committee will be –

- a) Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits;
- b) Review and suggest improvements to the external auditor's proposed audit scope and approach for financial performance audits;
- c) Consider the findings and recommendations of relevant Performance Audits undertaken by the external auditor and ensure the Shire implements relevant recommendations;
- d) Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions;
- e) Liaise with the CEO to ensure that the local government does everything in its power to –
 - assist the auditor to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
 - ensure that audits are conducted successfully and expeditiously;
- f) Examine the reports of the auditor after receiving a report from the CEO on the matters to –
 - determine if any matters raised require action to be taken by the local government; and
 - ensure that appropriate action is taken in respect of those matters;
- g) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;
- h) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the Council;
- i) Review the annual Compliance Audit Return and report to the council the results of that review, and
- j) Consider the CEO's biennial reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to the council the results of those reviews.

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1. DECLARATION OF OPENING

The Presiding Member declared the meeting open at 1:01 pm.

2. ATTENDANCE

Committee	Cr W Della Bosca Cr S Shaw Cr J Cobden Mrs. J Della Bosca	Member (Chair) Member Member Community Member	From 1:14 pm
Council Officers	Mr. N Warren Mr. C Watson	Acting Chief Executive Officer Executive Manager Corporate Services	
Office of the Auditor General	Mr. J Teichert	Audit Director	
Butler Settineri	Mr. R Hall	Audit Director – (via Zoom)	
Apologies:	Nil		
Observers:	Cr B Close		
Leave of Absence:	Nil		

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4. PUBLIC QUESTION TIME

Nil

5. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

Minutes of the Audit Committee Meeting, 18 February 2021 (Minutes Attached)

AC5/2021

Moved Cr Cobden/Seconded Mrs Della Bosca

That the minutes of the Audit Committee Meeting held on 18 February, 2021 be confirmed as a true and correct record of proceedings.

CARRIED (3/0)

6. DECLARATIONS BY MEMBERS AND OFFICERS

Nil

7. STATUS OF ACTIONS PREVIOUSLY TABLED

All actions resulting from items previously tabled are complete.

8. RISK DEVELOPMENTS

No change

9. PRESENTATIONS

Mr Jay Teichert of the Office of the Auditor General (OAG) introduced himself and Mr Robert Hall of Butler Settineri, and went on to indicate that this will be the first year the Shire of Yilgarn will be audited by the OAG and that Butler Settineri has been appointed to undertake the audit processes on behalf of the OAG. Mr Teichert then passed the floor to Mr Hall for further comment.

Mr Hall proceeded to give a detailed explanation of the audit processes that will be undertaken including:

- To undertake an assessment of Council activities;
- Identify any key risk areas and identify best practice approach to audit;
- Conduct the onsite interim and financial audits;
- Present outcomes of the onsite audits to the OAG to enable final audit opinion;
- Conduct an Exit Meeting with the Audit Committee to go over audit findings and sign off on the final Financial Report; and
- The OAG issue's the final audit report.

Mr Hall indicated that while Butler Settineri will be conducting the physical audit, the OAG is responsible for the final audit outcome.

Mr Teichert then gave a brief overview of the relationship between the OAG and both State and Local Government entities and advised the Committee of various reports and support documentation which is made available by the OAG.

10. OFFICERS REPORT

Nil

11. CLOSURE OF MEETING

As there was no further business to discuss the Presiding member declared the meeting closed at 1:42 pm.

Cr Wayne Della Bosca
Chairperson