



# *Minutes*

## *Audit and Risk Committee*

*21 March 2024*

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## 1. DECLARATION OF OPENING

The Presiding Member declared the meeting open at 3pm

## 2. ATTENDANCE

Cr W Della Bosca	Member	(Chair)
Cr B Close	Member	
Cr B Bradford	Member	
Mrs. J Cobden	Community Member	
C Watson	Executive Manager Corporate Services	
L Della Bosca	Minute Taker	
Apologies:	N Warren	Chief Executive Officer
	F Mudau	Finance Manager
Observers:	Nil	
Leave of Absence:	Nil	

## 3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

## 4. PUBLIC QUESTION TIME

Nil

## 5. PRESENTATIONS

Nil

## 6. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

Minutes of the Audit Committee Meeting, 21 December 2023

*AC1/2024*

*Moved Cr Close/Seconded Cr Bradford*

*That the minutes of the Audit Committee Meeting held on 21 December 2023 be confirmed as a true and correct record of proceedings.*

**CARRIED (4/0)**

## 7. DECLARATIONS BY MEMBERS AND OFFICERS

**Members and Officers are to declare Financial, Proximity or Impartiality Interests & submit forms to the Chief Executive Officer at the commencement of the meeting and also prior to the item.**

### Disclosure of Financial & Proximity Interests

- a. Members must disclose the nature of their interest in matters to be considered at the meeting. (*Sections 5.60B and 5.65 of the Local Government Act 1995*).
- b. Employees must disclose the nature of their interest in reports or advise when giving the report or advice to the meeting. (*Sections 5.70 and 5.71 of the Local Government Act 1995*).

### Disclosure of Interest Affecting Impartiality

- a. Members and staff must disclose their interest in matters to be considered at the meeting in respect of which the member or employee has given or will give advice.

## 8. STATUS OF ACTIONS PREVIOUSLY TABLED

All actions resulting from items previously tabled are complete.

## 9. RISK DEVELOPMENTS

No change

## 10. OFFICER REPORTS

### 10.1 Reporting Officer– Chief Executive Officer

#### 10.1.1 2023 Compliance Audit Report

<b>File Reference</b>	<b>1.6.6.4</b>
<b>Disclosure of Interest</b>	<b>None</b>
<b>Voting Requirements</b>	<b>Absolute Majority</b>
<b>Author</b>	<b>Nic Warren – Chief Executive Officer</b>
<b>Attachments</b>	<b>2023 Annual Compliance Audit Return</b>

### Purpose of Report

To present to the Audit Committee the 2023 Annual Compliance Audit Return (CAR) for consideration before presentation to Council for adoption and submission to the Department of Local Government, Sport and Cultural Industries.

### Background

Council is required by section 14 of the *Local Government (Audit) Regulations 1996* to complete a CAR each year covering the period 1 January to 31 December. The CAR is to be:-

1. Presented to Council at a meeting of the Council;
2. Adopted by the Council;
3. The adoption recorded in the minutes of the meeting at which it is adopted;
4. Signed by the Shire President and Chief Executive Officer and returned to the Department with a copy of the Council minutes of the meeting at which it was received; and
5. Submitted to the Department of Local Government by 31 March each year.

**The CAR must also be reviewed by the Shire of Yilgarn Audit Committee prior to its adoption by Council.**

### Comment

The 2023 CAR contains 94 questions and is attached for Committee members' reference.

### Statutory Environment

*Local Government (Audit) Regulations 1996*

#### 14. Compliance audits by local governments

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.
- (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —
  - (a) presented to the council at a meeting of the council; and
  - (b) adopted by the council; and
  - (c) recorded in the minutes of the meeting at which it is adopted.

### Strategic Implications

Nil.

### Policy Implications

Nil.

### Financial Implications

Nil.

### Risk Implications

Risk Category	Description	Rating (Consequence x Likelihood)	Mitigation Action
Health/People	Internal review by senior management to Audit Committee and Council on an annual basis	Moderate (6)	Internal CAR review ensures Council and staff are meeting statutory requirements

<b>Financial Impact</b>	Nil	Nil	Nil
<b>Service Interruption</b>	Nil	Nil	Nil
<b>Compliance</b>	Section 14 of the <i>Local Government (Audit) Regulations 1996</i>	Moderate (6)	Annual Compliance Audit Return
<b>Reputational</b>	Not meeting statutory obligations could give rise to adverse response from DLGSC	High (15)	Annual review and Reporting process to DLGSC
<b>Property</b>	Nil	Nil	Nil
<b>Environment</b>	Nil	Nil	Nil

Risk Matrix						
Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

### Officer Recommendation and Committee Recommendation

*AC2/2024*

*Moved Cr Bradford/Seconded Cr Close*

*That the Audit Committee recommends to Council that it adopts the Local Government Compliance Audit Return (CAR) as presented, for the Shire of Yilgarn for the period 1 January 2023 to 31 December 2023.*

**CARRIED BY ABSOLUTE MAJORITY (4/0)**

## 10.2 Reporting Officer– Executive Manager Corporate Services

### 10.2.1 2023/2024 Budget Review

<b>File Reference</b>	<b>8.2.5.3</b>
<b>Disclosure of Interest</b>	<b>Nil</b>
<b>Voting Requirements</b>	<b>Absolute Majority</b>
<b>Author</b>	<b>Cameron Watson – Exec Manager Corporate Services</b>
<b>Attachments</b>	<b>2023/2024 Budget Review</b>

#### Purpose of Report

The Audit Committee is requested to endorse the 2023/2024 Budget Review as presented and recommend its adoption by Council.

#### Background

Financial Management Regulation 33A – Review of Budget, requires a Local Government to review its annual budget between the 1<sup>st</sup> of January and the last day of February in any given financial year. The outcome of this review is to be submitted to Council for its adoption no later than the 31<sup>st</sup> March.

#### Comment

The budget review document, including budget amendment recommendations, for the 2023/2024 financial year is attached for Council’s consideration.

#### Statutory Environment

Local Government (Financial Management) Regulations 1996

#### 33A. Review of budget

- (1) Between 1 January and the last day of February in each financial year a local government is to carry out a review of its annual budget for that year.
- (2A) The review of an annual budget for a financial year must —
  - (a) consider the local government’s financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and
  - (b) consider the local government’s financial position as at the date of the review; and
  - (c) review the outcomes for the end of that financial year that are forecast in the budget; and
  - (d) include the following —
    - (i) the annual budget adopted by the local government;
    - (ii) an update of each of the estimates included in the annual budget;

- (iii) the actual amounts of expenditure, revenue and income as at the date of the review;
  - (iv) adjacent to each item in the annual budget adopted by the local government that states an amount, the estimated end-of-year amount for the item.
- (2) The review of an annual budget for a financial year must be submitted to the council on or before 31 March in that financial year.
- (3) A council is to consider a review submitted to it and is to determine\* whether or not to adopt the review, any parts of the review or any recommendations made in the review.
- \*Absolute majority required.
- (4) Within 14 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.

### Strategic Implications

There are no strategic implications as a result of this report.

### Policy Implications

There are no policy implications as a result of this report.

### Financial Implications

The presented review includes several budget amendments.

### Risk Implications

Risk Category	Description	Rating (Consequence x Likelihood)	Mitigation Action
Health/People	Nil	Nil	Nil
Financial Impact	Review of Councils Annual Budget	Moderate (6)	Ongoing monitoring
Service Interruption	Nil	Nil	Nil
Compliance	Local Government (Financial Management) Regulations 1996	Low (3)	Nil
Reputational	Nil	Nil	Nil
Property	Nil	Nil	Nil
Environment	Nil	Nil	Nil

Risk Matrix						
Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

#### Officer Recommendation and Committee Decision

*AC3/2024*

*Moved Cr Bradford/Seconded Cr Cobden*

*That the Audit Committee recommends that Council:*

- 1. adopts the budget review for the period 1st June 2023 to 31st January 2024 inclusive of the recommended budget amendments as indicated in Note 4 of the report; and*
- 2. recommends that it be forwarded to the Department of Local Government, Sport and Cultural Industries within 14 days of the date of this resolution.*

**CARRIED BY ABSOLUTE MAJORITY (4/0)**

#### 11. CLOSURE OF MEETING

As there was no further business to discuss the Presiding Member declared the meeting closed at 3.05pm