

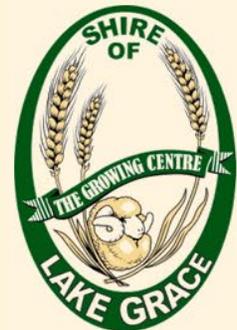
Shire of Lake Grace

Audit Committee Meeting

# Minutes

20 December 2023

Meeting Commencing at 2:30pm



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## **SHIRE OF LAKE GRACE**

Minutes of the Audit Committee Meeting held at Council Chambers, 1 Bishop Street, Lake Grace, WA on Wednesday 20 December 2023.

### **1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

*The Chief Executive Officer opened the meeting at 2.30pm and advised that the first order of business for today's Audit Committee Meeting will be the election of the Presiding Member (Chairperson).*

*The CEO is to preside at the meeting until the office is filled and will then hand over the meeting to the Chairperson.*

### **1.1 ELECTION OF PRESIDING MEMBER**

Section 5.12 of the Local Government Act 1995 states that the members of the committee are to elect a Presiding Member from amongst themselves. Nominations are to be provided to the CEO.

**Moved**            **Cr Armstrong**  
**Seconded**      **Cr Hyde**

That Cr Stephen Hunt be elected as Presiding Member of the Shire of Lake Grace Audit Committee.

**CARRIED**      **3/0**

Cr Hunt took the Chair.

### **2.0 ACKNOWLEDGEMENT OF COUNTRY**

I wish to acknowledge the traditional Custodians of the land on which we meet today, and pay my respects.

I extend that respect to Aboriginal and Torres Strait Islander peoples here today.

### **3.0 RECORD OF ATTENDANCE/APOLOGIES/ LEAVE OF ABSENCE (PREVIOUSLY APPROVED)**

#### **Present**

Cr L Armstrong  
Cr S Hunt  
Cr B Hyde

**In Attendance**

Mr A George	Chief Executive Officer
Mr C Paget	Deputy Chief Executive officer
Mr K Wilson	A/Manager Corporate Services
Mr C Elefsen	Manager Infrastructure Services

**Apologies**

Cr R Lloyd

**Observers/Visitors**

Mr P Stoffberg (Committee Appointee-elect)

**4.0 RESPONSE TO PREVIOUS PULIC QUESTIONS TAKEN ON NOTICE**

Nil

**5.0 PUBLIC QUESTION TIME**

Nil

**6.0 PETITIONS/DEPUTATIONS/PRESENTATIONS**

Nil

**7.0 NOTATIONS OF INTEREST**

**7.1 DECLARATIONS OF FINANCIAL INTEREST – LOCAL GOVERNMENT ACT 1995 SECTION 5.60A**

Nil

**7.2 DECLARATIONS OF PROXIMITY INTEREST – LOCAL GOVERNMENT ACT 1995 SECTION 5.60B**

Nil

**7.3 DECLARATIONS OF IMPARTIALITY INTEREST – ADMINISTRATION REGULATIONS 1996 SECTION 34C**

Nil

**8.0 ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION**

Nil

## 9.0 CONFIRMATION OF MINUTES

### 9.1 AUDIT COMMITTEE MEETING – 23 MARCH 2023

#### RECOMMENDATION / RESOLUTION

**Moved:** Cr Armstrong  
**Seconded:** Cr Hyde

That the minutes of the Audit Committee Meeting of Council held on 23 March 2023 be confirmed as a true and accurate record.

**CARRIED 3/0**

## 10.0 REPORTS

### 10.1 2022/2023 ANNUAL FINANCIAL REPORT AND AUDITOR'S REPORT

Applicant:	Internal Report
File No.	0274
Attachments:	<ul style="list-style-type: none"> <li>• 2022 / 2023 Annual Report and Financial Statements</li> <li>• OAG Audit Opinion/Report</li> <li>• Management Letter</li> </ul>
Author:	Mr Chris Paget – Deputy CEO
Disclosure of Interest	Nil
Date of Report	14 December 2023
Senior Officer	Mr Alan George - Chief Executive Officer

#### Summary

The purpose of this item is for the Audit Committee to recommend that Council accept the Auditors report and Annual Report for the year ended 30 June 2023, and to set a date for the Annual General Meeting of Electors.

#### Background

The Shire's auditors AMD undertook the annual site visit to Lake Grace between 2 and 4 October 2023, with follow up work completed electronically and meetings at their offices in Bunbury throughout October and November. The exit meeting was held with the Office of the Auditor General and AMD on Monday 27 November, and the final audit opinion report was signed off by the OAG on 5 December. The Shire's Audit Committee met prior to the commencement of this meeting to review and consider both reports and the recommendations arising from the audit management letter.

Section 5.54 of the *Local Government Act 1995 Acceptance of Annual Reports* requires an Annual Financial Statement to be accepted by Council by 31 December in each year, unless the Auditors Report is not available in time. The *Local Government Act 1995* Section 5.54(2) requires that if

the Annual Report is not accepted by the Local Government by 31 December, then it must be presented within two months of the Auditors report becoming available.

### Comment

The completion of the audit report confirms all figures for the 2022/23 year including the carried forward position as at 30 June 2023.

The audit management report has made two moderate findings and recommendations as detailed below:

- The Shire's assessment of Land and Building assets last revalued in March 2021 lacked sufficient detail and consideration of market conditions and other factors (such as increases in building and construction indices) to adequately assess if the carrying amounts of these balances still represent fair value. Recommend that the Shire comply with the new fair value requirements of the updated FM Regulations for the 2023-24 period and onwards.
- A Business Continuity Plan ("BCP") has not yet been finalised and adopted. As a result, no testing on the effectiveness of the Shire's incident response capabilities has been undertaken. Recommend finalising and adopt the draft BCP ensuring the plan has been based on an evaluation of risks which may disrupt critical business functions. The evaluation should identify critical systems and processes, minimum resources and response times needed to assure/resume operations.

Once Council accepts the Auditor's Report and Annual Report it needs to determine a date for the Annual General Meeting of Electors. The CEO is required to provide sufficient public notice of the availability of the Auditor's Report and Annual Report, and the date of this Electors AGM. Section 5.27 of the Local Government Act requires the meeting to be held on a day selected by the local government not more than 56 days after the local government accepts the annual report for the previous financial year. Assuming Council accepts the annual report at our December meeting, the latest date for the Annual General Meeting of Electors would be Wednesday 14 February 2024. Therefore, it is recommended that the AGM be held at 6pm on Wednesday 7 February 2024 at the Shire Council Chambers in Lake Grace.

### Statutory Implications

#### *Local Government Act 1995*

##### Section 5.53 Annual Reports;

- (1) The local government is to prepare an annual report for each financial year.
- (2) The annual report is to contain —
  - (a) a report from the mayor or president; and
  - (b) a report from the CEO; and
  - [(c), (d) deleted]
  - (e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and
  - (f) the financial report for the financial year; and
  - (g) such information as may be prescribed in relation to the payments made to employees; and
  - (h) the auditor's report prepared under section 7.9(1) or 7.12AD (1) for the financial year; and

- (ha) a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and
- (hb) details of entries made under section 5.121 during the financial year in the register of complaints, including —
  - (i) the number of complaints recorded in the register of complaints; and
  - (ii) how the recorded complaints were dealt with; and
  - (iii) any other details that the regulations may require;
- and
- (i) such other information as may be prescribed.

Section 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.

Section 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.

Section 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.

Policy Implications

Nil

Consultation

Internal        Alan George, Chief Executive Officer  
                   Kevin Wilson, Acting Manager Corporate Services  
                   Shire finance and administration staff

External        AMD (contract Auditors appointed by OAG)  
                   Office of Auditor General

Financial Implications

Nil

Strategic Implications

**Shire of Lake Grace Strategic Community Plan 2017 - 2027**

Leadership – Strong governance and leadership, demonstrating fair and equitable community values		
Outcome	4.2	An efficient and effective organisation
	4.2.1	Maintain accountability and financial responsibility through effective planning
	4.2.2	Comply with statutory and legislative requirements

Voting Requirement

*Absolute majority* required

## RECOMMENDATION / RESOLUTION

**Moved:** Cr Armstrong

**Seconded:** Cr Hyde

That the Audit Committee recommends Council:

1. Accept the Annual Report for the 2022/2023 financial year in accordance with sections 5.53 and 5.54 of the *Local Government Act 1995*;
2. Authorise the Chief Executive Officer to give local public notice of the availability of the Shire of Lake Grace 2022/23 Annual Report from Wednesday 3 January 2024, in accordance with Section 5.55 of the Local Government Act 1995;
3. Schedule the Annual General Meeting of Electors to be held on Wednesday 7 February 2024 at the Shire Council Chambers in Lake Grace, commencing at 6pm.

**CARRIED 3/0**

## 11.0 CLOSURE

There being no further business, the Presiding Member closed the meeting at 2.41pm.

## 12.0 CERTIFICATION

I, Stephen Gordon Hunt, certify that the minutes of the Meeting held on Wednesday 20 December 2023 as shown were confirmed as a true record of the meeting.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date