



# **MINUTES**

## **Audit Committee Meeting Tuesday, 19 December 2023**

**Date: Tuesday, 19 December 2023**

**Time: 3:30pm**

**Location: Council Chamber  
110 Massingham Street  
Kellerberrin WA 6410**

**Order Of Business**

<b>1</b>	<b>Declaration of Opening .....</b>	<b>3</b>
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<b>3</b>	<b>Disclosure of Interest .....</b>	<b>3</b>
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<b>5</b>	<b>Confirmation of Previous Meeting Minutes.....</b>	<b>4</b>
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**MINUTES OF SHIRE OF KELLERBERRIN  
AUDIT COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, 110 MASSINGHAM STREET, KELLERBERRIN WA 6410  
ON TUESDAY, 19 DECEMBER 2023 AT 3:30PM**

**1 DECLARATION OF OPENING**

The Chairperson declared the meeting open at 3:36pm.

**2 RECORD OF ATTENDANCE / APOLOGIES****PRESENT:**

Cr Matt Steber (President),

Cr Emily Ryan (Deputy President),

Cr David Leake,

Cr Dennis Reid,

Cr Monica Gardiner,

Cr Kelsey Pryer,

Cr Paul Brown

**IN ATTENDANCE:**

Raymond Griffiths (Chief Executive Officer),

Morgan Ware (Manager of Governance)

**APOLOGIES**

Nil

**3 DISCLOSURE OF INTEREST**

Note: Under Section 5.60 – 5.62 of the Local Government Act 1995, care should be exercised by all Councillors to ensure that a “financial interest” is declared and that they refrain from voting on any matters which are considered may come within the ambit of the Act.

A Member declaring a financial interest must leave the meeting prior to the matter being discussed or voted on (unless the members entitled to vote resolved to allow the member to be present). The member is not to take part whatsoever in the proceedings if allowed to stay.

**4 PUBLIC QUESTION TIME**

Council conducts open Council meetings. Members of the public are asked that if they wish to address the Council that they state their name and put the question as precisely as possible. A maximum of 15 minutes is allocated for public question time. The length of time an individual can speak will be determined at the President’s discretion.

**5 CONFIRMATION OF PREVIOUS MEETING MINUTES****5.1 MINUTES OF THE AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING HELD ON 21 MARCH 2023**

**File Ref:** ADM  
**Author:** Raymond Griffiths, Chief Executive Officer  
**Authoriser:** Raymond Griffiths, Chief Executive Officer  
**Attachments:** 1. Minutes of the Audit, Risk and Governance Committee Meeting held on 21 March 2023

Audit Committee Meeting – 21<sup>st</sup> March 2023.

**STAFF RECOMMENDATION**

That the Minutes of the Audit, Risk and Governance Committee Meeting held on 21 March 2023 be received as a trued and correct record of the meeting.

**COMMITTEE RESOLUTION**

**MIN 005/23**      **MOTION - Moved Cr. Gardiner**      **Seconded Cr. Leake**

*That the Minutes of the Audit, Risk and Governance Committee Meeting held on 21 March 2023 be received as a trued and correct record of the meeting.*

**In Favour:**      Crs David Leake, Dennis Reid, Matt Steber, Emily Ryan, Monica Gardiner, Kelsey Pryer and Paul Brown

**Against:**      Nil

**CARRIED 7/0**

## 6 REPORTS

### 6.1 STATUS REPORT OF ACTION SHEET

**File Number:** Various  
**Author:** Morgan Ware, Manager of Governance  
**Authoriser:** Raymond Griffiths, Chief Executive Officer  
**Attachments:** 1. Status Report

#### BACKGROUND

Council as part of its compliance is required to complete a Status Report for items presented to the Audit Committee.

#### STAFF COMMENT

Attached is the updated Status Report for items that have been presented to the audit committee for consideration.

#### TEN YEAR FINANCIAL PLAN

There is no direct impact on the long term financial plan.

#### FINANCIAL IMPLICATIONS

Financial Implications will be applicable depending on the decision of Council. However this will be duly noted in the Agenda Item prepared for this specific action.

#### STATUTORY IMPLICATIONS

Local Government Act 1995 (as amended)

Section 2.7. The role of the council

- (1) The council —
  - (a) Directs and controls the local government's affairs; and
  - (b) is responsible for the performance of the local government's functions.
- (2) Without limiting subsection (1), the council is to —
  - (a) oversee the allocation of the local government's finances and resources; and
  - (b) determine the local government's policies.

Section 2.8. The role of the mayor or president

- (1) The mayor or president —
  - (a) presides at meetings in accordance with this Act;
  - (b) provides leadership and guidance to the community in the district;
  - (c) carries out civic and ceremonial duties on behalf of the local government;
  - (d) speaks on behalf of the local government;
  - (e) performs such other functions as are given to the mayor or president by this Act or any other written law; and
  - (f) liaises with the CEO on the local government's affairs and the performance of its functions.
- (2) Section 2.10 applies to a councillor who is also the mayor or president and extends to a mayor or president who is not a councillor.

## Section 2.9. The role of the deputy mayor or deputy president

The deputy mayor or deputy president performs the functions of the mayor or president when authorised to do so under section 5.34.

## Section 2.10. The role of councillors

A councillor —

- (a) represents the interests of electors, ratepayers and residents of the district;
- (b) provides leadership and guidance to the community in the district;
- (c) facilitates communication between the community and the council;
- (d) participates in the local government's decision-making processes at council and committee meetings; and
- (e) performs such other functions as are given to a councillor by this Act or any other written law.

## 5.60. When person has an interest

For the purposes of this Subdivision, a relevant person has an interest in a matter if either —

- (a) the relevant person; or
- (b) a person with whom the relevant person is closely associated,

has —

- (c) a direct or indirect financial interest in the matter; or
- (d) a proximity interest in the matter.

*[Section 5.60 inserted by No. 64 of 1998 s. 30.]*

## 5.60A. Financial interest

For the purposes of this Subdivision, a person has a financial interest in a matter if it is reasonable to expect that the matter will, if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person.

*[Section 5.60A inserted by No. 64 of 1998 s. 30; amended by No. 49 of 2004 s. 50.]*

## 5.60B. Proximity interest

- (1) For the purposes of this Subdivision, a person has a proximity interest in a matter if the matter concerns —
  - (a) a proposed change to a planning scheme affecting land that adjoins the person's land;
  - (b) a proposed change to the zoning or use of land that adjoins the person's land; or
  - (c) a proposed development (as defined in section 5.63(5)) of land that adjoins the person's land.
- (2) In this section, land (**the proposal land**) adjoins a person's land if —
  - (a) the proposal land, not being a thoroughfare, has a common boundary with the person's land;
  - (b) the proposal land, or any part of it, is directly across a thoroughfare from, the person's land; or
  - (c) the proposal land is that part of a thoroughfare that has a common boundary with the person's land.

- (3) In this section a reference to a person's land is a reference to any land owned by the person or in which the person has any estate or interest.

*[Section 5.60B inserted by No. 64 of 1998 s. 30.]*

#### 5.61. Indirect financial interests

A reference in this Subdivision to an indirect financial interest of a person in a matter includes a reference to a financial relationship between that person and another person who requires a local government decision in relation to the matter.

#### 5.62. Closely associated persons

- (1) For the purposes of this Subdivision a person is to be treated as being closely associated with a relevant person if —

- (a) the person is in partnership with the relevant person; or
- (b) the person is an employer of the relevant person; or
- (c) the person is a beneficiary under a trust, or an object of a discretionary trust, of which the relevant person is a trustee; or
- (ca) the person belongs to a class of persons that is prescribed; or
- (d) the person is a body corporate —
  - (i) of which the relevant person is a director, secretary or executive officer; or
  - (ii) in which the relevant person holds shares having a total value exceeding —
    - (I) the prescribed amount; or
    - (II) the prescribed percentage of the total value of the issued share capital of the company,

whichever is less;

or

- (e) the person is the spouse, de facto partner or child of the relevant person and is living with the relevant person; or
- (ea) the relevant person is a council member and the person —
  - (i) gave a notifiable gift to the relevant person in relation to the election at which the relevant person was last elected; or
  - (ii) has given a notifiable gift to the relevant person since the relevant person was last elected;
- or
- (eb) the relevant person is a council member and since the relevant person was last elected the person —
  - (i) gave to the relevant person a gift that section 5.82 requires the relevant person to disclose; or
  - (ii) made a contribution to travel undertaken by the relevant person that section 5.83 requires the relevant person to disclose;
- or
- (f) the person has a relationship specified in any of paragraphs (a) to (d) in respect of the relevant person's spouse or de facto partner if the spouse or de facto partner is living with the relevant person.

- (2) In subsection (1) —

**notifiable gift** means a gift about which the relevant person was or is required by regulations under section 4.59(a) to provide information in relation to an election;

**value**, in relation to shares, means the value of the shares calculated in the prescribed manner or using the prescribed method.

*[Section 5.62 amended by No. 64 of 1998 s. 31; No. 28 of 2003 s. 110; No. 49 of 2004 s. 51; No. 17 of 2009 s. 26.]*

5.63. Some interests need not be disclosed

- (1) Sections 5.65, 5.70 and 5.71 do not apply to a relevant person who has any of the following interests in a matter —
  - (a) an interest common to a significant number of electors or ratepayers;
  - (b) an interest in the imposition of any rate, charge or fee by the local government;
  - (c) an interest relating to a fee, reimbursement of an expense or an allowance to which section 5.98, 5.98A, 5.99, 5.99A, 5.100 or 5.101(2) refers;
  - (d) an interest relating to the pay, terms or conditions of an employee unless —
    - (i) the relevant person is the employee; or
    - (ii) either the relevant person's spouse, de facto partner or child is the employee if the spouse, de facto partner or child is living with the relevant person;
  - [(e) deleted]*
  - (f) an interest arising only because the relevant person is, or intends to become, a member or office bearer of a body with non-profit making objects;
  - (g) an interest arising only because the relevant person is, or intends to become, a member, office bearer, officer or employee of a department of the Public Service of the State or Commonwealth or a body established under this Act or any other written law; or
  - (h) a prescribed interest.
- (2) If a relevant person has a financial interest because the valuation of land in which the person has an interest may be affected by —
  - (a) any proposed change to a planning scheme for any area in the district;
  - (b) any proposed change to the zoning or use of land in the district; or
  - (c) the proposed development of land in the district,

then, subject to subsection (3) and (4), the person is not to be treated as having an interest in a matter for the purposes of sections 5.65, 5.70 and 5.71.

- (3) If a relevant person has a financial interest because the valuation of land in which the person has an interest may be affected by —
  - (a) any proposed change to a planning scheme for that land or any land adjacent to that land;
  - (b) any proposed change to the zoning or use of that land or any land adjacent to that land; or
  - (c) the proposed development of that land or any land adjacent to that land,

then nothing in this section prevents sections 5.65, 5.70 and 5.71 from applying to the relevant person.

- (4) If a relevant person has a financial interest because any land in which the person has any interest other than an interest relating to the valuation of that land or any land adjacent to that land may be affected by —
  - (a) any proposed change to a planning scheme for any area in the district;
  - (b) any proposed change to the zoning or use of land in the district; or
  - (c) the proposed development of land in the district,

then nothing in this section prevents sections 5.65, 5.70 and 5.71 from applying to the relevant person.



- (5) A reference in subsection (2), (3) or (4) to the development of land is a reference to the development, maintenance or management of the land or of services or facilities on the land.

*[Section 5.63 amended by No. 1 of 1998 s. 15; No. 64 of 1998 s. 32; No. 28 of 2003 s. 111; No. 49 of 2004 s. 52; No. 17 of 2009 s. 27.]*

**[5.64. Deleted by No. 28 of 2003 s. 112.]**

5.65. Members' interests in matters to be discussed at meetings to be disclosed

- (1) A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest —
- (a) in a written notice given to the CEO before the meeting; or
  - (b) at the meeting immediately before the matter is discussed.

Penalty: \$10 000 or imprisonment for 2 years.

- (2) It is a defence to a prosecution under this section if the member proves that he or she did not know —
- (a) that he or she had an interest in the matter; or
  - (b) that the matter in which he or she had an interest would be discussed at the meeting.
- (3) This section does not apply to a person who is a member of a committee referred to in section 5.9(2)(f).

5.66. Meeting to be informed of disclosures

If a member has disclosed an interest in a written notice given to the CEO before a meeting then —

- (a) before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; and
- (b) at the meeting the person presiding is to bring the notice and its contents to the attention of the persons present immediately before the matters to which the disclosure relates are discussed.

*[Section 5.66 amended by No. 1 of 1998 s. 16; No. 64 of 1998 s. 33.]*

5.67. Disclosing members not to participate in meetings

A member who makes a disclosure under section 5.65 must not —

- (a) preside at the part of the meeting relating to the matter; or
- (b) participate in, or be present during, any discussion or decision making procedure relating to the matter,

unless, and to the extent that, the disclosing member is allowed to do so under section 5.68 or 5.69.

Penalty: \$10 000 or imprisonment for 2 years.

5.68. Councils and committees may allow members disclosing interests to participate etc. in meetings

- (1) If a member has disclosed, under section 5.65, an interest in a matter, the members present at the meeting who are entitled to vote on the matter —
- (a) may allow the disclosing member to be present during any discussion or decision making procedure relating to the matter; and
  - (b) may allow, to the extent decided by those members, the disclosing member to preside at the meeting (if otherwise qualified to preside) or to participate in discussions and the decision making procedures relating to the matter if —
    - (i) the disclosing member also discloses the extent of the interest; and
    - (ii) those members decide that the interest —

- (I) is so trivial or insignificant as to be unlikely to influence the disclosing member's conduct in relation to the matter; or
  - (II) is common to a significant number of electors or ratepayers.
- (2) A decision under this section is to be recorded in the minutes of the meeting relating to the matter together with the extent of any participation allowed by the council or committee.
  - (3) This section does not prevent the disclosing member from discussing, or participating in the decision making process on, the question of whether an application should be made to the Minister under section 5.69.

5.69. Minister may allow members disclosing interests to participate etc. in meetings

- (1) If a member has disclosed, under section 5.65, an interest in a matter, the council or the CEO may apply to the Minister to allow the disclosing member to participate in the part of the meeting, and any subsequent meeting, relating to the matter.
- (2) An application made under subsection (1) is to include —
  - (a) details of the nature of the interest disclosed and the extent of the interest; and
  - (b) any other information required by the Minister for the purposes of the application.
- (3) On an application under this section the Minister may allow, on any condition determined by the Minister, the disclosing member to preside at the meeting, and at any subsequent meeting, (if otherwise qualified to preside) or to participate in discussions or the decision making procedures relating to the matter if —
  - (a) there would not otherwise be a sufficient number of members to deal with the matter; or
  - (b) the Minister is of the opinion that it is in the interests of the electors or ratepayers to do so.
- (4) A person must not contravene a condition imposed by the Minister under this section.  
Penalty: \$10 000 or imprisonment for 2 years.

*[Section 5.69 amended by No. 49 of 2004 s. 53.]*

5.69A. Minister may exempt committee members from disclosure requirements

- (1) A council or a CEO may apply to the Minister to exempt the members of a committee from some or all of the provisions of this Subdivision relating to the disclosure of interests by committee members.
- (2) An application under subsection (1) is to include —
  - (a) the name of the committee, details of the function of the committee and the reasons why the exemption is sought; and
  - (b) any other information required by the Minister for the purposes of the application.
- (3) On an application under this section the Minister may grant the exemption, on any conditions determined by the Minister, if the Minister is of the opinion that it is in the interests of the electors or ratepayers to do so.
- (4) A person must not contravene a condition imposed by the Minister under this section.  
Penalty: \$10 000 or imprisonment for 2 years.

*[Section 5.69A inserted by No. 64 of 1998 s. 34(1).]*

5.70. Employees to disclose interests relating to advice or reports

- (1) In this section —

employee includes a person who, under a contract for services with the local government, provides advice or a report on a matter.

- (2) An employee who has an interest in any matter in respect of which the employee is providing advice or a report directly to the council or a committee must disclose the nature of the interest when giving the advice or report.
- (3) An employee who discloses an interest under this section must, if required to do so by the council or committee, as the case may be, disclose the extent of the interest.

Penalty: \$10 000 or imprisonment for 2 years.

#### 5.71. Employees to disclose interests relating to delegated functions

If, under Division 4, an employee has been delegated a power or duty relating to a matter and the employee has an interest in the matter, the employee must not exercise the power or discharge the duty and —

- (a) in the case of the CEO, must disclose to the mayor or president the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter; and
- (b) in the case of any other employee, must disclose to the CEO the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter.

Penalty: \$10 000 or imprisonment for 2 years.

## **STRATEGIC COMMUNITY PLAN**

Core drivers identify what Council will be concentrating on as it works towards achieving Councils vision. The core drivers developed by Council are:

1. Relationships that bring us tangible benefits (to the Shire and our community)
2. Our lifestyle and strong sense of community
3. We are prepared for opportunities and we are innovative to ensure our relevancy and destiny

## **COMMUNITY CONSULTATION**

The following consultation took place;

- Chief Executive Officer
- Manager of Governance
- Manager Works and Services
- Council Staff
- Council
- Community Members.

## **STAFF RECOMMENDATION**

*That the Audit Committee receive the Status Report.*

### **COMMITTEE RESOLUTION**

**MIN 006/23      MOTION - Moved Cr. Brown      Seconded Cr. Pryer**

*That the Audit Committee receive the Status Report.*

**In Favour:      Crs David Leake, Dennis Reid, Matt Steber, Emily Ryan, Monica Gardiner,  
Kelsey Pryer and Paul Brown**

**Against:      Nil**

**CARRIED 7/0**

**6.2 RISK REGISTER REVIEW**

**File Ref:** ADM 60  
**Author:** Raymond Griffiths, Chief Executive Officer  
**Authoriser:** Raymond Griffiths, Chief Executive Officer  
**Attachments:** 1. Risk Management Review

**BACKGROUND**

Council's March Audit Committee Meeting – 21<sup>st</sup> March 2023

**MIN 001/23 MOTION - Moved Cr. Reid Seconded Cr. Pryer**

*That the Audit Committee recommends to Council that Council;*

- 1. Receives the updated Risk Review spreadsheet as presented;*
- 2. Notes the Actions required and proposed timeframes; and*
- 3. Removes the completed actions from the Register into Completed items spreadsheet.*

**CARRIED 6/0**

Council's December Audit Committee Meeting – 7<sup>th</sup> December 2022

**MIN 008/22 MOTION - Moved Cr. Gardiner Seconded Cr. Ryan**

*That the Audit Committee recommends to Council that;*

- 1. Receives the updated Risk Review spreadsheet as presented;*
- 2. Notes the Actions required and proposed timeframes; and*
- 3. Removes the completed actions from the Register into Completed items spreadsheet.*

**CARRIED 6/0**

Council's July Audit Committee Meeting – 19<sup>th</sup> July 2022

**MIN 006/22 MOTION - Moved Cr. Leake Seconded Cr. Gardiner**

*That the Audit Committee recommends to Council that;*

- 1. Receives the updated Risk Review spreadsheet as presented;*
- 2. Notes the Actions required and proposed timeframes; and*
- 3. Removes the completed actions from the Register into Completed items spreadsheet.*

**CARRIED 7/0**

The CEO is required to undertake a review of the appropriateness and effectiveness of financial systems and risk management, internal control and legislative compliance every three years as part of this review an external consultant to review the operations of Council as per Regulation 17.

**STAFF COMMENT**

Please note below the commentary on actions completed on the Risk Register.

Please note the following items remain outstanding on the Register:

<b>Item Number</b>	<b>Source Document</b>	<b>Risk Assessment Category</b>	<b>Risk Issue and Failure Modes</b>
1	Reg Review (2021) 17	Risk Management Framework	We acknowledge that a Strategic Risk Report and Operating Risk Report for the period ended 31st March 2017 (the "reports") was prepared indicating that a risk assessment had been previously conducted, however perusal of the reports identified that risks had not been re-assessed on a periodic basis with completion dates noted as 2018 and risks were generic in nature.
2	Reg Review (2021) 17	Contract Management	There is no contract management framework in place for Formal Risk Assessment, Formal Contract Review and no register of contractors
13	Reg Review (2021) 17	Outdated Plans and Reports	Local Emergency Management Arrangements Plan dated 9 May 2018 of more than 2.5 years old;
14	Reg Review (2021) 17	Outdated Plans and Reports	Corporate Business Plan dated 2016 of more than 4 years old; and
39	SCP Community Consultation Results	Governance	It was commented that SCP Survey questions were too hard to answer, hard copies not provided to Community and unable to complete online.
40	SCP Community Consultation Results	Education and Welfare	Lack of Early Childhood Education/activities provided to Community.
41	SCP Community Consultation Results	Education and Welfare	Transport for elderly residents
42	SCP Community Consultation Results	Housing	Request for more housing to be provided.

43	SCP Community Consultation Results	Community Amenities Landscape -	Community complaints about the trees along the Town streets being removed
44	SCP Community Consultation Results	Community Amenities Main Street -	It was suggested that the main street be renewed/renovated ie verandah's, shop fronts
45	SCP Community Consultation Results	Community Amenities Annual Rubbish Collection -	Request for annual kerbside rubbish collection be reinstated
46	SCP Community Consultation Results	Community Amenities Rubbish -	No provision of recycling bins for residents in town
47	SCP Community Consultation Results	Recreation & Culture - Senior Centre	Suggestion that the Senior Centre needs to be moved to a more central facility
48	SCP Community Consultation Results	Other Property and Services - Access	Disabled and aged care access to premises around town

Councils Management is working through the outstanding items and provide the below update;

Item No	Risk Issue	Status
1	We acknowledge that a Strategic Risk Report and Operating Risk Report for the period ended 31st March 2017 (the "reports") was prepared indicating that a risk assessment had been previously conducted, however perusal of the reports identified that risks had not been re-assessed on a periodic basis with completion dates noted as 2018 and risks were generic in nature.	Reg 17 has been reviewed, staff need to ensure that what has been completed adheres to the requirements prior to finalising this outstanding item.

2	There is no contract management framework in place for Formal Risk Assessment, Formal Contract Review and no register of contractors	Still to be completed.
13	Local Emergency Management Arrangements Plan dated 9 May 2018 of more than 2.5 years old;	The plan has been updated, awaiting a meeting to adopt and present to Council.
14	Corporate Business Plan dated 2016 of more than 4 years old; and	The CBP has been commenced by the MOG.
39	It was commented that SCP Survey questions were too hard to answer, hard copies not provided to Community and unable to complete online.	This item has been noted by Council Administration to ensure when completing surveys in future further consultation prior to issuing survey is conducted.
40	Lack of Early Childhood Education/activities provided to Community.	Currently researching.
41	Transport for elderly residents	Council has been working with CEACA to ensure that there is availability of transport for members of our community.
42	Request for more housing to be provided.	Council is working with CEACA to apply for funding to have an additional 14 units constructed at the CEACA site.  In addition Council is budgeting for the construction of a new residence in the 2023/24 Budget.
43	Community complaints about the trees along the Town streets being removed	Council is to draft the Townscape plan and advertise to the community.
44	It was suggested that the main street be renewed/renovated ie verandah's, shop fronts	Council is currently renewing Succulent Foods awning and has the CRC awning on the list of tasks to be completed.  Council has requested Management prepare a paper for the opportunity for businesses to apply for funding to Council to assist with replacement/upgrade costs of awnings.
45	Request for annual kerbside rubbish collection be reinstated	Further costings need to be completed on this. The greenwaste wouldn't be an issue as long as it was only greenwaste.



		Council previously undertook this task when Council could deposit the waste at Tammin, however with this not being permitted any more the waste will need to be travelled to Northam making this financial unviable.
46	No provision of recycling bins for residents in town	<p>Council needs to receive a quote from Avon Waste for this option and present to the ratepayers as an option through survey.</p> <p>This is to ensure all ratepayers are happy to pay the additional funds for kerbside recycling.</p> <p>Council has increased the cardboard pickup from the Centenary Park carpark to weekly due to the increased demand on this site.</p>
47	Suggestion that the Senior Centre needs to be moved to a more central facility	Council is currently reviewing options for the Seniors.
48	Disabled and aged care access to premises around town	Council has completed its Disability Access and Inclusion Plan to ensure that all facilities provide sufficient access for its disabled community members.

### TEN YEAR FINANCIAL PLAN

Nil known at this time.

### FINANCIAL IMPLICATIONS

Nil known at this time.

### STATUTORY IMPLICATIONS

Regulation 17 of the Local Government (Audit) Regulations 1996 directs the Chief Executive Officer (CEO) to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management; internal control and legislative compliance once every 3 financial years and to report the results of the review to the Audit Committee.

Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 directs the CEO undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

### STRATEGIC COMMUNITY PLAN

Core drivers identify what Council will be concentrating on as it works towards achieving Councils vision. The core drivers developed by Council are:

1. Relationships that bring us tangible benefits (to the Shire and our community)
2. Our lifestyle and strong sense of community
3. We are prepared for opportunities and we are innovative to ensure our relevancy and destiny

**COMMUNITY CONSULTATION**

The following consultation took place;

- Chief Executive Officer
- Manager of Governance
- Internal Staff.

**STAFF RECOMMENDATION**

*That the Audit Committee recommends to Council that;*

- 1. Receives the updated Risk Review spreadsheet as presented;*
- 2. Notes the Actions required and proposed timeframes; and*
- 3. Removes the completed actions from the Register into Completed items spreadsheet.*

**COMMITTEE RESOLUTION**

**MIN 007/23      MOTION - Moved Cr. Reid      Seconded Cr. Pryer**

*That the Audit Committee recommends to Council that;*

- 1. Receives the updated Risk Review spreadsheet as presented;*
- 2. Notes the Actions required and proposed timeframes; and*
- 3. Removes the completed actions from the Register into Completed items spreadsheet.*

**In Favour:      Crs David Leake, Dennis Reid, Matt Steber, Emily Ryan, Monica Gardiner, Kelsey Pryer and Paul Brown**

**Against:      Nil**

**CARRIED 7/0**

**6.3 REGULATION 17 AUDIT - FINAL REPORT**

**File Ref:** FIN 04  
**Author:** Morgan Ware, Manager of Governance  
**Authoriser:** Raymond Griffiths, Chief Executive Officer  
**Attachments:** 1. Regulation 17 Final Report

**BACKGROUND**

The Local Government (Audit) Regulations 1996, Regulation 17 requires the CEO 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 Shires last Regulation 17 review was undertaken in April 2021 by AMD Chartered Accountants.

Australian Audit was engaged to perform this review on behalf of the CEO.

**STAFF COMMENT**

Council as part of the requirement for the Regulation 17 Audit and adhering to Council purchasing policy requested quotes from three firms to undertake the audit process. Due to the requirement to undertake a Reg 5 Financial Management audit, the scope for quote was to include both audits.

The quotes were sought from:

- AMW Audit Group \$ 16,000.00
- Australian Audit \$ 9,450.00
- Dry Kirkness \$ 16,500.00
- Moore Australia \$ 23,500.00

Council elected to have Australian Audit to undertake the process. The audit commenced with information requests on the 19<sup>th</sup> July 2023 with a site visit scheduled for the 13<sup>th</sup> – 15<sup>th</sup> September. The draft report was issued to the CEO on 28<sup>th</sup> November 2023.

Please find attached a copy of the report provided by the Auditors outlining the recommendations to come out of the Regulation 17 audit.

**TEN YEAR FINANCIAL PLAN**

Nil Known at this time

**FINANCIAL IMPLICATIONS**

Nil known at this time.

**STATUTORY IMPLICATIONS****The Local Government (Audit) Regulations 1996, Regulation 17**

The Local Government (Audit) Regulations 1996, Regulation 17, requires the following: The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:

- A) risk management;
- B) internal control; and
- C) legislative compliance.

The review may relate to any or all of the matters referred to in sub regulation (1) (a), (b) and (c), but each of those matters is to be the subject of a review no less than once every three (3) financial

years (with effect 28 June 2018) The CEO is to report to the audit committee the results of that review.

### **Local Government (Audit) Regulations 1996**

#### 16. Audit committee, functions of

An audit committee —

- (a) is to provide guidance and assistance to the local government —
  - (i) as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and
  - (ii) as to the development of a process to be used to select and appoint a person to be an auditor;

and

- (b) may provide guidance and assistance to the local government as to —
  - (i) matters to be audited; and
  - (ii) the scope of audits; and
  - (iii) its functions under Part 6 of the Act; and
  - (iv) the carrying out of its functions relating to other audits and other matters related to financial management.

*[Regulation 16 inserted in Gazette 31 Mar 2005 p. 1043.]*

### **Local Government Act 1995 (as amended)**

- section 3.57 relates to the tendering of goods and services
- section 3.59 relates to preparation of business plan for a commercial or trading enterprise
- sections 5.16, 5.18, 5.42, 5.43, 5.44, 5.45, 5.46 relates to the delegation of power/duty
- sections 5.67, 5.68, 5.73, 5.75, 5.76, 5.77, 5.88, 5.103 relates to the Disclosure of Interest by Councillors and/or Staff
- sections 7.3 to 7.9 relates to the appointment of auditors
- section 9.4 to 9.29 relates to appeal provisions
- sections 3.58 to relates to disposal of property

### **Subsidiary Statutory Acts and Regulations to achieve compliance**

- Local Government (Uniform Local Provisions) Regulations 1996 – regulation 9
- Local Government (Functions and General) Regulations 1997 (as amended) – tenders for the supply of goods and services
- Local Government (Administration) Regulations 1996 (as amended)
- Local Government (Financial Management) Regulations 1996 (as amended)
- Local Government (Audit) Regulations 1996
- Local Government Grants Act 1978 – section 12

Local Government (Elections) Regulations 1997

### **STRATEGIC COMMUNITY PLAN**

Core drivers identify what Council will be concentrating on as it works towards achieving Councils vision. The core drivers developed by Council are:

1. Relationships that bring us tangible benefits (to the Shire and our community)
2. Our lifestyle and strong sense of community
3. We are prepared for opportunities and we are innovative to ensure our relevancy and destiny

**COMMUNITY CONSULTATION**

- Chief Executive Officer
- Manager of Governance
- Senior Finance Officer

**STAFF RECOMMENDATION**

*That the Audit Committee:*

1. *Note the findings and recommendations of the Regulation 17 Report as presented; and*
2. *Recommends to Council that the findings and Management Comments to the Regulation 17 Report be endorsed.*

**COMMITTEE RESOLUTION**

**MIN 008/23      MOTION - Moved Cr. Leake      Seconded Cr. Ryan**

*That the Audit Committee:*

1. *Note the findings and recommendations of the Regulation 17 Report as presented; and*
2. *Recommends to Council that the findings and Management Comments to the Regulation 17 Report be endorsed.*

**In Favour:      Crs David Leake, Dennis Reid, Matt Steber, Emily Ryan, Monica Gardiner, Kelsey Pryer and Paul Brown**

**Against:      Nil**

**CARRIED 7/0**

**6.4 REG 5(2)(C) FINANCIAL MANAGEMENT REVIEW - FINAL REPORT**

**File Ref:** FIN 04  
**Author:** Morgan Ware, Manager of Governance  
**Authoriser:** Raymond Griffiths, Chief Executive Officer  
**Attachments:** 1. Reg 5 FMR Audit Final Report

**BACKGROUND**

As per Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996 (5)(2)(c)*, the Chief Executive Officer (CEO) is required to undertake a financial management review, least once every 3 years.

Australian Audit was engaged to perform this review on behalf of the CEO.

**STAFF COMMENT**

Council as part of the requirement and adhering to Council purchasing policy requested quotes from three firms to undertake the audit process. Due to the requirement to undertake a Reg 17 Internal Control Audit, the scope for quote was to include both audits.

The quotes were sought from:

- AMW Audit Group \$ 16,000.00
- Australian Audit \$ 9,450.00
- Dry Kirkness \$ 16,500.00
- Moore Australia \$ 23,500.00

Council elected to have Australian Audit to undertake the process. The audit commenced with information requests on the 19<sup>th</sup> July 2023 with a site visit scheduled for the 13<sup>th</sup> – 15<sup>th</sup> September. The draft report was issued to the CEO on 28<sup>th</sup> November 2023.

Please find attached a copy of the report provided by the Auditors outlining the recommendations to come out of the Reg 5 Financial Management Review audit.

**TEN YEAR FINANCIAL PLAN**

Nil Known at this time

**FINANCIAL IMPLICATIONS**

Nil known at this time.

**STATUTORY IMPLICATIONS****The Local Government (Audit) Regulations 1996, Regulation 17**

The Local Government (Audit) Regulations 1996, Regulation 17, requires the following: The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:

- A) risk management;
- B) internal control; and
- C) legislative compliance.

The review may relate to any or all of the matters referred to in sub regulation (1) (a), (b) and (c), but each of those matters is to be the subject of a review no less than once every three (3) financial years (with effect 28 June 2018) The CEO is to report to the audit committee the results of that review.

**Local Government (Audit) Regulations 1996**16. **Audit committee, functions of**

An audit committee —

- (a) is to provide guidance and assistance to the local government —
  - (i) as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and
  - (ii) as to the development of a process to be used to select and appoint a person to be an auditor;

and

- (b) may provide guidance and assistance to the local government as to —
  - (i) matters to be audited; and
  - (ii) the scope of audits; and
  - (iii) its functions under Part 6 of the Act; and
  - (iv) the carrying out of its functions relating to other audits and other matters related to financial management.

*[Regulation 16 inserted in Gazette 31 Mar 2005 p. 1043.]*

**Local Government Act 1995 (as amended)**

- section 3.57 relates to the tendering of goods and services
- section 3.59 relates to preparation of business plan for a commercial or trading enterprise
- sections 5.16, 5.18, 5.42, 5.43, 5.44, 5.45, 5.46 relates to the delegation of power/duty
- sections 5.67, 5.68, 5.73, 5.75, 5.76, 5.77, 5.88, 5.103 relates to the Disclosure of Interest by Councillors and/or Staff
- sections 7.3 to 7.9 relates to the appointment of auditors
- section 9.4 to 9.29 relates to appeal provisions
- sections 3.58 to relates to disposal of property

**Subsidiary Statutory Acts and Regulations to achieve compliance**

- Local Government (Uniform Local Provisions) Regulations 1996 – regulation 9
- Local Government (Functions and General) Regulations 1997 (as amended) – tenders for the supply of goods and services
- Local Government (Administration) Regulations 1996 (as amended)
- Local Government (Financial Management) Regulations 1996 (as amended)
- Local Government (Audit) Regulations 1996
- Local Government Grants Act 1978 – section 12

Local Government (Elections) Regulations 1997

**STRATEGIC COMMUNITY PLAN**

Core drivers identify what Council will be concentrating on as it works towards achieving Councils vision. The core drivers developed by Council are:

1. Relationships that bring us tangible benefits (to the Shire and our community)
2. Our lifestyle and strong sense of community
3. We are prepared for opportunities and we are innovative to ensure our relevancy and destiny

**COMMUNITY CONSULTATION**

- Chief Executive Officer
- Manager of Governance

- Senior Finance Officer

## STAFF RECOMMENDATION

*That the Audit Committee:*

1. *Note the findings and recommendations of the Regulation 5 Financial Management Review Audit Report as presented; and*
2. *Recommends to Council that the findings and Management Comments to the Regulation 5 Financial Management Review Audit Report be endorsed.*

## COMMITTEE RESOLUTION

**MIN 009/23      MOTION - Moved Cr. Gardiner      Seconded Cr. Brown**

*That the Audit Committee:*

1. *Note the findings and recommendations of the Regulation 5 Financial Management Review Audit Report as presented; and*
2. *Recommends to Council that the findings and Management Comments to the Regulation 5 Financial Management Review Audit Report be endorsed.*

**In Favour:      Crs David Leake, Dennis Reid, Matt Steber, Emily Ryan, Monica Gardiner, Kelsey Pryer and Paul Brown**

**Against:      Nil**

**CARRIED 7/0**



**6.5 ANNUAL REPORT/ANNUAL FINANCIAL REPORT AUDIT RESULTS FOR THE YEAR ENDING 30 JUNE 2023**

**File Ref:** FIN21  
**Author:** Morgan Ware, Manager of Governance  
**Authoriser:** Raymond Griffiths, Chief Executive Officer  
**Attachments:**

1. **Audit Opinion 2022/23**
2. **Annual Financial Report 2022/23**
3. **Transmittal Letter to the CEO**
4. **Management Letter 2022/23**

**BACKGROUND**

Councils July 2023 Ordinary Council Meeting – 18<sup>th</sup> July 2023

**MIN 001/23 MOTION - Moved Cr. Pryer Seconded Cr. Gardiner**

***That Council endorse the findings and management comments to the Interim Audit Report as presented by staff.***

**CARRIED 7/0**

This report presents the Shire of Kellerberrin 2022-23 Annual Report (Annual Report) for Council acceptance in accordance with the Local Government Act 1995 (the Act) and seeks endorsement of a date for the holding of the annual general electors meeting.

The Shire produces an annual report of activities at the conclusion of each financial year, in accordance with the requirements of the Act, as outlined in the Statutory Implication section of this report.

The Annual Report provides information about the Shires progress over the financial year in respect of its priorities, as outlined in the Corporate Business Plan; which contribute to achievement of the goals and aspirations contained in the Strategic Community Plan.

**STAFF COMMENT**

On Thursday, 30<sup>th</sup> November 2023 the following members attended the the Final Audit Exit Meeting

- Chief Executive Officer
- Manager of Governance
- Senior Finance Officer
- President Matthew Steber (via teams)
- Deputy President Emily Ryan (via teams)
- Tim Sanya (Office of the Auditor General)
- Suren Herathmudalige (MACRI Partners).

The OAG have provided their audit report, opinion and signed Annual Financial statement which is attached to this report on the 2<sup>nd</sup> December 2023.

Please find below the management letter issued to the Shire of Kellerberrin on completion of the 2022/23 Annual Audit.

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Fair value of Land & Buildings	No		✓		

**Key To Ratings**

The Ratings in this management letter are based on the audit team’s assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

**Significant**

Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit report, it should be addressed promptly.

**Moderate**

Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

**Minor**

Those findings that are not of primary concern but still warrant action being taken.

**1. Fair Value of Land and Buildings and Infrastructure Other**

**Finding**

The Shire last valued the Land and Buildings in 2020/21 and Infrastructure Other in 2021/22 financial years respectively which were completed by an independent valuer. For 2022/23, the Shire provided a memo indicating that it had performed an assessment of fair value for these assets giving consideration to CPI increases since the previous revaluation and as to whether there was any impairment of assets within these balances. While we acknowledge receipt of this memo, we note that this assessment was not a robust fair value assessment as no detailed workings were provided to support this conclusion. A robust valuation will include consideration of (but not limited to) the following:

- a detailed assessment of the condition of the assets
- consideration of the key inputs and assumptions applied in the last revaluation and whether they have changed
- for land buildings, consideration of recent market property reports for any recent sales and comparison of resultant movements to last valuation.

*Update to the FM Regulations:*

We acknowledged that the FM Regulations were updated on 18 October 2023 and the fair value amendment, which applies from 2023/24, will just require the Shire to revalue its land, buildings and infrastructure assets every 5 years since the asset’s last valuation date (Regulation 17 A(4A)). The Shire may also revalue earlier if it chooses to do so. (Regulation 17A(4B)).

**Rating: Moderate****Implication**

Without a robust assessment of fair value of the Land and Buildings and Infrastructure Other assets, there is a risk that the fair value of these assets may not have been assessed adequately and in compliance with AASB 13 Fair Value Measurement, as well as Regulation 17A (4b) of the Regulations.

**Recommendation**

We recommend that the Shire comply with the fair value requirements of the updated FM Regulations for 2023/24 year and onwards.

**Management comment**

Noted

Responsible person: Raymond Griffiths

Completion date: 30<sup>th</sup> June 2024

**TEN YEAR FINANCIAL PLAN**

Nil

**FINANCIAL IMPLICATIONS**

Nil

**STATUTORY IMPLICATIONS****Local Government Act 1995 (As Amended)****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.

**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 5.54 amended by No. 49 of 2004 s. 49.]*

**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.

## Division 4 — General

## 7.12A. Duties of local government with respect to audits

- (1) A local government is to do everything in its power to —
  - (a) assist the auditor of the local government to conduct an audit and carry out his or her other duties under this Act in respect of the local government; and
  - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to —
  - (a) determine if any matters raised by the report, or reports, require action to be taken by the local government; and
  - (b) ensure that appropriate action is taken in respect of those matters.
- (4) A local government is to —
  - (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and
  - (b) forward a copy of that report to the Minister,

by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.

*[Section 7.12A inserted by No. 49 of 2004 s. 8.]*

**Local Government (Financial Management) Regulations 1996**

## 51. Completion of financial report

- (1) After the annual financial report has been audited in accordance with the Act the CEO is to sign and append to the report a declaration in the form of Form 1.
- (2) A copy of the annual financial report of a local government is to be submitted to the Departmental CEO within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report.

*[Regulation 51 amended in Gazette 18 Jun 1999 p. 2639; 20 Jun 2008 p. 2726.]*

**STRATEGIC COMMUNITY PLAN**

Core drivers identify what Council will be concentrating on as it works towards achieving Councils vision. The core drivers developed by Council are:

1. Relationships that bring us tangible benefits (to the Shire and our community)
2. Our lifestyle and strong sense of community
3. We are prepared for opportunities and we are innovative to ensure our relevancy and destiny

**COMMUNITY CONSULTATION**

The following consultation took place;

- Chief Executive Officer
- Deputy Chief Executive Officer

- Office of Auditor General

## STAFF RECOMMENDATION

*That the Audit Committee recommends to Council that it;*

1. *accepts the 2022/2023 Annual Report (Attachment A);*
2. *accepts the 2022/2023 Annual Financial Report including Auditors Report and Audit Management Report as per the attached documentation (Attachment B);*
3. *endorses the Management comments listed within the Management Letter and additional comments provided within the agenda;*
4. *note that it has met the requirements of section 7.12A(2) of the Local Government Act with the Audit Committee, on behalf of Council, having met with a representative of the Office of the Auditor General; and*
5. *Determine that the annual general electors' meeting be held on Monday 12<sup>th</sup> February 2023 commencing at 6:30pm in the Cuolahan/Cottle Room at the Kellerberrin Recreation and Leisure Centre.*

## COMMITTEE RESOLUTION

**MIN 010/23**

**MOTION - Moved Cr. Brown**

**Seconded Cr. Reid**

*That the Audit Committee recommends to Council that it;*

1. *accepts the 2022/2023 Annual Report (Attachment A);*
2. *accepts the 2022/2023 Annual Financial Report including Auditors Report and Audit Management Report as per the attached documentation (Attachment B);*
3. *endorses the Management comments listed within the Management Letter and additional comments provided within the agenda;*
4. *note that it has met the requirements of section 7.12A(2) of the Local Government Act with the Audit Committee, on behalf of Council, having met with a representative of the Office of the Auditor General; and*
5. *Determine that the annual general electors' meeting be held on Thursday 8<sup>th</sup> February 2023 commencing at 5:30pm in the Cuolahan/Cottle Room at the Kellerberrin Recreation and Leisure Centre.*

**In Favour:** Crs David Leake, Dennis Reid, Matt Steber, Emily Ryan, Monica Gardiner, Kelsey Pryer and Paul Brown

**Against:** Nil

**CARRIED 7/0  
BY ABSOLUTE MAJORITY**

**7 CLOSURE OF MEETING**

**The Meeting closed at 3:40pm.**

**The minutes of this meeting were confirmed at the Audit, Risk and Governance Committee held on .**

.....  
**CHAIRPERSON**