

SHIRE OF  
**MERREDIN**  
INNOVATING THE WHEATBELT

# MINUTES

## Audit Committee Meeting

Held in Council Chambers  
Corner King & Barrack Street's, Merredin  
Tuesday, 27 February 2024  
Commencing 1:30pm



<b>Common Acronyms Used in this Document</b>	
WEROC	Wheatbelt East Regional Organisation of Councils
GECZ	Great Eastern Country Zone
WALGA	Western Australian Local Government Association
CEACA	Central East Aged Care Alliance
CEO	Chief Executive Officer
EMS&C	Executive Manager Strategy and Community
EMDS	Executive Manager Development Services
EMES	Executive Manager Engineering Services
EMCS	Executive Manager Corporate Services
EO	Executive Officer
LPS	Local Planning Scheme
LGIS	Local Government Insurance Scheme
SRP	Strategic Resource Plan
CBP	Corporate Business Plan
SCP	Strategic Community Plan
MRCLC	Merredin Regional Community and Leisure Centre
CWVC	Central Wheatbelt Visitors Centre
MoU	Memorandum of Understanding

Shire of Merredin  
Audit Committee Meeting  
1:30pm Tuesday, 27 February 2024



**1. Official Opening**

The President acknowledged the Traditional Owners of the land on which we meet today, and paid his respects to Elders past, present and emerging. The President then welcomed those in attendance and declared the meeting open at 1:30pm.

**2. Record of Attendance / Apologies and Leave of Absence**

**Councillors:**

Cr M McKenzie	President
Cr R Manning	Deputy President
Cr D Crook	
Cr M Simmonds	

**Staff:**

J Merrick	T/CEO
L Boehme	EMCS
M Wyatt	EO
A Bruyns	GO

**Observer:**

Cr L O'Neill
Cr H Billing

**Apologies:**

Cr B Anderson

**Approved Leave of Absence:**

**3. Public Question Time**

Nil

**4. Disclosure of Interest**

Nil

## 5. Confirmation of Minutes of the Previous Meeting

5.1 Audit Committee Meeting held on 23 January 2024  
Attachment 5.1A

### Voting Requirements

Simple Majority  Absolute Majority

### Resolution

**Moved:** Cr Crook **Seconded:** Cr Simmonds

**83332** That the minutes of the Audit Committee Meeting held on 23 January 2024 be confirmed as a true and accurate record of proceedings.


**CARRIED 4/0**

*For: Cr McKenzie, Cr Manning, Cr Crook, Cr Simmonds*

*Against: Nil*

## 6. Officer's Reports

### 6.1 2023 Compliance Audit Return

<h1>Administration</h1>		 SHIRE OF <b>MERREDIN</b> INNOVATING THE WHEATBELT
<b>Responsible Officer:</b>	Chief Executive Officer	
<b>Author:</b>	Meg Wyatt, EO	
<b>Legislation:</b>	<i>Local Government Act 1995</i> <i>Local Government (Audit) Regulations 1996</i>	
<b>File Reference:</b>	GR/17/19	
<b>Disclosure of Interest:</b>	Nil	
<b>Attachments:</b>	Attachment 6.1A – 2023 Compliance Audit Return	
<b>Purpose of Report</b>		

Executive Decision

Legislative Requirement

To provide the Audit Committee with the information presented on the 2023 Compliance Audit Return (CAR).

#### Background

In accordance with Regulation 14 of the *Local Government (Audit) Regulations 1996*, each year every local government is required to carry out a compliance audit in relation to the period 1 January to 31 December against the requirements of the CAR. The completed CAR for 2023 is presented as Attachment 6.1A.

Regulation 14 of the *Local Government (Audit) Regulations 1996* requires each local government's Audit Committee to review the CAR and report the results of that review to the Council.

After the CAR has been reviewed by the Audit Committee and presented to Council, a copy certified by the President and CEO, along with the relevant section of the minutes and any additional information explaining or qualifying the CAR, is to be submitted to the Department of Local Government, Sport and Cultural Industries (DLGSC) by 31 March.

#### Comment

The CAR is one of the tools available to Council in its governance monitoring role. The CAR also forms part of the DLGSC's monitoring program. The CAR enables the Council to monitor

the level of compliance achieved and to take corrective action if required or proposed to prevent future like occurrences.

The 2023 CAR contains the following compliance categories:

1. Commercial Enterprises by Local Governments;
2. Delegation of Power/Duty;
3. Disclosure of Interest;
4. Disposal of Property;
5. Elections;
6. Finance;
7. Integrated Planning and Reporting;
8. Local Government Employees;
9. Official Conduct;
10. Optional;
11. Tenders for Providing Goods and Services.

The CAR provides the tools for Council to monitor legislative compliance by examining a range of prescribed subjects under Regulation 13 of the *Local Government (Audit) Regulations 1996* in detail.

Generally, the outcomes for the 2023 CAR show relatively consistent results for the organisation, with improvements in some areas. There have been some changes made by the Administration which have improved the accuracy of the reporting in the return, and the governance standards met.

#### Policy Implications

Nil

#### Statutory Implications

Section 7.13(1)(i) of the *Local Government Act 1995* states:

**“7.13. Regulations as to audits**

1) *Regulations may make provision as follows —*

- i. *requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are —*
  - i. *of a financial nature or not; or*
  - ii. *under this Act or another written law.”*

*Regulations 14 and 15 of the Local Government (Audit) Regulations 1996 states:*

**“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.

**“15. Certified copy of compliance audit return and other documents to be given to Departmental CEO**

- 1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —
  - (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
  - (b) any additional information explaining or qualifying the compliance audit, is to be submitted to the Departmental CEO by 31 March next following the period to which the return relates.
- 2) In this regulation —
 

**certified** in relation to a compliance audit return means signed by —

  - (a) the mayor or president; and
  - (b) the CEO.”

	<b>Strategic Implications</b>
∅ Strategic Community Plan	

Theme:	4. Communications and Leadership.
Service Area Objective:	4.2 Decision Making 4.2.2 The Shire is progressive while exercising responsible stewardship of its built, natural and financial resources
Priorities and Strategies for Change:	Nil

∅ Corporate Business Plan	
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Theme:	4. Communications and Leadership.
Priorities:	Nil
Objectives:	4.2 Decision Making

	<b>Sustainability Implications</b>
∅ Strategic Resource Plan	

∅ Strategic Resource Plan  
 Nil

### Risk Implications

Council would be contravening the *Local Government Act 1995* and *Local Government (Audit) Regulations 1996* if this item was not presented to the Audit Committee for recommendation to Council.

The objective of the CAR is to identify risks to the organisation where noncompliance may have occurred enabling processes and procedures to be developed, reviewed or amended, as required.

### Financial Implications

Nil

### Voting Requirements

Simple Majority

Absolute Majority

### Resolution

**Moved:**

**Cr McKenzie**

**Seconded: Cr Crook**

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

- 1. RECEIVES the 2023 Compliance Audit Return;**
- 2. ADOPTS the 2023 Compliance Audit Return for the period 1 January 2023 to 31 December 2023 as contained in Attachment 6.1A; and**
- 3. AUTHORISES the Shire President and Chief Executive Officer to sign the joint certification and submit the completed 2023 Compliance Audit Return, and any additional information explaining or quantifying the compliance audit, to the Department of Local Government, Sport and Cultural Industries by 31 March 2024.**

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**CARRIED 4/0**

*For: Cr McKenzie, Cr Manning, Cr Crook, Cr Simmonds*

*Against: Nil*



## 6.2 Risk and Regulation Action Plan February 2024

### Administration



<b>Responsible Officer:</b>	Leah Boehme, EMCS
<b>Author:</b>	As above
<b>Legislation:</b>	<i>Local Government (Audit) Regulations 1996</i>
<b>File Reference:</b>	Nil
<b>Disclosure of Interest:</b>	Nil
<b>Attachments:</b>	Attachment 6.2A – Risk and Regulation Action Plan February 2024

#### Purpose of Report

Executive Decision

Legislative Requirement

The purpose of this report is to provide the Audit Committee with an update on the Shire of Merredin’s (the Shire) progress toward the actions highlighted during the 2022/23 Audit and the Shire of Merredin Financial Management Review (FMR), which was presented to the Audit Committee and Council in December 2023.

This is the first time this new Risk and Regulation review document is being presented to the Audit Committee. It replaces the old Reg 17 and Risk Action Plan Review document.

#### Background

Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* directs the Chief Executive Officer (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. The FMR for the Shire was undertaken in the last quarter of 2023 and results were presented to the Audit Committee and Council. The previous FMR was completed in 2020.

Regulation 17 of the *Local Government (Audit) Regulations 1996* requires the CEO to review the appropriateness and effectiveness of the local government systems and procedures in relation to risk management, internal control and legislation compliance.

The review may relate to any or all of the matters referred to the sub-regulation (1) (a), (b) and (c), but each of those matters is to be the subject of a review at least once every three (3) financial years. The CEO is to report to the Audit Committee the results of that review and then provide updates on the progress toward identified actions on a regular basis.

The Shire undertook this review in December 2022 and all identified actions have now been closed out. The Shire will look to complete this review again prior to the end of 2025.

The Shire intends to provide quarterly updates to the Audit Committee and Council, as per the previous Reg 17 and Risk Action Plan Review document.

### Comment

Attachment 6.2A outlines the steps taken toward completing the actions identified during the FMR review, as well as the actions relating to the 2022/23 Audit findings. It also outlines the actions relating to the Shire's Risk Dashboard.

A number of items have already been completed or commenced.

Audit Committee members may notice that actions previously completed in the Risk Dashboard Review section of the document presented, have been deleted, with only outstanding items still reported.

### Policy Implications

Policy 3.24 – Risk Management applies.

### Statutory Implications

Regulation 17 of the *Local Government (Audit) Regulations 1996* applies.

### Strategic Implications

#### ∅ Strategic Community Plan

Theme:	4. Communications and Leadership.
Service Area Objective:	4.2 Decision Making. 4.2.2 The Shire is progressive while exercising responsible stewardship of its built, natural and financial resources. 4.2.3 The Council is well informed in their decision-making, supported by a skilled administration team who are committed to providing timely, strategic information and advice. 4.4.1 The Shire is continuously working to maintain efficient communication, providing open, transparent and factual information, through a variety of channels.
Priorities and Strategies for Change:	Nil

#### ∅ Corporate Business Plan

Theme:	4. Communications and Leadership.
Priorities:	Nil
Objectives:	4.4 – Communications. 4.4.1 – The Shire is continuously working to maintain efficient communication, providing open, transparent and factual information, through a variety of channels.

### Sustainability Implications

∅ Strategic Resource Plan

Nil

### Risk Implications

By regularly reviewing the Shire's Risk Dashboard and Regulation Action Plan, and providing updates to the Audit Committee and Council, the risk to the organisation should decrease.

### Financial Implications

Nil

### Voting Requirements

Simple Majority

Absolute Majority

### Resolution

**Moved:**

**Cr Crook**

**Seconded:**

**Cr Simmonds**

**That the Audit Committee;**

**83334**

- 1. NOTES the quarterly Risk and Regulation Action Plan for February 2024 as presented in Attachment 6.2A; and**
- 2. RECOMMENDS that Council NOTES the Risk and Regulation Action Plan as tabled to the Audit Committee.**

**CARRIED 4/0**

*For: Cr McKenzie, Cr Manning, Cr Crook, Cr Simmonds*

*Against: Nil*

## **7. Closure**

There being no further business, the President thanked those in attendance and declared the meeting closed at 1:41pm.

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