


## 14.6 Recommendations from the Audit Committee Meeting held 19 December 2022

<h1>Administration</h1>		 SHIRE OF <b>MERREDIN</b> INNOVATING THE WHEATBELT
<b>Responsible Officer:</b>	Leah Boehme, EMCS	
<b>Author:</b>	Lisa Clack, CEO	
<b>Legislation:</b>	<i>Local Government Act 1995</i> <i>Local Government (Audit) Regulations 1996</i>	
<b>File Reference:</b>	Nil	
<b>Disclosure of Interest:</b>	Nil	
<b>Attachments:</b>	Attachment 14.6A - Minutes of the Audit Committee meeting held 19 December 2022	

### Purpose of Report

Executive Decision

Legislative Requirement

For Council to consider the recommendations from the Audit Committee and receive the minutes from the Audit Committee meeting held 19 December 2022.

### Background

An Audit Committee meeting was held 19 December 2022 at 6pm, and the minutes of that meeting are attached as Attachment 14.6A.

As a requirement of the *Local Government Act 1995*, the Audit Committee was formed to provide independent oversight of the financial systems of the local government on behalf of the Council. As such, the Committee will operate to assist Council to fulfil its corporate governance, stewardship, leadership and control responsibilities in relation to the local government's financial reporting and audit responsibilities.

### Comment

There were four (4) agenda items on the Audit Committee Agenda, which included the following:

- 6.1 CEO's Review of Risk Management, Internal Control and Legislative Compliance (this is a legislative compliance requirement under Regulation 17 of the *Local Government (Audit) Regulations 1996*), Risk Profile Summary and Risk Management Framework.
- 6.2 Audit of the Annual Financial Statements for 2021/22, and the Annual Report. This included the consideration of the Auditor's Opinion Package consisting of the Audited Financial Report for the year ending 30 June 2022, Audit Opinion, Transmittal Letter to CEO, and Management Response – Shire of Merredin from the Office of the Auditor General for the 2021/22 financial year, the recommendation of

the adoption of the annual report and the proposed date of the Annual Electors Meeting within the 56 days prescribed.

- 6.3 The adoption of a terms of reference for the Audit Committee which improves the clarity on the role of the committee and addresses one of the audit findings reported in item 6.2.
- 6.4 A status update report on the actions taken in response to the 2020/21 audit findings, which were accepted by Council in August 2022.

The recommendations from the Audit Committee to Council, are included in the Audit Committee minutes, included as Attachment 14.6A.

### Policy Implications

Nil

### Statutory Implications

*Local Government Act 1995*

Part 7 Audit

Division 1A Audit Committee

S7.1A Audit Committee

*Local Government (Audit) Regulations 1996*

### Strategic Implications

#### ➤ Strategic Community Plan

Theme: 4. Communications and Leadership

Service Area Objective: 4.2. Decision Making

Priorities and Strategies for Change: 4.2.2 The Shire is progressive while exercising responsible stewardship of its built, natural and financial resources

#### ➤ Corporate Business Plan

Key Action: Nil

Directorate: Nil

Timeline: Nil

### Risk Implications

There is a legislative compliance risk should this not be progressed and adopted by Council.

### Financial Implications

Nil

## Voting Requirements

Simple Majority

Absolute Majority

## Audit Committee Recommendations

That Council;

1. **RECEIVE** the minutes of the Audit Committee, held 19 December 2022, included as Attachment 14.6A and;
2. **Based on the recommendations of the Audit Committee, which are included as Attachment 14.6A:**
  - a. **ADOPT** the Chief Executive Officer's Risk Management, Internal Control and Legislative Compliance Review, consisting of the Shire of Merredin's Regulation 17 Review, Shire of Merredin Risk Dashboard and Shire of Merredin Risk Management Framework, as presented in Attachments 6.1A, 6.1B and 6.1C respectively.
  - b. **ADOPT** the 2021/22 Annual Report (Attachment 6.2C), subject to design amendments, and **AUTHORISE** the CEO to approve any minor changes that may be required before the document is finalised for publishing.
  - c. **ENDORSE** the Auditor's Opinion Package (Attachment 6.2A), including Audited Financial Report for the year ending 30 June 2022, Audit Opinion, Transmittal Letter to CEO, and Management Response – Shire of Merredin from the Office of the Auditor General for the 2021/22 financial year.
  - d. **RESOLVES** to hold its Annual General Meeting of Electors on Tuesday 24 January 2023, commencing at 6.00pm in the Council Chambers.
  - e. **ADOPTS** the 'Audit Committee Terms of Reference,' as presented in Attachment 6.3A.