



SHIRE OF
MERREDIN
INNOVATING THE WHEATBELT

MINUTES

Audit Committee Meeting

Held in Council Chambers
Corner King & Barrack Street's, Merredin
Tuesday 17 September 2019



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Common Acronyms Used in this Document	
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
DCEO	Deputy CEO
EMDS	Executive Manager of Development Services
EMES	Executive Manager of Engineering Services
EMCS	Executive Manager of Corporate Services
EA	Executive Assistant to CEO
LPS	Local Planning Scheme
LGIS	Local Government Insurance Services
SRP	Strategic Resource Plan
CBP	Corporate Business Plan
CSP	Community Strategic Plan
MRCLC	Merredin Regional Community and Leisure Centre
CWVC	Central Wheatbelt Visitors Centre
MoU	Memorandum of Understanding

<p>Shire of Merredin</p> <p>Audit Committee Meeting</p> <p>11.00am Tuesday 17 September 2019</p>	
1.	Official Opening
	The President welcomed all those in attendance and declared the meeting open at 11.01 am
2.	Record of Attendance / Apologies and Leave of Absence
	<p>Councillors:</p> <p style="padding-left: 40px;">Cr KA Hooper President</p> <p style="padding-left: 40px;">Cr PR Patroni</p> <p style="padding-left: 40px;">Cr BJ Anderson</p> <p style="padding-left: 40px;">CR JR Flockart</p> <p>Staff:</p> <p style="padding-left: 40px;">G Powell CEO</p> <p style="padding-left: 40px;">K Bartley DCEO</p> <p style="padding-left: 40px;">M Ivanetz EA to CEO</p> <p>Members of the Public: Jordan Langford-Smith - OAG</p> <p style="padding-left: 100px;">Marius Van der Merwe – Butler Settineri</p> <p>Apologies:</p> <p>Approved Leave of Absence:</p>
	<p>Phone: Jordan Langford-Smith</p> <p style="padding-left: 100px;">Marius Vandermerwe</p>
3.	Public Question Time
	Members of the public are invited to present questions about matters affecting the Shire of Merredin and its residents.
4.	Disclosure of Interest
	Nil



5. Confirmation of Minutes of the Previous Meeting

5.1 Audit Committee Meeting held on 16 April 2019

[Attachment 5.1A](#)

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation / Resolution

Moved: Cr Patroni

Seconded: Cr Anderson

82422 That the minutes of the Audit Committee Meeting held on 16 April 2019 be confirmed as a true and accurate record of proceedings.

CARRIED 4/0

6. Officer's Reports – Corporate Services

6.1 Annual Financial Statements 2018/19 - Audit

<h2 style="margin: 0;">Corporate Services</h2> 	
Responsible Officer:	Charlie Brown, EMCS
Author:	Melissa Ivanetz, EA to CEO
Legislation:	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>
File Reference:	Nil
Disclosure of Interest:	Nil
Attachments:	Nil

Purpose of Report

- Executive Decision
 Legislative Requirement

Background

The annual financial statements for the year ended 30 June 2019 have been completed, as has the annual audit of the financial statements by Council's auditors, Butler Settineri on behalf of the Auditor General. The statements are attached.

Comment

Local governments are required to adopt the annual report prior to 31 December each year and conduct an annual electors meeting (AEM) not more than 56 days after adopting the report.

Considering the above legislative timeline, it is proposed the 2018/19 Annual Report be adopted at Council's October 2019 meeting, however it is proposed to receive the Audit Report prior to this.

Of note is the Operating Surplus Ratio's, which for the second year at least has not met the specified range. It is expected that this will be mentioned in the Management Letter which will require a response to the Minister. It is suggested that the Ratios, the implications of not meeting the benchmark and remedial action, if any be discussed with the Auditors

Pursuant to its Instrument of Appointment, it is relevant that the Audit Committee considers the 2018/19 Annual Financial Statement, Auditors Report and Management Letter and where appropriate, makes recommendation/s in respect of these reports.

Pursuant to Section 7.9 of the *Local Government Act 1995* (the 'Act'), an Auditor is required to examine the accounts and annual financial report submitted by a local government for audit.

The Auditor is also required, by 31 December following the financial year to which the accounts and report relate, to prepare a report thereon and forward a copy of that report to:

1. the Mayor or President;
2. the Chief Executive Officer; and
3. the Minister for Local Government.

Furthermore, in accordance with Regulation 10(4) of the *Local Government (Audit) Regulations 1996*, where it is considered appropriate to do so, the Auditor may prepare a Management Report to accompany the Auditor's Report, which is also to be forwarded to the persons specified in Section 7.9 of the Act. The Management Report provides an overview of the audit process and outcomes, whilst also identifying any matters that, whilst generally not material in relation to the overall audit of the financial report, are nonetheless considered relevant to the day to day operations of Council.

Discussion with the Auditor

Representatives of Butler Settineri and the Auditor General's Office will attend the meeting either in person or by telephone.

Policy Implications

Nil

Statutory Implications

Section 5.27 of the *Local Government Act 1995* states that a general meeting of electors is to be held once every financial year on a day selected by the local government but not more than 56 days after the adoption of the annual report.

Section 5.29 of the *Local Government Act 1995* states that the CEO is to convene an electors' meeting by giving 14 days local public notice.

Strategic Implications

➤ Strategic Community Plan

Zone: Zone 4 – Communication and Leadership

Zone Statement: Merredin Council engages with its community and leads by example

Key Priority: 4.1 – Ensuring all planning, reporting and resourcing is in accordance with best practice, compliance and statutory requirements

➤ Corporate Business Plan

Key Action: 4.1.1 – Continue to update the Integrated Planning Framework, meet statutory requirements of the Local Government Act and regulations and regulatory obligations required under other regulations

Directorate: Corporate Services

Timeline: Ongoing

Sustainability Implications

➤ Strategic Resource Plan

Nil

➤ Workforce Plan

Directorate: Nil

Activity: Nil

Current Staff: Nil

Focus Area: Nil

Strategy Code: Nil

Strategy: Nil

Implications: Nil

Risk Implications

Council would be contravening the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996* if this item was not considered by the Audit Committee and Council.

Financial Implications

Nil

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation / Resolution

Moved: Cr Flockart

Seconded: Cr Patroni

82423

That the Audit Committee:

1. **Receives the draft Auditor's Report and Management Report for the 2018/19 financial year; and**
2. **Recommends that adoption be deferred until signed copies are available and the Annual Report finalised.**

CARRIED 4/0

7. Closure

There being no further business, the President thanked those in attendance and declared the meeting closed at 11.48am

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