



SHIRE OF
MERREDIN
INNOVATING THE WHEATBELT

AGENDA

Audit Committee Meeting

To be held in Council Chambers
Corner King & Barrack Street's, Merredin
Tuesday, 17 December 2024
Commencing 1:30pm



Notice of Meeting



Dear President and Councillors,

The next meeting of the Audit Committee of the Shire of Merredin will be held on Tuesday 17 December 2024 in the Council Chambers, Corner King & Barrack Streets, Merredin. The format will be:

1.30 pm Audit Committee

Craig Watts
CHIEF EXECUTIVE OFFICER
13 December 2024

DISCLAIMER

PLEASE READ THE FOLLOWING IMPORTANT DISCLAIMER BEFORE PROCEEDING:

Statements or decisions made at this meeting should not be relied or acted on by an applicant or any other person until they have received written notification from the Shire. Notice of all approvals, including planning and building approvals, will be given to applicants in writing. The Shire of Merredin expressly disclaims liability for any loss or damages suffered by a person who relies or acts on statements or decisions made at a Council or Committee meeting before receiving written notification from the Shire.

The advice and information contained herein is given by and to Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

Common Acronyms Used in this Document

CEO	Chief Executive Officer
EMSC	Executive Manager Strategy and Community
EMDS	Executive Manager Development Services
EMES	Executive Manager Engineering Services
EMCS	Executive Manager Corporate Services
EO	Executive Officer
GO	Governance Officer
MCS	Manager Corporate Services
SFO	Senior Finance Officer
CBP	Corporate Business Plan
SCP	Strategic Community Plan
OAG	Office of the Auditor General

Shire of Merredin
Audit Committee Meeting
1.30pm Tuesday 17 December 2024



1. Official Opening

2. Record of Attendance / Apologies and Leave of Absence

Councillors:

Cr D Crook	President
Cr R Manning	Deputy President
Cr M McKenzie	Chair
Cr B Anderson	
Cr M Simmonds	

Staff:

C Watts	CEO
L Boehme	EMCS
M Wyatt	EO
A Bruyns	GO

Members of the Public:

Apologies:

Approved Leave of Absence:

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

5. Confirmation of Minutes of the Previous Meeting

5.1 Audit Committee Meeting held on 29 November 2024
Attachment 5.1A

Voting Requirements



Simple Majority




Absolute Majority

Officers Recommendation

That the minutes of the Audit Committee Meeting held on 22 October 2024 be confirmed as a true and accurate record of proceedings.

6. Officer's Reports

6.1 Shire of Merredin Annual Report 2023/24

<h2>Corporate Services</h2>		
Responsible Officer:	Leah Boehme - EMCS	
Author:	As above	
Legislation:	<i>Local Government Act 1995</i>	
File Reference:	Nil	
Disclosure of Interest:	Nil	
Attachments:	Attachment 6.1A – Annual Report for the Shire of Merredin 2023/24.	

Purpose of Report

Executive Decision

Legislative Requirement

For the Committee to consider the review of and then accept the Shire of Merredin Annual Report 2023/24, and set the date for the Annual Electors Meeting.

Background

Section 5.53 of the *Local Government Act 1995* (the Act) states:

- (1) The local government is to prepare an annual report for each financial year.

Section 5.54 of the Act states:

- (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.

Previously the adoption of the Annual Financials and the Annual Report has occurred simultaneously in December. As with last year, due to the audited financials being completed in November, the Annual Report was not ready to be presented to the Audit Committee at the same time.

Comment

Local governments are required to adopt the Annual Report prior to 31 December each year and conduct an Annual Electors Meeting (AEM) no more than 56 days after adopting that report.

Considering the above legislative timeline, if the 2023/24 Annual Report is adopted at the 17 December 2024 Ordinary Council Meeting, the AEM must be held on or prior to Tuesday, 11 February 2025.

It is therefore proposed to conduct the AEM on the evening of Tuesday, 4 February 2025, to ensure that adequate time to reschedule is allowed in case of any unforeseen delays.

Policy Implications

Nil

Statutory Implications

As per the *Local Government Act 1995*.

Division 5 — Annual reports and planning

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 5.53 amended: No. 44 of 1999 s. 28(3); No. 49 of 2004 s. 42(4) and (5); No. 1 of 2007 s. 6; No. 5 of 2017 s. 7(1).]

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: 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.

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.

[Section 5.55A inserted: No. 5 of 2017 s. 8.]

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
Priorities and Strategies for Change:	Nil
➤ Corporate Business Plan	
Theme:	4. Communications and Leadership.
Priorities:	Nil
Objectives	4.2 Decision Making
Sustainability Implications	
∅ Strategic Resource Plan	
Nil	

Risk Implications

Council would be contravening the *Local Government Act 1995* if this Item was not considered by the Audit Committee and Council.

There is a compliance risk associated with this Item as the Shire would be contravening the *Local Government Act 1995* if this Item was not considered by the Audit Committee and Council. The risk rating is considered to be Moderate (6), which is determined by a likelihood of Unlikely (2) and a consequence of Moderate (3). This risk will be eliminated with the adoption of the Officer's recommendation.

Financial Implications

Nil

Voting Requirements

Simple Majority


Absolute Majority

Officers Recommendation

That the Audit Committee:

1. **RECEIVE** the Shire of Merredin Annual Report 2023/24, presented as Attachment 6.1A;
2. **RECOMMEND** Council **ADOPT** the Shire of Merredin Annual Report 2023/24 (Attachment 6.1A), subject to design amendments, and **AUTHORISE** the CEO to approve any minor changes that may be required before the document is finalised for publishing; and
3. **RECOMMEND** to Council that it resolves to hold its Annual General Meeting of Electors on Tuesday 4 February 2025, commencing at 6.00pm in the Council Chambers.

6.2 Audit Committee – Updated Terms of Reference and Change of Name

<h2 style="color: #0056b3;">Corporate Services</h2> 	
Responsible Officer:	Leah Boehme, EMCS
Author:	As above
Legislation:	<i>Local Government Act 1995</i> <i>Local Government (Audit) Regulations 1996</i>
File Reference:	Nil
Disclosure of Interest:	Nil
Attachments:	Attachment 6.2A – Audit Committee - Terms of Reference track changes Attachment 6.2B – Audit, Risk and Improvement Committee - Terms of Reference final

Purpose of Report

- Executive Decision
 Legislative Requirement

For the Audit Committee to consider adopting an updated ‘Terms of Reference’ that aligns with recent changes to the *Local Government Act 1995* (the Act).

Background

The role of the Audit Committee is to support Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, internal and external audit functions and ethical accountability.

The Act and Regulations provide that, in relation to the establishment of an audit committee:

- a. Each local government is to establish an audit committee consisting of three or more persons to exercise the powers and discharge the duties conferred on it;
- b. Members of the committee are to be appointed by an absolute majority decision of Council. At least three of the members, and the majority of the members, are to be elected members;
- c. The Chief Executive Officer (CEO) is not to be a member of the committee and may not nominate a person to be a member or have a person to represent him or her as a member of the committee;
- d. An employee is not to be a member of the committee;

- e. The only powers and duties that can be delegated to a committee are any of the powers and duties of the local government under Part 7 of the Act; that is, those relating to audit. The committee cannot on-delegate the powers and duties delegated to it;
- f. An audit committee with a member who is a person that is not an elected member can be delegated powers and duties referred to in (e); and
- g. A decision of the committee is to be made by simple majority.

Local Government Reform changes have outlined the following:

- The Audit Committee must now be referred to as the Audit, Risk and Improvement Committee (ARIC):
69. (2) A local government must, in accordance with new Part 7 Division 1A, establish its audit, risk and improvement committee no later than 6 months after amendment day.
69. (3) On and after amendment day, until the audit, risk and improvement committee is established —
 - (a) the local government’s existing audit committee continues in place in accordance with old Part 7 Division 1A; and*
 - (b) the local government may, as and when required, appoint members to the existing audit committee in accordance with old Part 7 Division 1A; and*
 - (c) the existing audit committee’s functions are those of the audit, risk and improvement committee.*
- The ARIC must be Chaired by an Independent Committee Member:
67. (2) For each of its existing committees, a local government must make its first appointment of the presiding member under new section 5.12(1) no later than 1 July 2025.
- Payment may be made to Independent Committee Members

It should also be noted that:

- 67. (3) Until the first appointment is made, the person who, immediately before amendment day, is the presiding member of the existing committee may continue to be the presiding member.*
- 68. (2) An existing deputy presiding member may continue to be the deputy presiding member of their committee until the end of 30 June 2025.*

Comment

As these changes are legislative, the Audit Committee must adapt to meet them prior to the 1 July 2025 deadline.

The Administration recommend implementing these changes early, to allow time for the recruitment and appointment of the independent panel members.

Policy Implications

Nil

Statutory Implications

The *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996* apply.

Strategic Implications

➤ Strategic Community Plan

Theme:	4. Communications and Leadership
Service Area Objective:	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
Priorities and Strategies for Change:	Nil

➤ Corporate Business Plan

Theme:	4. Communications and Leadership.
Priorities:	Nil
Objectives	4.2 Decision Making

Sustainability Implications

∅ Strategic Resource Plan

Nil

Risk Implications

There is a compliance risk associated with this Item. The risk rating is considered to be Low (4), which is determined by a likelihood of Unlikely (2) and a consequence of Minor (2).

If the Audit Committee continues to operate with its current adopted Terms of Reference document, they will be contravening the *Local Government Act 1995*. This risk will be eliminated by the Committee adopting the Officer's recommendation.

Financial Implications

Nil

Voting Requirements

Simple Majority

Absolute Majority

Officers Recommendation

That the Audit Committee;

- 1. RECOMMENDS that Council ADOPTS the updated 'Audit, Risk and Improvement Committee Terms of Reference,' as presented in Attachment 6.2B; and**
- 2. RECOMMENDS that Council NOTE the change of name of the Committee from the Audit Committee to the Audit, Risk and Improvement Committee.**

7. Closure

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