



Agenda for the Audit Committee Meeting

20 April 2021

COUNCIL CALENDAR		
Date	Time	Meeting
20 April 2021	3.30pm	Audit Committee Meeting

**MEETING GUESTS**

Nil



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# AGENDA

**Shire of Narembeen  
Audit Committee Meeting  
Tuesday 20 April 2021, commencing at 3.30pm**

**1.0 Opening & Welcome**

**2.0 Attendance & Apologies**

**Attendance**

**Councillors**

**Staff**

**Apologies**

**3.0 Declarations of Interest**

**4.0 Public Question Time & Deputations (15 min)**

Nil

**5.0 Minutes of Previous Meetings**

**5.1 Confirmation of Minutes of Audit Committee Meeting – 17 March 2021  
(see attachment binder)**

5.1.1 Confirmation of Minutes

Confirmation of Minutes from the Shire of Narembeen Audit Committee Meeting held on Tuesday 17 March 2021.

**RECOMMENDATION:**

That the minutes of the Shire of Narembeen Audit Committee Meeting held on Tuesday 17 March 2021 be confirmed as a true and accurate record of the proceedings.

**COUNCIL RESOLUTION**

**MIN**

**MOTION - Moved Cr.**

**2nd Cr.**

**CARRIED /**

## 6.0 REPORTS

### AGENDA ITEM: 6.1 – Financial Management Review and Regulation 17 Review

<b>Subject:</b>	Financial Management Review and Regulation 17 Review
<b>Applicant:</b>	N/A
<b>File Ref:</b>	ADM588
<b>Disclosure of Interest (Staff):</b>	Nil
<b>Disclosure of Interest (Member):</b>	Nil
<b>Author:</b>	Tamara Clarkson, Executive Manager Corporate Services David Blurton, Acting Chief Executive Officer
<b>Date:</b>	12 April 2021
<b>Attachments:</b>	Financial Management Review and Regulation 17 Report (see attachment binder)

### SUMMARY

Council to consider the 2021 Financial Management Review and Regulation 17 Report.

### BACKGROUND

It is a requirement of the *Local Government (Financial Management) Regulations 1996* that at least once every three years, Council undertake a review of the appropriateness and effectiveness of its financial management systems and procedures.

It is a requirement of *Local Government (Audit) Regulations 1996* that a review of risk management is conducted at least once every three years.

The last review was undertaken by Moore Stephens WA Pty Ltd (now Moore Australia) in March 2018.

The outcomes of the most recent review undertaken in March 2021 by AvantaEdge consulting are presented for Council's consideration.

### COMMENT

#### Financial Management Review

Nothing was noted by the consultants as representing high risk management control matters or noncompliance matters; however, several areas of medium and low risk were identified as requiring attention and improvement.

Medium Risks relate to:

1. Procurement processes in particular tender management and related policies
2. Monitoring contracts
3. Accounts Payable policies and guidelines
4. Segregation of finance duties

Low Risks identified relate to:

1. Revenue collection and cash handling security
2. Procurement
3. Asset management
4. Formal procedures

Other observations related to purchase orders, investment management, cash handling and security and procurement.

Management agrees with most of AdvantaEdge's recommendations and will look to implement changes when time permits.

### **Risk Management Review**

Again, there were no matters of a high risk identified which require immediate action. The following medium and low risk matters were identified:

1. Risk Management Framework and related policies and procedures are overdue for review
2. The Shire has no Fraud Prevention Policy or Whistle-blower policy
3. Business Continuity Plan requires review
4. Procurement Processes require review including development of a Tender management Policy
5. Monitoring Contracts
6. Accounts Payable processes
7. IT controls
8. Segregation of Duties
9. Internal Audit function
10. Legislative compliance checklist
11. Audit Committee Function

### **CONSULTATION**

Executive Manager Corporate Services  
Finance Officer

### **STATUTORY IMPLICATIONS**

*Local Government Act 1995*

### **FINANCIAL IMPLICATIONS**

Nil

### **POLICY IMPLICATIONS**

The recommendations will require the development and/or review of several finance related policies.

### **STRATEGIC PLAN REFERENCE**

Nil

### **RELATED PARTY TRANSACTIONS**

Nil

### **VOTING REQUIREMENTS**

Simple Majority.

## **OFFICER RECOMMENDATION**

That Council:-

1. Receive the 2021 Financial Management Review and Regulation 17 Review
2. Rename the Audit Committee to Audit and Risk Management Committee
3. Direct the CEO to address the recommendations from both reports

## **AUDIT COMMITTEE RECOMMENDATION**

**MIN**

**MOTION** - Moved Cr.

Seconded Cr.

**CARRIED /**

**7.0 Other Business**

**8.0 Next Meeting**

To be advised.

**9.0 Closure**

There being no further business the Chair declared the meeting closed at \_\_\_\_\_.