



COUNCIL CALENDAR		
Date	Time	Meeting
16 May 2023	2.00pm	Audit and Risk Committee Meeting
16 May 2023	2.30pm	Council Forum
16 May 2023	5.00pm	Ordinary Council Meeting

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AGENDA

**Shire of Narembeen
Audit and Risk Committee Meeting
Tuesday 16 May 2023, commencing at 2:00pm**

1.0 Opening & Welcome

2.0 Attendance & Apologies

Attendance

Councillors

Staff

Apologies

Nil

3.0 Declarations of Interest

4.0 Public Question Time & Deputations (15 min)

5.0 Minutes of Previous Meetings

5.1 Confirmation of Minutes of Audit Committee Meeting – 21 March 2023

5.1.1 Confirmation of Minutes

Confirmation of Minutes from the Shire of Narembeen Audit and Risk Committee Meeting held on Tuesday 21 March 2023.

RECOMMENDATION:

That the minutes of the Shire of Narembeen Audit Committee Meeting held on Tuesday 21 March 2023 be confirmed as a true and accurate record of the proceedings.

AUDIT & RISK COMMITTEE RESOLUTION

MIN

MOTION

Seconded

CARRIED /

6.0 REPORTS

AGENDA ITEM: 6.1 – Annual Report for the year ended 30 June 2022

Subject:	Annual Report for the year ended 30 June 2022
Applicant:	Not applicable
File Ref:	ADM477
Disclosure of Interest (Staff):	Nil
Disclosure of Interest (Member):	Nil
Author:	Ben Forbes – Executive Manager Corporate Services
Date:	2 May 2023
Attachments:	Audit Opinion Report Annual report for the year ended 30 June 2022 Financial Statements for the year ended 30 June 2022 Interim Audit Management Letter Final Audit Management Letter

PURPOSE

For the Audit and Risk Committee to review and promote to Council for adoption the Annual Report for the year ended 30 June 2022 and the interim and final audit management letters.

BACKGROUND

A Local Government is to prepare an annual report each financial year containing such information as prescribed in the Local Government Act 1995 Section 5.53(2) and audited general purposes financial statements.

In auditing the financial statements for a financial year, areas of non-compliance or matters of concern are raised by the auditors. Each year there are two audits (interim and final) that focus on different aspects of administration, the findings for which are noted in the attached management letters.

CONSULTATION

Chief Executive Officer
Executive Manager Corporate Services
Office of Auditor General (OAG)
Dry Kirkness (contract auditors for OAG)

STATUTORY IMPLICATIONS

Local Government Act 1995, Part 5, Section 5.53

- (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
 - 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;
 - iv. and such other information as may be prescribed.

Section 7.12 Duty of Local Government with respect to audits

- (2) A local government is to do everything in its power to —
 - a) assist the auditor of the local government to conduct an audit and carry out his or her other duties under this Act in respect of the local government; and
 - b) (b) ensure that audits are conducted successfully and expeditiously.
- (3) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (4) A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to —
 - a) determine if any matters raised by the report, or reports, require action to be taken by the local government; and
 - b) ensure that appropriate action is taken in respect of those matters.
- (5) A local government is to —
 - a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and
 - b) forward a copy of that report to the Minister, by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.

Local Government (Financial Management) Regulations 1996, Part 4 Financial Reports

Regulations 36 to 49 prescribe the contents and disclosures required in the financial statements and accompanying notes.

Regulation 51 prescribes that the Local Government's CEO provide a copy of the audited financial report to the CEO of the Department of Local Government Sport and Cultural Industries within 30 days of the receipt of the audit report.

Local Government (Audit) Regulations 1996, Section 10

- (1) An auditor's report is to be forwarded to the persons specified in section 7.9(1) within 30 days of completing the audit.
- (2) The report is to give the auditor's opinion on —
 - a. the financial position of the local government; and
 - b. the results of the operations of the local government.
- (3) The report must include a report on the conduct of the audit.
- (4) Where it is considered by the auditor to be appropriate to do so, the auditor is to prepare a management report to accompany the auditor's report and to forward a copy of the management report to the persons specified in section 7.9(1) with the auditor's report.

FINANCIAL IMPLICATIONS

Not applicable

POLICY IMPLICATIONS

Not applicable

RISK MANAGEMENT IMPLICATIONS

Not applicable

STRATEGIC PLAN REFERENCE

Strategic Community Plan 2017-2027

Goal 2: Internal and external relationships actively grow our Shire population and positive financial position.

2.1 Our organisation model is responsive to economic conditions, the delivery of core services and infrastructure so too the successful pursuit of economic opportunities that benefit our community.

VOTING REQUIREMENTS

Absolute Majority.

COMMENT

The audit report from OAG has been issued as “unqualified” meaning that the OAG found no material misstatement or case of non-compliance in the financial statements for the year ended 30 June 2022.

It is important to note that as part of Local Government reforms the financial ratios have been moved out of the financial statements to the annual report and are therefore no longer being audited. All ratios are in-line with the Department’s guidelines.

Where possible, management has supplied information to the Shire’s auditors to resolve outstanding queries and provide information. However, there were a few instances where no explanation or documentation could be provided, and these findings have been noted by the auditors in the interim and final management letters.

The Shire President, Acting Chief Executive Officer and Executive Manager Corporate Services attended the audit exit meeting with Aram Madnack of OAG and Robert Hall of Dry Kirkness to formally close out the audit for the year ended 30 June 2022. No additional concerns were raised at this meeting.

OFFICER RECOMMENDATION/ AUDIT COMMITTEE RECOMMENDATION

That the Audit and Risk Committee recommends that Council

1. Receive Audit Report and Management Letters for the year ending 30 June 2022
2. Endorse the Annual Report for the year ended 30 June 2022, including the financial statements.
3. Schedule the Shire of Narembeen Annual Electors Meeting for 6:00pm on Tuesday 20 June 2023 in Council Chambers.

AUDIT COMMITTEE RECOMMENDATION

MIN

MOTION - Moved

Seconded

7.0 Other Business

Nil

8.0 Next Meeting

To be advised.

9.0 Closure

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