



Shire of
Peppermint Grove

AUDIT GOVERNANCE & RISK MANAGEMENT COMMITTEE MEETING MINUTES

This meeting is not open to the public. All recommendations of this committee are referred to council.

HELD ON THE

12th December 2023 AT 4.30PM



Shire of Peppermint Grove

AUDIT GOVERNANCE AND RISK MANAGEMENT COMMITTEE MEETING AGENDA

12th December 2023

- 1 DECLARATION OF OFFICIAL OPENING
- 2 RECORDING OF ATTENDANCE, APOLOGIES AND LEAVES OF ABSENCE
 - 2.1 ATTENDANCE
 - 2.2 APOLOGIES
 - 2.3 LEAVES OF ABSENCE
- 3.0 DECLARATIONS OF INTEREST
 - 3.1 FINANCIAL INTEREST
 - 3.2 PROXIMITY INTEREST
 - 3.3 IMPARTIALITY INTEREST
 - 3.4 INTEREST THAT MAY CAUSE A CONFLICT
 - 3.5 STATEMENT OF GIFTS AND HOSPITALITY
- 4.0 ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)
- 5.0 CONFIRMATION OF MINUTES

5.1 AUDIT COMMITTEE MEETING 11TH APRIL 2023

6. OFFICERS REPORTS

6.1 2022/23 AUDIT MANAGEMENT LETTER – OFFICER OF THE AUDITOR GENERAL & DRY KIRKNESS

6.2 2022/23 AUDITED ANNUAL FINANCIAL REPORT – OFFICE OF THE AUDITOR GENERAL & DRY KIRKNESS

6.3 MATTERS FOR INFORMATION AND NOTING

7.0 CLOSURE OF THE MEETING

1 DECLARATION OF OFFICIAL OPENING

At 4.30pm, the CEO declared the meeting open and invited nominations for Presiding Member.

2 RECORDING OF ATTENDANCE, APOLOGIES AND LEAVES OF ABSENCE

2.1 ATTENDANCE

Deputy Shire President	Cr P Dawkins
Elected Member	Cr P Macintosh
Elected Member	Cr C Hohnen
Chief Executive Officer	Mr D Burnett
Manager Corporate & Community Services	Mr J Clapham

2.2 APOLOGIES

Elected Member	Cr J Mahony
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2.3 LEAVES OF ABSENCE

Nil

3.0 DECLARATIONS OF INTEREST

3.1 FINANCIAL INTEREST

Nil

3.2 PROXIMITY INTEREST

Nil

3.3 IMPARTIALITY INTEREST

Nil

3.4 INTEREST THAT MAY CAUSE A CONFLICT

Nil

3.5 STATEMENT OF GIFTS AND HOSPITALITY

Nil

4.0 ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)

Nil

5.0 CONFIRMATION OF MINUTES**5.1 AUDIT COMMITTEE MEETING 11TH APRIL 2023****OFFICER RECOMMENDATION/COMMITTEE RESOLUTION – ITEM 5.1**

Moved: Cr Dawkins

Seconded: Cr Hohnen

That the Minutes of the Audit Governance & Risk Management Committee Meeting, of the Shire of Peppermint Grove held in the Council Chambers on 11th April 2023 be confirmed as a true and accurate record.

CARRIED 3/0

6. OFFICER REPORTS

6.1 2022/23 Audit Management Letter – Officer of Auditor General & Dry Kirkness

MANAGEMENT/GOVERNANCE/POLICY

CONFIDENTIAL ATTACHMENT

<u>Attachment No</u>	<u>Details</u>
Attachment 6.1.1	2022/23 Audit Management Letter - OAG (Confidential)

Voting Requirement	:	Simple Majority
Subject Index	:	Financial management Audit
Disclosure of any Interest	:	Nil
Responsible Officer	:	Jeremy Clapham, Manager Corporate & Community Services

PURPOSE OF REPORT

The purpose of this report is for the Committee to receive the Audit Management Letter for the 2022/23 Financial year.

SUMMARY AND KEY ISSUES

The Audit was conducted by Dry Kirkness on behalf of the Office of the Auditor General. The following matters were identified and included in the Management Report. None of these matters were identified as being significant and will not impact the audit findings. Some of them have already been addressed and the others will be addressed before 30 June 2024.

1. Purchase orders dated after the supplier tax invoice date.
2. Employee Exit Checklist
3. Opening balance trial balance disagrees with the audited financial statements for 2022
4. Register of financial interest
5. Authorisation of changes to supplier and employee master files
6. Excessive annual leave balances
7. No disaster recovery plan
8. Inadequate monthly maintenance report
9. Excessive administrative rights in system
10. Vulnerability assessment and penetration testing

11. Risk Register

BACKGROUND

The report identifies any issues that need to be reported to the Management and it includes Management comments for the information of the Audit Governance & Risk Management Committee.

CONSULTATION

Chief Executive Officer, Manager of Corporate and Community Services, Dry Kirkness and the Office of the Auditor General.

STRATEGIC IMPLICATIONS

There are no Strategic Implications identified at this time.

POLICY IMPLICATIONS

Financial Management Policies

STATUTORY IMPLICATIONS.

Local Government (Financial Management) Regulations 1996

FINANCIAL IMPLICATIONS

There are no Financial Implications identified at this time.

ENVIRONMENTAL IMPLICATIONS

There are no Environmental Implications identified at this time.

SOCIAL IMPLICATIONS

There are no Social Implications identified at this time.

OFFICER COMMENT

Staff have provided comments on the matters raised in the Management Letter and a copy of the questions and management response is included as an attachment.

OFFICER RECOMMENDATION/COMMITTEE RESOLUTION – ITEM NO 6.1**Moved: Cr Hohnen****Seconded: Cr Dawkins**

That the Council receives the Audit Management Letter for 2022/23 performed by Dry Kirkness on behalf of the Office of Auditor General and noting actions to address the matters.

CARRIED 3/0

6.2 2022/23 Audited Annual Financial Report – Office of Auditor General & Dry Kirkness

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Attachment 6.2.1	Audited 2022/23 Annual Financial Statements
Attachment 6.2.2	Audit Report 2022/23

Voting Requirement : Simple Majority
 Subject Index : 2022/23 Financial Statements
 Responsible Officer : Jeremy Clapham, Manager Corporate & Community Services

PURPOSE OF REPORT

The purpose of this report is to receive the Audited Annual Financial Statements for the year ended 30 June 2023.

SUMMARY AND KEY ISSUES

The 2022/23 Audited Annual Financial Statements have been completed and the Committee is requested to receive the document.

BACKGROUND

The financial statements for the year ended the 30 June 2023, were presented to the Auditor for audit purposes and following the required amendments were presented to the Office of the Auditor General (OAG) for signing.

CONSULTATION

Chief Executive Officer, Manager of Corporate and Community Services, Dry Kirkness and the Office of the Auditor General.

STRATEGIC IMPLICATIONS

Strategic Priority 5- Governance

Item 5.1- Continue to monitor the financial sustainability of the Shire's resources

POLICY IMPLICATIONS

Financial Management Policies

STATUTORY IMPLICATIONS.

Section 6.4 of the Local Government Act states:

6.4 Financial report

(1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.

(2) The financial report is to —

(a) be prepared and presented in the manner and form prescribed; and

(b) contain the prescribed information.

(3) By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —

(a) the accounts of the local government, balanced up to the last day of the preceding financial year;

and

(b) the annual financial report of the local government for the preceding financial year.

FINANCIAL IMPLICATIONS

Nil.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time

SOCIAL IMPLICATIONS

There are no Social Implications identified at this time.

OFFICER COMMENT

The audit for the 2022/23 financial year has been completed and provides an overview of the financial activities for the 2022/23 year.

Annual Electors Meeting

The Shire is required to hold an Annual Electors Meeting and it is recommended that this be held at 5.15pm on Tuesday 13th February 2024 in the Council Chambers. The meeting will be immediately prior to the agenda forum meeting scheduled for 5.30pm.

Draft Annual Report

The Draft Annual Report covering operational aspects of the Shire for 2022/23 will be circulated to Councillors under separate cover with the view of being formatted for presentation at the Annual Electors Meeting.

2022/23 Closing Surplus

The estimated closing surplus as at 30 June 2023 was anticipated to be \$350,026, however following the audit, this was reviewed and adjusted to \$526,882.

The additional surplus of \$176,856 relates to the correction of amounts for the acquisition of fixed assets.

OFFICER RECOMMENDATION/COMMITTEE RESOLUTION – ITEM NO 6.2

Moved: Cr Hohnen

Seconded:

Cr Dawkins

That Council

- 1. Receives the audited 2022/23 Annual Financial Statements and Audit Report.**
- 2. Holds the Annual Electors Meeting on Tuesday 13th February 2024 at 5.15pm in the Council Chambers.**

CARRIED 3/0

6.3 Matters for Information and Noting

Attachment No	Details
Attachment 6.3.1	Auditor General's Financial Audit Results – Local Government 2021-22 report tabled

Voting Requirement	Simple Majority
Subject Index	Financial management Audit
Disclosure of any Interest	Nil
Responsible Officer	Jeremy Clapham – Manager of Corporate and Community Services

PURPOSE OF REPORT

The Shire of Peppermint Grove regularly receives and produces information for receipt by the Elected Members. The purpose of this item is to keep Elected Members informed on items for information received by the Shire.

The Matters of information report includes the following matters:-

- 2021/22 Financial Audit Results for Local Government

SUMMARY AND KEY ISSUES

- 2021/22 Financial Audit Results for Local Government

The Auditor General's Office has tabled its Report on the annual financial audits for the 2021/22 financial year. The report identifies and signification issues and makes recommendations.

CONSULTATION

Nil.

STRATEGIC IMPLICATIONS

Strategic Priority 5- Governance

Item 5.1- Continue to monitor the financial sustainability of the Shire's resources

POLICY IMPLICATIONS

Financial Management Policies

STATUTORY IMPLICATIONS.

Nil.

FINANCIAL IMPLICATIONS

Nil.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no Social Implications identified at this time.

OFFICER COMMENT

The reports are provided for discussion and noting by the Committee.

OFFICER RECOMMENDATION/COMMITTEE RESOLUTION – ITEM NO 6.3

Moved: Cr Hohnen

Seconded:

Cr Dawkins

That the Committee receives the information in this report.

7.0 CLOSURE OF MEETING

At 5.00pm, there being no further business the meeting closed.