



Shire of
Peppermint Grove

AUDIT COMMITTEE MEETING

MINUTES

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

HELD ON THE

9th August 2022 commencing at 5.06pm



Shire of Peppermint Grove

MINUTES OF THE AUDIT GOVERNANCE AND RISK MANAGEMENT COMMITTEE MEETING

9th August 2022

1 DECLARATION OF OFFICIAL OPENING

At 5.06pm, the Presiding Member declared the meeting open.

2 RECORDING OF ATTENDANCE, APOLOGIES AND LEAVES OF ABSENCE

2.1 ATTENDANCE

Deputy Shire President (Presiding member)	Cr C Hohnen
Elected Member	Cr P Macintosh
Elected Member	Cr D Jackson
Chief Executive Officer	Mr D Burnett
Manager Corporate and Community Services	Mr M Costarella

Guest

AvantEdge Consulting- Internal Auditor-	Mr Santo Casilli
---	------------------

2.2 APOLOGIES

Elected Member	Cr P Dawkins
----------------	--------------

2.3 LEAVES OF ABSENCE

Shire President	Cr R Thomas
-----------------	-------------

3 DECLARATIONS OF INTEREST

Councillors / Staff are reminded of the requirements of section 5.65 of the Local Government Act 1995, to disclose any interest during the meeting when the matter is discussed, and also of the requirement to disclose an interest affecting impartiality under the Shire's Code of Conduct. Councillors / staff are required to submit declarations of interest in writing on the prescribed form.

5.1 FINANCIAL INTEREST

A declaration under this section 5.60 of the Act requires that the nature of the interest must be disclosed. Consequently, a member who has made a declaration must not preside, participate in, or be present during any discussion or decision making procedure relating to the matter the subject of the declaration.

Other members may allow participation of the declarant if the member further discloses the extent of the interest and the other members decide that the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.

5.2 PROXIMITY INTEREST

A declaration under this section 5.60 of the Act requires that the nature of the interest must be disclosed. Consequently, a member who has made a declaration must not preside, participate in, or be present during any discussion or decision making procedure relating to the matter the subject of the declaration.

Other members may allow participation of the declarant if the member further discloses the extent of the interest and the other members decide that the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.

5.3 IMPARTIALITY INTEREST

Councillors and staff are required (Code of Conduct), in addition to declaring any financial interest, to declare any interest that might cause a conflict. The member / employee is also encouraged to disclose the nature of the interest. The member / employee must consider the nature and extent of the interest and whether it will affect their impartiality. If the member / employee declares that their impartiality will not be affected then they may participate in the decision making process.

5.4 INTEREST THAT MAY CAUSE A CONFLICT

Councillors and staff are required (Code of Conduct), in addition to declaring any financial interest, to declare any interest that might cause a conflict. The member / employee is also encouraged to disclose the nature of the interest. The member / employee must consider the

nature and extent of the interest and whether it will affect their impartiality. If the member / employee declares that their impartiality will not be affected then they may participate in the decision making process.

3.5 STATEMENT OF GIFTS AND HOSPITALITY

Councillors and staff are required (Code of Conduct), to disclose gifts and acts of hospitality which a reasonable person might claim to be a conflict of interest. Gifts and acts of hospitality which exceed that amount of prescribed by regulation are to be recorded in the Councils Gift Register.

4 ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)

Nil

5 CONFIRMATION OF MINUTES

5.1 AUDIT COMMITTEE MEETING 24 MAY 2022

OFFICER RECOMMENDATION – ITEM 5.1

Moved: Cr Macintosh

Seconded: Cr Jackson

That the Minutes of the Audit Committee Meeting, of the Shire of Peppermint Grove held in the Council Chambers on 24th May 2022 be confirmed as a true and accurate record.

CARRIED 3/0

6.OFFICER REPORTS

6.1 2021/22 Interim Audit Report

MANAGEMENT/GOVERNANCE/POLICY

CONFIDENTIAL ATTACHMENT

<u>Attachment No</u>	<u>Details</u>
1	Interim Audit Report- OAG Yes

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

PURPOSE OF REPORT

The purpose of this report is for the Committee to receive the Interim Audit Report for the 2021/22 Financial year.

SUMMARY AND KEY ISSUES

The interim Audit was conducted by Dry Kirkness (previously Butler Settineri) in June 2022 and review the following matters:-

- Bank reconciliation
- Register of Financial Interest
- Primary Returns for Councillors
- Fees & Charges
- Municipal & Trust outstanding items
- Purchase Orders

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

There has been no specific consultation undertaken in respect to this matter.

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

The findings of the report show the six areas of which one is significant and the other five are moderate.

The significant matter relates to bank reconciliation for the trust fund which were completed in May 2022. These are now undertaken monthly. There was an issue with the Municipal bank reconciliation not undertaken due to a change of Staff in July 2021.

All other matter considered moderate have been addressed by Staff.

OFFICER/ COMMITTEE RECOMMENDATION/S – ITEM NO 6.1**MOVED CR JACKSON****SECONDED CR MACINTOSH**

That Council that notes the interim audit report for the 2021/22 financial year performed by Dry Kirkness and the Office of Auditor General and noting actions to address the matters.

CARRIED 3/0

6.2 2021/22 Internal Audit

CONFIDENTIAL ATTACHMENT

<u>Attachment No</u>	<u>Details</u>
Confidential Attachment 1 – Item refers	2021/22 Internal Audit Report

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

PURPOSE OF REPORT

The purpose of this report is for the Committee to receive the Internal Audit Report for the 2021/22 Financial year.

SUMMARY AND KEY ISSUES

The internal audit inspection was conducted by AvantEdge Consulting and include the following matters:-

1. Asset Management
2. Procurement and Tendering
3. Leasehold and Property Management
4. Credit Card Usage
5. Risk Management Framework

BACKGROUND

The internal audit is conducted over a 3-year program which commenced in 2019 and covers a number of matters each year. This is the final year for this internal audit program.

The scope of the internal audit covers: _

- Compliance with the Local Government regulations and legislative requirements
- Compliance with Shire policies and procedures
- Process improvement (where appropriate)

The internal audit was conduct in July 2022 and a report was received on the 1 August 2022.

CONSULTATION

There has been no specific consultation undertaken in respect to this matter.

STRATEGIC IMPLICATIONS

There are no Strategic Plan implications evident at this time.

POLICY IMPLICATIONS

There are no significant policy implications evident at this time.

STATUTORY IMPLICATIONS

Local Government (Audit) Regulations 1996

FINANCIAL IMPLICATIONS

There are no financial implications evident at this time.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no social implications at this time.

OFFICER COMMENT

The report includes Management Committee to the matters raised in the document.

These relate to:-

- Inspection and conditions of Infrastructure Assets
- Stocktake of Fixed Assets
- Monitoring and compliance with Purchasing policy
- Contract Management
- Lease Management
- Risk Register

Staff have included timeframes for the matters to be addressed

OFFICER RECOMMENDATION/S – ITEM NO 6.2**MOVED CR JACKSON****SECONDED CR MACINTOSH**

That Council notes the internal report for the 2021/22 financial year conducted by AvantEdge Consulting as well as noting the actions undertaken by staff to address the matters.

CARRIED 3/0**CLOSURE**

There being no further business the Presiding Member declared the meeting closed at 5.36pm