



A G E N D A

AUDIT & RISK COMMITTEE MEETING

To Be Held

Monday, 20th November 2023
Commencing at 3.30pm

At

Shire of Dardanup
ADMINISTRATION CENTRE EATON
1 Council Drive - EATON

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NOTICE OF AN AUDIT & RISK COMMITTEE MEETING

Dear Committee Member

The Audit & Risk Committee Meeting of the Shire of Dardanup will be held on Monday 20th November 2023 to be held at the Eaton Administration Centre - commencing at 3.30pm.



MR ANDRÉ SCHÖNFELDT
Chief Executive Officer

Date: 15th November 2023

Note: If interested persons would like to make comment on any items in this agenda, please email records@dardanup.wa.gov.au or hand deliver written comment to the Shire of Dardanup – Administration Centre Eaton, 1 Council Drive, Eaton. To be included in the meeting comments are to be delivered no later than 48 hours prior to the meeting.

The Chief Executive Officer will use his discretion as to whether the written comments are relevant and applicable to the meeting before approving their inclusion in the meeting.

VISION STATEMENT

“Provide effective leadership in encouraging balanced growth and development of the Shire while recognizing the diverse needs of our communities.”

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COMMITTEE MEMBERSHIP:

- CR T GARDINER
- CR. E LILLY
- CR. M HUTCHINSON
- CR. S. GILLESPIE
- CR. J. MANONI

AUDIT & RISK COMMITTEE CHARTER

The Terms of Reference for this Committee are located in the Tardis records system – refer to the following link:

[2021 - ToR - Audit and Risk Committee](#)

COUNCIL ROLE

Advocacy	When Council advocates on its own behalf or on behalf of its community to another level of government / body /agency.
Executive/Strategic	The substantial direction setting and oversight role of the Council eg. Adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
Legislative	Includes adopting local laws, town planning schemes and policies.
Review	When Council reviews decisions made by Officers.
Quasi-Judicial	<p>When Council determines an application/matter that directly affects a person's rights and interests. The Judicial character arises from the obligations to abide by the principles of natural justice.</p> <p>Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg: under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</p>

DISCLAIMER

"Any statement, comment or decision made at a Council or Committee meeting regarding any application for an approval, consent or licence, including a resolution of approval, is not effective as an approval of any application and must not be relied upon as such.

Any person or entity that has an application before the Shire must obtain, and should only rely on, written notice of the Shire's decision and any conditions attaching to the decision, and cannot treat as an approval anything said or done at a Council or Committee meeting.

Any advice provided by an employee of the Shire on the operation of a written law, or the performance of a function by the Shire, is provided in the capacity of an employee, and to the best of that person's knowledge and ability. It does not constitute, and should not be relied upon, as a legal advice or representation by the Shire. Any advice on a matter of law, or anything sought to be relied upon as a representation by the Shire should be sought in writing and should make clear the purpose of the request."

RISK ASSESSMENT

Inherent Risk	The level of risk in place in order to achieve the objectives of the Council and before actions are taken to alter the risk's impact or likelihood.
Residual Risk	The remaining level of risk following the development and implementation of Council's response.
Strategic Context	These risks are associated with achieving Council's long term objectives.
Operational Context	These risks are associated with the day-to-day activities of the Council.
Project Context	<p>Project risk has two main components:</p> <ul style="list-style-type: none"> • Direct refers to the risks that may arise as a result of project, which may prevent the Council from meeting its objectives. • Indirect refers to the risks which threaten the delivery of project outcomes.

RISK CATEGORY CONSEQUENCE TABLE - GUIDELINE

Rating (Level)	Health	Financial Impact	Service Interruption	Legal and Compliance	Reputational	Environmental	Property
Insignificant (1)	Near miss Minor first aid injuries	Less than \$10,000	No material service interruption - backlog cleared < 6 hours	Compliance - No noticeable regulatory or statutory impact. Legal - Threat of litigation requiring small compensation. Contract - No effect on contract performance.	Unsubstantiated, low impact, low profile or 'no news' item. Example: Gossip, Facebook item seen by limited persons.	Contained, reversible impact managed by on site response.	Inconsequential or no damage.
Minor (2)	Medical type injuries	\$10,001 - \$50,000	Short term temporary interruption – backlog cleared < 1 day	Compliance - Some temporary non compliances. Legal - Single minor litigation. Contract - Results in meeting between two parties in which one party expresses concern.	Substantiated, low impact, low news item. Example: Local paper / Industry news article, Facebook item seen by multiple groups.	Contained, reversible impact managed by internal response.	Localised damage rectified by routine internal procedures.
Moderate (3)	Lost time injury <30 days	\$50,001 - \$300,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Compliance - Short term non-compliance but with significant regulatory requirements imposed. Legal - Single moderate litigation or numerous minor litigations. Contract - Receive verbal advice that, if breaches continue, a default notice may be issued.	Substantiated, public embarrassment, moderate impact, moderate news profile. Example: State-wide paper, TV News story.	Contained, reversible impact managed by external agencies.	Localised damage requiring external resources to rectify.
Major (4)	Long-term disability/ multiple injuries Lost time injury >30 days	\$300,001 - \$1.5 million	Prolonged interruption of services – additional resources; performance affected < 1 month	Compliance - Non-compliance results in termination of services or imposed penalties. Legal - Single major litigation or numerous moderate litigations. Contract - Receive/issue written notice threatening termination if not rectified.	Substantiated, public embarrassment, high impact, high news profile, third party actions. Example: Australia wide news stories. Regulatory / Political commentary involvement.	Uncontained, reversible impact managed by a coordinated response from external agencies.	Significant damage requiring internal & external resources to rectify.
Catastrophic (5)	Fatality, permanent disability	More than \$1.5 million	Indeterminate prolonged interruption of services – non-performance > 1 month	Compliance - Non-compliance results in litigation, criminal charges or significant damages or penalties. Legal - Numerous major litigations. Contract - Termination of contract for default.	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions. Example: Worldwide news, Focused articles (e.g. 60 minutes). Regulatory / Political oversight and involvement.	Uncontained, irreversible impact.	Extensive damage requiring prolonged period of restitution. Complete loss of plant, equipment & building.

RISK - LIKELIHOOD TABLE

LEVEL	RATING	DESCRIPTION	FREQUENCY
5	Almost Certain	The event is expected to occur in most circumstances	The event is expected to occur more than once per year
4	Likely	The event will probably occur in most circumstances	The event will probably occur at least once per year
3	Possible	The event should occur at some time	The event should occur at least once in 3 years
2	Unlikely	The event could occur at some time	The event could occur at least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	The event is not expected to occur more than once in 15 years

LEVEL OF RISK GUIDE

CONSEQUENCE		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD		1	2	3	4	5
Almost Certain	5	Moderate (5)	Moderate (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	Moderate (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

SHIRE OF DARDANUP

AGENDA FOR THE SHIRE OF DARDANUP AUDIT & RISK COMMITTEE MEETING TO BE HELD ON MONDAY, 20TH NOVEMBER 2023, AT SHIRE OF DARDANUP – EATON ADMINISTRATION CENTRE, COMMENCING AT 3.30PM.

1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Chairperson to declare the meeting open, welcome those in attendance and refer to the Acknowledgement of Country; Emergency Procedures; and the Disclaimer and Affirmation of Civic Duty and Responsibility on behalf of Councillors and Officers:

Acknowledgement of Country

The Shire of Dardanup wishes to acknowledge that this meeting is being held on the traditional lands of the Noongar people. In doing this, we recognise and respect their continuing culture and the contribution they make to the life of this region and pay our respects to their elders, past, present and emerging. The Shire of Dardanup also respects and celebrates all cultures of all our residents and those visitors to our Shire.

Emergency Procedure

In the event of an emergency, please follow the instructions of the Chairperson who will direct you to the safest exit route. Once outside, you will be directed to an appropriate Assembly Area where we will meet (and complete a roll call).

Affirmation of Civic Duty and Responsibility

Councillors and Officers of the Shire of Dardanup collectively declare that we will duly, faithfully, honestly and with integrity fulfil the duties of our respective office and positions for all the people in the district according to the best of our judgement and ability. We will observe the Shire's Code of Conduct and Standing Orders to ensure efficient, effective and orderly decision making within this forum.

2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE PREVIOUSLY APPROVED**2.1 Attendance****2.2 Apologies**

3. ELECTION OF CHAIRPERSON & DEPUTY CHAIRPERSON

3.1 Election of Chairperson

Nominations for the position of Chairperson are to be given to Mr André Schönfeldt who will be the Presiding Officer for the election in writing [forms available from the Chief Executive Officer].

The position of Chairperson will expire in October 2025 being the date of the next ordinary election Local Government Act 1995 2.28(2) Item 12.

The nominee is to accept the nomination in writing to the position of Chairperson.

If more than one person is nominated, voting is to be conducted by secret ballot, with the candidate that receives the greater number of votes being elected.

3.2 Election of Deputy Chairperson

Nominations for the position of Deputy Chairperson are to be given to the Chairperson in writing [forms available from Chief Executive Officer].

The position of Deputy Chairperson will expire in October 2025 being the date of the next ordinary election Local Government Act 1995 2.28(2) Item 12.

The nominee is to accept the nomination in writing to the position of Deputy Chairperson.

If more than one person is nominated, voting is to be conducted by secret ballot, with the candidate that receives the greater number of votes being elected.

DECLARATION

Following due process as per Section 5.12 and Schedule 2.3 of the Local Government Act 1995 the following people are declared:

_____ - Chairperson
_____ - Deputy Chairperson

of the Audit & Risk Committee.

4. PRESENTATIONS

5. ACKNOWLEDGEMENT OF MINUTE CORRECTION OF PREVIOUS MEETING7.1 Special Council Meeting Held on the 25th of October 2023**OFFICER RECOMMENDED RESOLUTION**

THAT the Committee acknowledge the minutes of the Special Meeting of Council held on the 25th of October 2023, contain the following correction:

Page: 21 – Resolution 263 -23. Amend membership to include Cr J Manoni to the Audit and Risk Committee.

Note: Cr J Manoni was endorsed by Council at the meeting on the 25th October to be a member of the Audit and Risk Committee. An administrative error resulted in the omission from the Minutes.

6. ANNOUNCEMENTS OF MATTERS FOR WHICH MEETING MAY BE CLOSED

None.

7. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

None.

8. DECLARATION OF INTEREST

“Members should fill in Disclosure of Interest forms for items in which they have a financial, proximity or impartiality interest and forward these to the Presiding Member before the meeting commences.”

Key Management Personnel (which includes Elected Members, CEO and Directors) are reminded of their requirement to disclose biannually transactions between Council and related parties in accordance with Council Policy CP039.

9. REPORTS OF OFFICERS AND COMMITTEES

9.1 Title: Annual Meeting 2022-23 Draft Audit Report

Reporting Department	<i>Corporate & Governance Directorate</i>
Responsible Officer	<i>Mr Phil Anastasakis - Deputy CEO</i>
Reporting Officer	<i>Mrs Natalie Hopkins - Manager Financial Services</i>
Legislation	<i>Local Government Act 1995</i>
Council Role	<i>Executive/Strategic.</i>
Voting Requirement	<i>Simple Majority.</i>
Attachments	<i>AAR 9.1A – 2022/23 Draft Auditor Report AAR 9.1B – Risk Assessment</i>

Overview

This report to the Audit and Risk Committee enables an Audit Exit Meeting to be conducted for the 2022/23 audit. It also provides an opportunity for the auditor to present to the Audit and Risk Committee the draft Audit Report for the 2022/23 Annual Financial Statements (Appendix AAR 9.1A - to be provided under separate cover), together with an occasion to raise any concerns associated with the audit process.

PROCESS

To enable the Audit & Risk Committee and the Council Auditors to conduct a closed door session without Shire management present, it is recommended that the Committee Suspend Standing Orders and go Behind Closed Doors.

OFFICER RECOMMENDED RESOLUTION 'A'

That the Audit & Risk Committee Suspend Standing Orders and Go Behind Closed Doors [.....pm] to discuss:

- a matter affecting an employee or employees
- legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting.

OFFICER RECOMMENDED RESOLUTION 'B'

That the Audit & Risk Committee Resume Standing Order and Return from Behind Closed Doors [.....pm].

OFFICER RECOMMENDED RESOLUTION 'C'

THAT the Shire of Dardanup Audit and Risk Committee recommends that Council:

- 1. Accept the Draft Unqualified Auditor's Report (Appendix AAR: 9.1A) as issued by the Office of the Auditor General (OAG) of the Annual Financial Statements for the 2022/23 financial year.**

2. **Acknowledges that the 2022/23 Audit Exit meeting and Behind Closed Door session with Council's auditors was held at the Audit & Risk Committee meeting on the 20th November 2023 as per the adopted 2023 Annual Audit Work Plan.**

Change to Officer Recommendation

No Change. **OR:**

As per Local Government (Administration) Regulations 1996 11(da) Council records the following reasons for amending the Officer Recommended Resolution:

Background

- *Audit Exit Meeting*

In accordance with section 7.12A (2) of the *Local Government Act 1995* and the *Local Government (Audit) Regulation 1996*, Council is required to meet with the external auditor at least once per year. Council has delegated to the Audit & Risk Committee the power to meet with the external auditor in accordance with the provisions of the Act.

Whilst the Audit Entrance Meeting held in April 2023 provided an overview on how the audit process is undertaken, the Audit Exit Meeting provides an opportunity for the full Audit & Risk Committee to openly discuss any items or concerns pertaining to the 2022/23 Annual Financial Report.

At the Ordinary Council Meeting dated 14th of December 2022 [Council Res 331-22], Council received and endorsed the *2023 Annual Audit Work Plan* document which included recommendations from the Office of the Auditor General (OAG) *Western Australian Public Sector Audit Committees – Better Practice Guide*.

Outlining the functions, responsibilities and associated activities, section 6 of the *2023 Annual Audit Work Plan* stipulates the Audit & Risk Committee is -

'To meet with the auditor, at least once per year without management present (closed door session). The Committee will discuss matters relating to the conduct of the audit, including any difficulties encountered, restrictions on scope of activities or access to information, significant disagreements with management and adequacy of management responses'.

This meeting also normally provides the Audit & Risk Committee the opportunity to meet in-person with Council's auditors, Moore Australia and the OAG, behind closed doors. Due to the timing of this meeting, the OAG Assistant Director of Financial Audit, Mr Suraj Karki, as well as Moore Australia (WA) auditors Mr Wen-Shien Chai, and Ms Hayley Platt will not be able to attend in-person but will participate electronically (via Teams).

- *Annual Meeting – 2022/23 Draft Audit Report*

In October 2017 the *Local Government Amendment (Auditing) Act 2017* was proclaimed, giving the Auditor General the mandate to audit all local governments within Western Australia.

Subsequent to this amendment, the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996* have been updated and now provide for the Auditor General to carry out the financial audit of all local governments in Western Australia, noting that approximately 85% of WA local governments annual financial audits are further outsourced by the OAG.

In April 2021 Council received notification from the OAG advising that audit firm Moore Australia (WA) had been appointed to conduct the annual financial audit for a 3-year period, commencing

with the audit for the year ended 30 June 2021 through to 30 June 2023 (i.e. 2020/21 to 2022/23 financial years’).

During the 2022/23 financial year, Council staff liaised directly with Moore Australia, who in turn, communicated directly with the OAG throughout the process. The interim audit was conducted onsite at the Eaton Administration Centre from 26th to 28th April 2023 which involved staff from both the financial services and governance function.

The results from the Interim Audit were reported to the Audit & Risk Committee on the 13th September 2023 through the *Annual Financial Report - Interim Audit Results for Year Ending 30 June 2023* report, noting that the audit was declared satisfactory with ‘**no findings issued**’ for a second consecutive year - an excellent result.

The final audit, performed by Moore Australia, was held from the 9th to 12th of October 2023 at the Eaton Administration Centre. The results from the final audit are presented within the draft unqualified audit report AAR 9.1A – 2022/23 Draft Auditor Report.

The next Audit and Risk Committee meeting is scheduled to be held on Wednesday 6th of December 2023 where the audited 2022/23 Annual Financial Report will be presented to Council.

Legal Implications

Local Government Act 1995

1.4. Terms used

auditor means —

- (a) *in relation to an audit, other than a performance audit —*
 - (i) *in relation to a local government that has an audit contract that is in force — a person for the time being appointed under Part 7 Division 2 to be the auditor of the local government; and*
 - (ii) *in relation to a local government that does not have an audit contract that is in force — the Auditor General;*
- and*
- (b) *in relation to a performance audit — the Auditor General;*

7.12A. Duties of local government with respect to audits

- (1) *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 the auditor’s other duties under this Act in respect of the local government; and*
 - (b) *ensure that audits are conducted successfully and expeditiously.*
- (2) *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.*

Local Government (Audit) Regulations 1996, Regulation 17:

- 17. *CEO to review certain systems and procedures*
 - (1) *The CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to —*
 - (a) *risk management; and*
 - (b) *internal control; and*
 - (c) *legislative compliance.*

(2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.*

(3) *The CEO is to report to the audit committee the results of that review.*

[Regulation 17 inserted in Gazette 8 Feb 2013 p. 868.]

Local Government (Financial Management) Regulations 1996, Regulation 5:

5. *CEO's duties as to financial management*

(1) *Efficient systems and procedures are to be established by the CEO of a local government —*

(a) *for the proper collection of all money owing to the local government; and*
 (b) *for the safe custody and security of all money collected or held by the local government; and*

(c) *for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process); and*

(d) *to ensure proper accounting for municipal or trust —*

(i) *revenue received or receivable; and*

(ii) *expenses paid or payable; and*

(iii) *assets and liabilities;*

and

(e) *to ensure proper authorisation for the incurring of liabilities and the making of payments; and*

(f) *for the maintenance of payroll, stock control and costing records; and*

(g) *to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.*

(2) *The CEO is to —*

(a) *ensure that the resources of the local government are effectively and efficiently managed; and*

(b) *assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and*

(c) *undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.*

s7.2. *Audit*

The accounts and annual financial report of a local government for each financial year are required to be audited by an auditor appointed by the local government.

7.3. *Appointment of auditors*

(1) *Subject to subsection (1A), a local government is to, from time to time whenever such an appointment is necessary or expedient, appoint* a person, on the recommendation of the audit committee, to be its auditor.*

** Absolute majority required.*

7.9. *Audit to be conducted*

(1) *An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —*

(a) *the mayor or president; and*

(b) *the CEO of the local government; and*

(c) *the Minister.*

- (2) Without limiting the generality of subsection (1), where the auditor considers that —
- (a) there is any error or deficiency in an account or financial report submitted for audit; or
 - (b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or
 - (c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,

details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.

7.12AB. Conducting a financial audit

The auditor must audit the accounts and annual financial report of a local government at least once in respect of each financial year.

7.12AD. Reporting on a financial audit

- (1) The auditor must prepare and sign a report on a financial audit.
- (2) The auditor must give the report to —
- (a) the mayor, president or chairperson of the local government; and
 - (b) the CEO of the local government; and
 - (c) the Minister.

7.12A. Duties of local government with respect to audits

- (1) 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 the auditor's other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) 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.
- (3) A local government must —
- aa) examine an audit report received by the local government; and
 - (a) determine if any matters raised by the audit report, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those matters.

Local Government (Audit) Regulations 1996

9. Performance of audit

- (3) An auditor must carry out the work necessary to form an opinion whether the annual financial report —
- (a) is based on proper accounts and records; and
 - (b) fairly represents the results of the operations of the local government for the financial year and the financial position of the local government at 30 June in accordance with —
 - (i) the Act; and
 - (ii) the Australian Accounting Standards (to the extent that they are not inconsistent with the Act).

Council Plan

13.1 - Adopt best practice governance.

14.2 - Ensure equitable, inclusive and transparent engagement and decision- making.

Environment - None.

Precedents

The Audit and Risk Committee has in previous years met with the Auditor to consider the audit of the Annual Financial Statements and financial position of Council.

Budget Implications

The 2023/24 budget provides an allocation of \$39,434 for the conduct of the annual audit.

The Annual Financial Report presents the financial performance for the past financial year and is scrutinised by an independent auditor to ensure compliance with legislation and accounting standards. The financial impact upon the current financial year is that the audited net current assets position becomes the actual brought forward surplus/(deficit) for the Rate Setting Statement.

Budget – Whole of Life Cost

As no assets/infrastructure is being created, there are no whole of life costs relevant to this item.

Council Policy Compliance - None.

Risk Assessment

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix AAR:9.1B) for full assessment document.

Tier 1 – No discernible Inherent Risk has been identified (no Risk Theme or Consequence).	
Risk Event	Annual Meeting – 2022/23 Draft Audit Report
Inherent Risk Rating (prior to treatment or control)	Low (1 - 4)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	<ul style="list-style-type: none"> Legal & Compliance - Not meeting its compliance obligations pursuant to the Local Government (Audit) Regulations 1996 and Australian Accounting Standards. Reputational – Loss of reputation through non-compliance or mismanagement of funds.

Officer Comment

Council's auditors Moore Australia (WA) visited the Council office in October 2023 to conduct the final audit, with three audit staff in attendance. Council staff had prepared the draft annual financial statements, together with all of the working files and audit material provided to the auditors during their visit. Council staff subsequently worked with the auditors to finalise the annual financial statements.

The audit did not identify any areas of concern and the auditors have provided an unqualified Audit Report (draft format). The Audit Report (Appendix AAR: 9.1A) advises that the financial report of the Shire of Dardanup gives a true and fair view of the Shire of Dardanup financial position as at 30th of June 2023 and of its performance during the year, and complies with Australian Accounting Standards.

- *Audit Closed Door Session*

At the release of OAG reports presented to Parliament, Council staff review each report to determine if any of the OAG recommendations can be made to improve Council's current processes.

The OAG report *Western Australian Public Sector Audit Committees – Better Practice Guide* provided guidance to local governments to recommend that during the financial audit exit meeting with the OAG, the audit committee has a closed-door session with the auditors without management present.

This recommendation was subsequently adopted in the Audit & Risk Committee Charter 'Terms of Reference' and forms the basis of this report. It is proposed that in order to allow the Audit & Risk Committee to meet with the Council Auditors without Shire management present, that the Committee Suspend Standing Orders and go Behind Closed Doors.

- *OAG Report - Audit Readiness – Better Practice Guide*

In June 2023 the OAG prepared a submission to Parliament on *Audit Readiness Better Practice Guide*. The report was then presented to the Audit & Risk Committee in September 2023 as part of the agenda report *Western Australian Auditor General – Schedule of Reports*.

As part of the 2022/23 financial audit process, Council staff have utilised the tools and templates in the *Audit Readiness Better Practice Guide* which helped to ensure that Council was 'audit ready'.

The preparation of the financial statements for audit is a complex annual project requiring significant time and resources throughout the year. The guide assisted the finance team to ensure that Council's financial audit file contained a clear trail of audit evidence that supported each item within the annual financial report and provided within agreed timeframes.

END REPORT

10. ELECTED MEMBER MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

None.

11. NEW BUSINESS OF AN URGENT NATURE

[Please Note: This is Not General Business – This is for Urgent Business Approved By the Person Presiding or by Decision. In cases of extreme urgency or other special circumstance, matters may, with the consent of the person presiding, or by decision of the members present, be raised without notice and decided by the meeting.]

12. MATTERS BEHIND CLOSED DOORS

None.

13. CLOSURE OF MEETING

The date of the next Audit & Risk Committee Meeting will be Wednesday, 6th of December 2023.

There being no further business the Chairperson to declare the meeting closed.