



MINUTES

26th of JUNE 2024

AUDIT COMMITTEE MEETING

Held at the Shires Administration Building situated at Gascoyne Junction
commencing at 10:15am

DISCLAIMER

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The advice and information contained herein is given by and to the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to the Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

Please note this agenda contains recommendations which have not yet been adopted by Council.

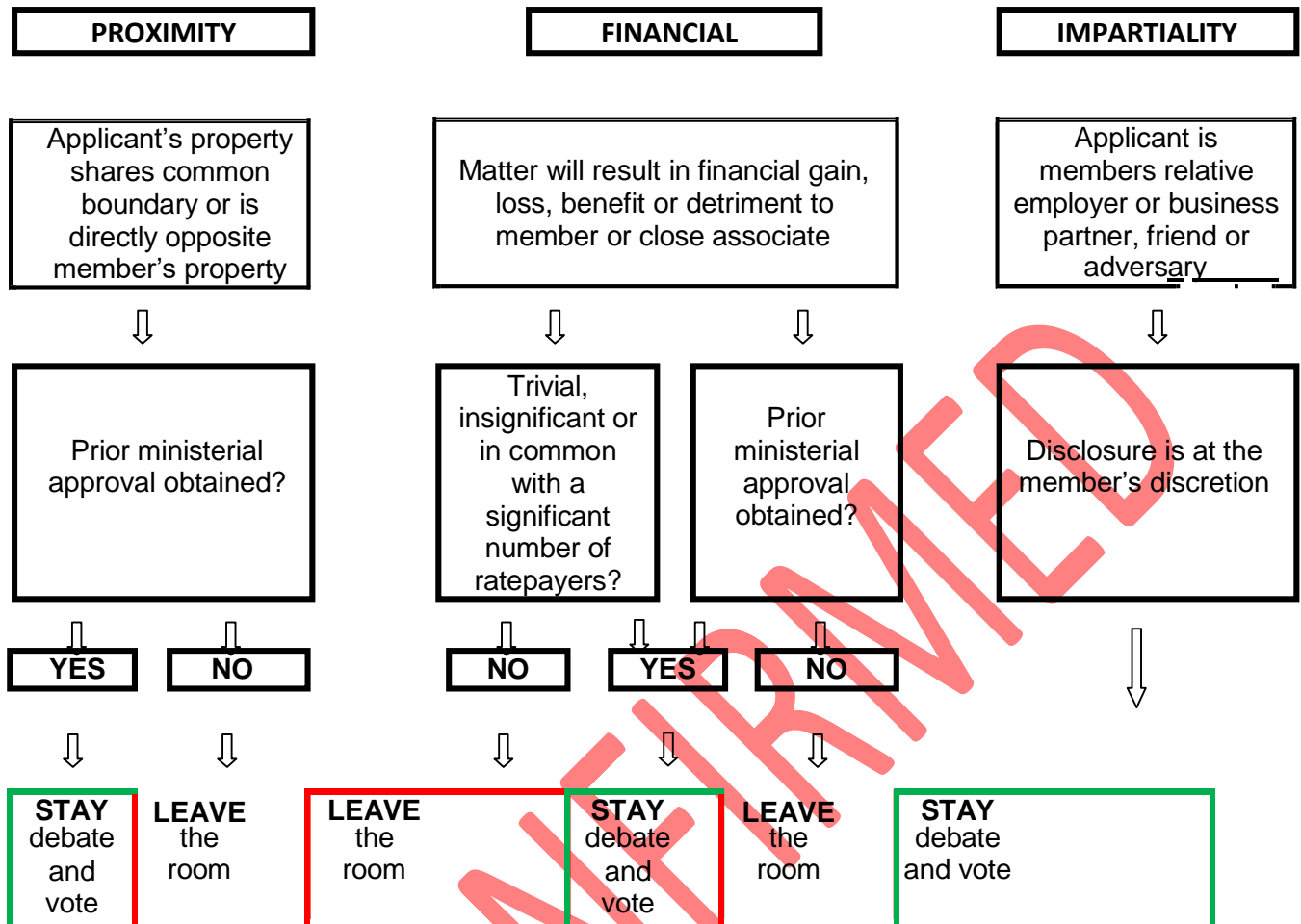
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John McCleary, JP
CHIEF EXECUTIVE OFFICER

* Declaring an Interest



Local Government Act 1995 - Extract

5.65 - Members' interests in matters to be discussed at meetings to be disclosed.

(1) A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest:

(a) in a written notice given to the CEO before the meeting; or (b) at the meeting immediately before the matter is discussed. (Penalties apply).

(2) It is a defense to a prosecution under this section if the member proves that he or she did not know:

(a) that he or she had an interest in the matter; or (b) that the matter in which he or she had an interest would be discussed at the meeting.

(3) This section does not apply to a person who is a member of a committee referred to in section 5.9(2)(f).

5.70 - Employees to disclose interests relating to advice or reports.

(1) In this section: 'employee' includes a person who, under a contract for services with the local government, provides advice or a report on a matter.

(2) An employee who has an interest in any matter in respect of which the employee is providing advice or a report directly to the council or a committee must disclose the nature of the interest when giving the advice or report.

(3) An employee who discloses an interest under this section must, if required to do so by the council or committee, as the case may be, disclose the extent of the interest. (Penalties apply).

5.71 - Employees to disclose interests relating to delegated functions.

If, under Division 4, an employee has been delegated a power or duty relating to a matter and the employee has an interest in the matter, the employee must not exercise the power or discharge the duty and:

(a) in the case of the CEO, must disclose to the mayor or president the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter; and (b) in the case of any other employee, must disclose to the CEO the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter. (Penalties apply).

'Local Government (Administration) Regulations 1996 - Extract

In this clause and in accordance with Regulation 34C of the Local Government (Administration) Regulations 1996:

"Interest" means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.



SHIRE OF UPPER GASCOYNE
AGENDA FOR THE AUDIT MEETING OF COUNCIL HELD AT GASCOYNE JUNCTION SHIRE
OFFICES ON WEDNESDAY THE 26TH OF JUNE 2024 AT 10:15AM

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SHIRE OF UPPER GASCOYNE
AGENDA FOR THE AUDIT MEETING OF COUNCIL HELD AT GASCOYNE JUNCTION SHIRE
OFFICES ON WEDNESDAY THE 26th of JUNE 2024 AT 10:15AM

1. DECLARATION OF OPENING / ANNOUNCEMENTS OF VISITORS

The President welcomed those present and declared the meeting open at 10.17am

2. APOLOGIES AND APPROVED LEAVE OF ABSENCE

2.1 Councillor's

Cr B. Walker	Councillor / Chairperson
Cr J. Caunt	Councillor
Cr R. Hoseason-Smith	Councillor
Cr A. McKeough	Councillor

Staff

John McCleary JP	Chief Executive Officer
Andrea Pears	Manager of Finance and Corporate Services
Cherie Walker	Senior Corporate Services Officer

Visitors

Nil

2.2 Absentees

Nil

2.3 Leave of Absence previously approved

Nil

3. APPLICATION FOR LEAVE OF ABSENCE

4. PUBLIC QUESTION TIME

4.1 Questions on Notice

Nil

4.2 Questions without Notice

5. DISCLOSURE OF INTEREST

Nil

6. PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

7. ANNOUNCEMENTS BY THE PERSON PRESCIDING WITHOUT DISCUSSION

Nil

8. MATTERS FOR WHICH THE MEETING MAY GO BEHIND CLOSED DOORS

Nil

9. CONFIRMATION OF MINUTES FROM PREVIOUS MEETINGS

Committee Resolution No: AC 01062024

MOVED: CR R. HOSEASON-SMITH

SECONDED: CR J. CAUNT

That the minutes from the previous Audit Committee Meeting held on the 28th February 2024 are a true and correct record.

FOR: CR J CAUNT

AGAINST: CR

CR A MCKEOUGH

CR R HOSEASON-SMITH

CR B WALKER

F/A 4/0

10.1 REVIEW OF REGULATION 17 – LOCAL GOVERNMENT (AUDIT) REGULATIONS	
Applicant:	Shire of Upper Gascoyne
Disclosure of Interest:	Nil
Author:	John McCleary – Chief Executive Officer
Date:	20 th June 2024
Matters for Consideration:	To review the Regulation 17 report undertaken and presented by AMD Chartered Accountant. Please refer to Appendix 1 .
Background:	<p>To undertake a review of the appropriateness and effectiveness of risk management, internal controls and legislative compliance of the Shire in accordance with the <i>Local Government (Audit) Regulations 1996</i>, Regulation 17 for the period ended 30 June 2024 (the “Review”). The CEO is to review certain systems and procedures at least once every three (3) years. The Last review was undertaken 16th to 20th of November 2020.</p> <p>The findings included within the attached report are based on the site work completed by AMD from the 22 to 25 January 2024. Findings are based on information provided and made available to AMD during and subsequent to this site visit to 25 January 2024.</p>
Statutory Environment:	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—

	<p>(a) risk management; and</p> <p>(b) internal control; and</p> <p>(c) legislative compliance.</p> <p>(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 not less than once in every 3 financial years.</p> <p>(3) The CEO is to report to the audit committee the results of that review.</p>
Policy Implications:	Nil
Financial Implications:	2023/24 Budget – An allocation has been made to engage a consultant to undertake the review.
Strategic Implications:	<p>Objective 4:</p> <p><i>To provide Good Governance and Leadership to the Upper Gascoyne Shire Region by:</i></p> <ul style="list-style-type: none"> • <i>Being strategically focused and effectively representing and promoting the Shire;</i> • <i>Providing professional and efficient services to the community;</i> • <i>Maintaining accountability and financial responsibility through effective planning;</i> • <i>Complying with statutory and legislative requirements; and</i> • <i>Fostering a positive, resilient, safe and progressive workplace.</i>

Risk Assessment:

Risk Matrix						
Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (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)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Risk Category	Description	Rating	Mitigating Actions
Health	N/A	N/A	N/A
Financial Impact	N/A	N/A	N/A
Service Interruption	N/A	N/A	N/A

10.2 2023 FINANCIAL MANAGEMENT REVIEW REPORT

Applicant:	Shire of Upper Gascoyne
Disclosure of Interest:	None
Author:	John McCleary – Chief Executive Officer
Date:	20 June 2024
Matters for Consideration:	To provide a Financial Management Review report to the Audit Committee for their consideration of the appropriateness and effectiveness of the financial management systems and procedures of the Shire of Upper Gascoyne.
Background:	<p>The objective was to test the financial management system of the Shire of Upper Gascoyne and report on the appropriateness and effectiveness of the control environment within, as required by the Local Government (Financial Management) Regulation 5(2)(c).</p> <p>The Shire engaged the services of RSM Australia to carry out the review and provide a report on their findings, please refer to Appendix 2 (Financial Management Review Report) to the agenda.</p>
Comments:	<p>The primary objective of our Financial Management System Review (FMSR) was to assess the adequacy and effectiveness of systems and controls in place within the Shire focusing on accounts payable, accounts receivable, human resources and payroll procedures; in accordance with the Financial Management System Review Services Request for Quotation (the “Review”).</p> <p>The responsibility of determining the adequacy of the procedures undertaken by us is that of the Chief Executive Officer (CEO). The procedures were performed solely to assist the CEO in satisfying his duty under Section 6.10 of the Local Government Act 1995 and Regulation 5(1) of the Local Government (Financial Management) Regulations 1996.</p> <p>The procedures performed and our findings on each of the focus areas are detailed in the report attached in Appendix 2</p>

<p>Statutory Environment:</p>	<p>Local Government (Audit) Regulations 1996 Reg14. Compliance Audits by local governments</p> <p>(1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.</p> <p>(2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.</p> <p>(3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.</p> <p>(3) After the audit committee has reported to the council under sub regulation {3A}, the compliance audit return is to be -</p> <p>(a) presented to the council at a meeting of the council; and</p> <p>(b) adopted by the council; and</p> <p>(c) recorded in the minutes of the meeting at which it is adopted</p>
<p>Policy Implications:</p>	<p>Nil</p>

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Financial Implications:	2023/24 Budget – An allocation has been made to engage a consultant to undertake the review.
Strategic Implications:	<p>Objective 4:</p> <p><i>To provide Good Governance and Leadership to the Upper Gascoyne Shire Region by:</i></p> <ul style="list-style-type: none"> • <i>Being strategically focused and effectively representing and promoting the Shire;</i> • <i>Providing professional and efficient services to the community;</i> • <i>Maintaining accountability and financial responsibility through effective planning;</i> • <i>Complying with statutory and legislative requirements; and</i> • <i>Fostering a positive, resilient, safe and progressive workplace.</i>

Risk Assessment:

Risk Matrix						
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Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Risk Category	Description	Rating	Mitigating Actions
Health	N/A	N/A	N/A
Financial Impact	N/A	N/A	N/A
Service Interruption	N/A	N/A	N/A
Compliance		2/2 Low	Support the Audit committee's recommendation.
Reputational		1/ 1 Low	Request monthly status report.
Property	N/A	N/A	N/A
Environment	N/A	N/A	N/A
Fraud	N/A	N/A	N/A

Consultation:	AMD Chartered Accountants
Voting requirement:	Simple Majority

Officer's Recommendation:	<p>That the Committee:</p> <ol style="list-style-type: none"> 1. Receive the 2023 Financial Management Report prepared by AMD; 2. Note the recommendations and managements comments contained within the report; and 3. Recommend that Council receive the 2023 Financial Management Report with accompanying recommendations and management comments.
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Committee Resolution No: AC 03062024

MOVED:	CR A. MCKEOUGH	SECONDED:	CR J. CAUNT
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<p>That the Committee:</p> <ol style="list-style-type: none"> 1. Receive the 2023 Financial Management Report prepared by AMD; 2. Note the recommendations and managements comments contained within the report; and 3. Recommend that Council receive the 2023 Financial Management Report with accompanying recommendations and management comments. 			
FOR:	CR J CAUNT CR A MCKEOUGH CR R HOSEASON-SMITH CR B WALKER	AGAINST:	CR
F/A: 4/0			

10. MEETING CLOSURE

The Chairperson closed the meeting at 10.42am.

