



Audit and Risk Committee Meeting

Wednesday 11 December 2024
Commencing at 5.00pm

Held at the Council Chambers, 6177 Great Northern Highway, Bindoon

Membership

The committee shall consist of all elected members. All members shall have full voting rights.

The Chief Executive Officer and employees are not members of the committee.

The Chief Executive Officer and Executive Manager Corporate Services (or their nominee) is to attend all meetings to provide advice and guidance to the committee.

The local government shall provide secretarial and administrative support to the committee.

Functions of an Audit Committee

As per the *Local Government (Audit) Regulations 1996 Section 16*, an audit committee has the following functions —

- (a) to guide and assist the local government in carrying out —
 - (i) its functions under Part 6 of the Act; and
 - (ii) its functions relating to other audits and other matters related to financial management;
- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;
- (c) to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to —
 - (i) report to the council the results of that review; and
 - (ii) give a copy of the CEO's report to the council;
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
 - (i) regulation 17(1); and
 - (ii) the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- (f) to oversee the implementation of any action that the local government —
 - (i) is required to take by section 7.12A(3); and
 - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
 - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
 - (iv) has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- (g) to perform any other function conferred on the audit committee by these regulations or another written law.

[Regulation 16 inserted: Gazette 26 Jun 2018 p. 2386-7.]

Delegated Authority

Nil

PUBLIC QUESTION TIME

1. Time Permitted

A minimum of 15 minutes is permitted for Public Question Time at Committee Meetings. If there are not sufficient questions to fill the allocated time, the Presiding Member will move to the next item. If there are more questions to be considered within 15 minutes, the Presiding Member will determine whether to extend Public Question Time. Each person seeking to ask questions during Public Question Time may address the Committee for a maximum of two minutes each.

2. Protocol

No member of the public may interrupt the Committee Meeting proceedings or enter into conversation.

Members of the public wishing to participate in Public Question Time at the Committee Meeting who wish to submit written questions, are requested to lodge them with the Chief Executive Officer the Tuesday by **5pm on the day before the meeting**

The Presiding Member will control Public Question time and ensure that each person wishing to ask a question is given a fair and equal opportunity to do so. Members of the public wishing to ask a question must state his or her name and address before asking a question. If the question relates to an item of the Agenda, the item number and title should be stated.

3. General Rules

The following general rules apply to Public Question Time:

- Public Questions should only relate to the business of the local government and should not be a personal statement or opinion.
- Only questions relating to matters affecting the local government will be considered at a Committee Meeting.
- Questions may be take on notice and responded to after the meeting.
- Questions may not be directed to specific Committee Members or a Shire employee.
- Questions are not to be framed in such a way as to reflect adversely on a particular Committee Member or Shire employee.
- First priority will be given to persons who have submitted their questions in writing.
- Second priority will be given to persons who are asking questions relating to items on the current Committee Meeting Agenda.

During the meeting, no member of the public may interrupt the meetings proceedings or enter into conversation.

Members of the public shall ensure that their mobile telephone and/or audible pager is not switched on or used during any meeting of the Committee.

Members of the public are hereby advised that use of any electronic, visual or audio recording device or instrument to record proceedings of the Committee is not permitted without the permission of the Presiding Member.



Notice is hereby given that the next Audit and Risk Committee meeting of the **Shire of Chittering** will be held on **Wednesday 11 December 2024** in the Council Chambers, Bindoon commencing at **5.00pm**.

Melinda Prinsloo
CHIEF EXECUTIVE OFFICER
6 December 2024

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Good evening ladies and gentlemen, we wish to acknowledge the traditional custodians of the land within the Shire of Chittering, the Yued and Whadjuk peoples. We would like to pay respect to the Elders of the Nyoongar nation, past and present, who have walked and cared for the land, we acknowledge and respect their continuing culture, and the contributions made to this region.

1. DECLARATION OF OPENING OF MEETING / ANNOUNCEMENTS OF VISITORS

2. RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE / ANNOUNCEMENTS

2.1 Attendance

| | |
|------------------|--|
| Cr Mary Angus | Presiding Member |
| Cr Aaron King | Deputy Presiding Member |
| Cr Kylie Hughes | |
| Cr Carmel Ross | |
| Cr Mark Campbell | |
| Cr David Dewar | |
| Cr John Curtis | |
| Melinda Prinsloo | Chief Executive Officer |
| Scott Clayton | Deputy Chief Executive Officer |
| Jake Whistler | Executive Manager Development Services |
| Leo Pudhota | Executive Manager Technical Services |

2.2 Apologies

2.3 Approved leave of absence

3. DISCLOSURE OF INTEREST

Members of the Committee are bound by the provisions of the Local Government Act 1995, Section 5.65 with respect to disclosure of financial, impartiality or proximity interests.

4. PUBLIC QUESTION TIME

4.1 Response to previous public questions taken on notice

Nil

4.2 Public question time

Meetings shall be generally open to the public pursuant to the Local Government Act 1995, s5.23 and include question time for members of the pursuant to the Local Government Act 1995, s5.24.

5. CONFIRMATION OF MINUTES: Wednesday, 13 MARCH 2024

OFFICER RECOMMENDATION

That the minutes of the Audit and Risk Committee Meeting held on Wednesday, 13 March 2024 be confirmed as a true and correct record of proceedings.

6. PURPOSE OF MEETING

6.1 Shire of Chittering Annual Report 2023-2024

| | |
|-------------------------------|---|
| Applicant | Shire of Chittering |
| File reference | SOCR-1845402348-41338 |
| Author | Manager Governance & Corporate Performance |
| Authorising Officer | Chief Executive Officer |
| Disclosure of interest | Neither the Author nor Authorising Officer have any Impartiality, Financial or Proximity Interests that requires disclosure |
| Voting Requirements | Absolute Majority |
| Attachments | 1. 2023 – 2024 Annual Report |

| | Authority / Discretion | Definition |
|-------------------------------------|-------------------------------|---|
| <input type="checkbox"/> | Advocacy | <i>When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i> |
| <input checked="" type="checkbox"/> | Executive | <i>The substantial direction setting and oversight role of Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i> |
| <input type="checkbox"/> | Legislative | <i>When Council initiates or adopts a policy position, or a local law</i> |
| <input type="checkbox"/> | Quasi-Judicial | <i>When Council determines an application/matter that directly affects a person's rights and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include development applications, building licences, applications for other permits/licences (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal</i> |
| <input type="checkbox"/> | Information | <i>Includes items for information purposes only and do not require a decision of Council (to 'note' only)</i> |

Executive Summary

Council is requested to accept the 2023 – 2024 Annual Report (including the Financial Audit Report) and recommend the date for the Annual Meeting of Electors.

Background

The development of an Annual Report is a requirement of the Local Government Act 1995 (the Act). Section 5.53(1) of the Act requires local governments to develop and publish an Annual Report for each financial year with the required content specified in section 5.53(2). The Act further requires a local government to hold an Annual Electors Meeting not more than 56 days after the report is accepted by Council.

Section 5.54 of the Act requires that the Local Government accepts the Annual Report for a financial year no later than 31 December after that financial year. The exception being that if the Auditor's report is not available in time for the Annual Report for a financial year to be accepted by 31 December after that financial year, the Annual Report is to be accepted by the Local Government no later than two months after the Auditor's report becomes available.

The Annual Report is the primary vehicle for reporting on achievements against the strategic objectives as set out in the Shire's Strategic Community Plan and details achievements and performance against the commitments made in the Corporate Business Plan. This integrated report enables the Shire to communicate in an open, honest and transparent way on financial and business information to external and internal stakeholders.

The Shire's Annual Report for the previous financial year was structured on a new template which was developed following extensive benchmarking with other local governments, and based on the criteria of the Australasian Reporting Awards (**ARA**). The ARA recognises excellence in annual reporting across Australasia, promoting transparency, accountability, and best practices in governance.

The 2022/23 Annual Report was entered into the ARA and achieved a Silver. Achieving a Silver Award demonstrates the Shire's commitment to high standards of reporting, including clear communication, effective use of resources, and a comprehensive approach to transparency. To receive this recognition, the Shire's annual report was rigorously assessed against criteria that evaluate governance, financial management, and engagement with stakeholders. The Silver Award highlights the Shire's dedication to showcasing high standards of performance, integrity, and openness in its operations. This achievement reflects the combined efforts of staff and council in upholding strong governance principles and enhancing public trust. Formal feedback from the ARA was received and the learnings from this were incorporated into a revised template for the 2023/24 Annual Report. The Annual Report 2023/24 will again be entered into the ARA.

Consultation Summary

Local

An extensive consultation process was conducted with the Executive Management Team and various key staff members. The integrated approach was to ensure that all services delivered during 2023/24 and its relevant performance are captured within the report.

State

Nil

Legislative Implications

Local

Nil

State

- Local Government Act 1995, Section 5.54(2)
 - (2) *If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.'*
- Local Government Act 1995, Section 5.55

That Council give local public notice of the availability of the Annual Report once adopted by Council.
- Local Government Act 1995, Section 5.27

Electors' general meetings

 - (1) *A general meeting of the electors of a district is to be held once every financial year.*
 - (2) *A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.*
 - (3) *The matters to be discussed at general electors' meetings are to be those prescribed.*

- Local Government Act 1995 Section 5.29
Convening electors' meetings
(1) *The CEO is to convene an electors' meeting by giving—*
 - (a) *at least 14 days' local public notice; and*
 - (b) *each council member at least 14 days' notice of the date, time, place and purpose of the meeting.*

Policy Implications

Local

Nil

State

Nil

Financial Implications

Nil

Strategic Assessment / Implications

Local

- Strategic Community Plan

| | |
|-------------------|--|
| Engagement Theme: | Community |
| Aspiration: | Inclusive, Active, and Resilient Community |
| Strategy Number: | 1.5 – Resilience and Adaptability |

Site Inspection

Site inspection undertaken: Not applicable

Environmental Consideration

Environment consideration given: Not applicable

Risk Assessment / Implications

| Risk | Likelihood | Consequences | Risk Analysis | Mitigation |
|-------------------------------------|------------|--------------|---------------|---|
| Risk Category: Compliance | Likely | Moderate | High | By bringing this through the Council this risk is being mitigated and compliance will be met. |
| Opportunity: Nil | | | | |

Officer Comment/Details

To be in accordance with section 5.53 of the Act, the Annual Report must include “the financial report for the financial year” and “the auditor’s report prepared under section 7.9(1) or 7.12AD(1) for the financial year “.

At the time of authoring this agenda item, the auditor’s report has not yet been received. However, discussion with the Shire’s auditor suggests the most recently submitted draft financial report will result in the issuance of an unqualified audit report.

An audit exit meeting is scheduled for 4:30pm on 11 December 2024 prior to the Council meeting being held on the same date. It is expected that the outcome of this meeting will result in the Shire receiving a draft unqualified audit report based on the financial statements submitted to the auditors.

Following the exit audit meeting it can take 2 – 3 days for the Shire to receive the signed audit report.

Given the 12 December 2024 Ordinary Council Meeting is the final meeting of Council for the calendar year, it is important that the Annual Report is accepted at this meeting to allow for the timely scheduling of the Shire of Chittering Annual Electors Meeting.

To meet the legislative requirements, it is proposed that the Annual Electors Meeting must be held by no later than Wednesday, 5 February 2025.

It is recommended that Council accepts the Annual Report and sets the date for the Annual General Meeting of Electors for Tuesday 5 February 2025 to be held at the Bindoon Hall, Great Northern Highway, Bindoon.

OFFICER RECOMMENDATION

That the Audit and Risk Committee recommends to Council that it:

- 1. Receives the Annual Report, including the Financial Audit Report for 2023-2024;**
- 2. Pursuant to Section 5.54 and 5.55 of the Local Government Act 1995, accepts the 2023-2024 Annual Report; and**
- 3. Convenes the Annual Electors Meeting on Wednesday 5 February 2025 at the Bindoon Hall, Great Northern Highway, Bindoon commencing at 7.00pm.**

7. CLOSURE