



Norseman Woodlands to Eucla Coast

**Unconfirmed Minutes
Audit & Risk Committee Meeting
24 April 2025**

NOTICE OF MEETING

The next Audit & Risk Committee Meeting will be held on 24 April 2025 in the Council Chamber at the Shire Administration office– commencing at 4.30pm (AWST) to consider and resolve on the matters set out in the attached agenda.

A handwritten signature in black ink, appearing to read "Peter Fitchat", is written over a light blue horizontal line.

Peter Fitchat
Chief Executive Officer

17 April 2025

Audit Committee

Delegated Duties and Responsibilities

The following duties and responsibilities are delegated to the Audit Committee by the Council at the Ordinary Meeting of the Council held on the 22nd August 2023.

1. The Audit Committee's role, in accordance with Regulation 16 of the Local Government (Audit) Regulations 1996, is to:
 - a. guide and assist the local government in carrying out:
 - i. its functions under Part 6 of the Act;
 - ii. its functions relating to other audits and other matters related to financial management; and
 - b. functions in relation to audits conducted under Part 7 of the Act. 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.
 - c. 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);
 - d 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;
 - e. 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);
 - f. perform any other function conferred on the audit committee by these regulations or another written law.
2. The Committee may provide guidance and assistance to the local government regarding:
 - a. other matters to be audited;
 - b. the scope of audits; and
 - c. financial, risk and compliance management functions as prescribed in the Local Government Act 1995; as well as
 - d. other matters specified in these Terms of Reference.
3. The Committee may resolve to request the Chief Executive Officer (CEO) to provide any information or make arrangements to provide independent expert advice, as appropriate and required by the Committee in order to fulfil its duties and responsibilities.

Delegated Duties and Responsibilities (continued)

4. The Committee is to review and make recommendations to the Council regarding:
- a. Financial Management
 - i. the annual Financial Statements with a view to being satisfied as to their accuracy and timeliness and the inclusion of prescribed disclosures and information;
 - ii. changes in accounting practices, policies and material changes in accounting treatment, providing advice on the appropriateness of implementation strategies; and
 - iii. the Shire's financial status and performance.
 - b. Risk Management
 - i. the Shire's risk management strategies and policies;
 - ii. the adequacy of the Shire's risk management systems and practices; and
 - iii. the management of strategic risks, identifying as appropriate, specific risks for more detailed review and response.
 - c. Internal Controls
 - i. the standard and effectiveness of the Shire's corporate governance and ethical considerations;
 - ii. the integrity, adequacy and effectiveness of the Shire's financial and administration policies, systems and controls in providing financial and governance information which:
 - is accurate and reliable;
 - complies with legislative obligations and requirements; and
 - minimises the risk of error, fraud, misconduct or corruption; and
 - iii. the efficiency and effectiveness on achievement of objectives.
 - d. Legislative Compliance
 - i. the integrity, adequacy and effectiveness of the Shire's systems and controls for legislative compliance;
 - ii. the level of compliance with legislative obligations as well as the Shire's policies;
 - iii. the CEO's report on the review of the Shire's legislative Compliance systems, at least once triennially; and
 - iv. the annual statutory Compliance Audit.
 - e. External Audit Planning and Reporting
 - ii. the integrity, adequacy and effectiveness of the Shire's External Audit Plan;
 - iii. reports, findings and recommendations arising from External Audits;
 - iv. the audit of the Shire's Annual financial statements;
 - v. the integrity, adequacy and effectiveness of the management response and any actions proposed to be taken to address issues raised by the External Auditor; and
 - vi. the oversight and monitoring of implementation of agreed actions.

Delegation reviewed and adopted without amendment at Ordinary Meeting of Council held 22nd August 2023.

UNCONFIRMED MINUTES for the Audit & Risk Committee Meeting
held in the Council Chamber at the Shire Administration office– commencing at 4.30pm
(AWST)

Notes to Agenda

PLEASE READ THE FOLLOWING IMPORTANT DISCLAIMER BEFORE PROCEEDING:

Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material.

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 who 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 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 representation by the Shire should be sought in writing and should make clear the purpose of the request.

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1. Declaration of Opening and Announcement of Visitors.

The Deputy Shire President welcomed all in attendance and declared the meeting open at: 4.30PM

This Meeting will be video recorded to assist in the preparation of the minutes of the meeting.

1.1 Acknowledgment of Country

The Shire of Dundas recognises the Ngadju and Mirning as traditional custodians in the Shire of Dundas and pay our respects to their Elders past and present.

1.2 Attendance at meetings by electronic means

Cr. Laurene Bonza Shire President

Statutory Environment

Local Government Act 1995 (WA)

Local Government (Administration) Amendment Regulations 2022, Regulation 14C

2. Declarations of Financial, Proximity, Impartiality Interests & Gifts Received.

Financial Interests:

None declared.

Proximity Interests:

None declared.

Impartiality Interests:

None declared.

Gifts Received by Councillors: None declared.

As per the Shire of Dundas Code of Conduct section 3.4 Gifts, adopted by the Council on 21 October 2014 and reference to Regulation 34B of the Local Government (Administration) 1996.

3. Record of Attendance of Councillors / Officers and Apologies.

| | |
|---------------------|------------------------|
| Cr Laurene G Bonza | Shire President |
| Cr Sharon M Warner | Deputy Shire President |
| Cr JE Patrick Hogan | |
| Cr Sharon Brown | |
| Cr Chantelle McLeod | |

| | |
|---------------|-------------------------|
| Peter Fitchat | Chief Executive Officer |
| Hannah Turner | Executive Assistant |

Leave of Absence

Cr John Maloney

Approved at the March 2025 OCM.

Apologies

Pania Turner

Deputy Chief Executive Officer

4. Confirmation of Minutes of Previous Meeting.

Minutes of the Audit Committee Meeting held on 18 March 2025 be confirmed as a true and accurate record.

Voting Requirements

Simply Majority

Moved: Cr. C McLeod**Seconded:** Cr. S Brown**Recommendation**

That the minutes of the Audit Committee Meeting held on 18 March 2025 be confirmed as a true and accurate record.

Carried: Simple Majority**For:** Cr. L Bonza, Cr. S Warner, Cr. JEP Hogan, Cr. S Brown, Cr. C McLeod**Against:** 0**Resolution**

That the minutes of the Audit Committee Meeting held on 18 March 2025 be confirmed as a true and accurate record.

5. Reports

| Agenda Reference and Subject | |
|---|---|
| 5.1 – Audit Report and the Annual Financial Report 2023/24 | |
| Location / Address | 88-92 Prinsep Street, Norseman |
| File Reference | FM.AD |
| Author | Chief Executive Officer – Peter Fitchat |
| Date of Report | 17 April 2025 |
| Disclosure of Interest | Nil |

Summary

For the Audit & Risk Committee to review the Audit Report and the Annual Financial Report for the year ended 30th June 2024 together with the CEO's comments on the Management Letter, recommending to Council the actions identified as part of this review.

Background

On the inside cover sheet to this agenda is the list of duties and responsibilities that Council has delegated to the Audit & Risk Committee. Item 4(e) is relevant to this item.

Statutory Environment

Item 4(e)7 of the Delegated Duties and Responsibilities as well as Section 7.12A of the *Local Government Act 1995*.

In accordance with delegation number 4(e) the Audit & Risk Committee is to review and make recommendations to the Council regarding:

- e. External Audit Planning and Reporting
 - ii. the integrity, adequacy and effectiveness of the Shire's External Audit Plan;
 - iii. reports, findings and recommendations arising from External Audits;
 - iv. the audit of the Shire's Annual financial statements;
 - v. the integrity, adequacy and effectiveness of the management response and any actions proposed to be taken to address issues raised by the External Auditor; and
 - vi. the oversight and monitoring of implementation of agreed actions.

Policy Implications

1. **A9.Internal Audit and Risk Management Policy:** This policy outlines the objectives and responsibilities related to internal audits, risk management, and financial reporting. It emphasizes the need for transparent financial management, effective auditing, and compliance with relevant laws such as the ***Local Government Act 1995*** and the ***Local Government (Financial Management) Regulations 1996***. It supports the effective management and protection of council assets, as well as ensuring compliance with financial regulations .
2. **F.10 Accounting Policy:** The policy highlights the accounting framework and financial reporting requirements, ensuring the Shire's financial practices remain compliant with statutory standards. It includes guidance on the audit process and the transparency of financial information.

Financial Implications

To ensure the **financial implications** of the 2023/24 financial budget are aligned with the business transition and audit findings:

Financial Implications in Line with the 2023/24 Financial Budget

1. **Operational Costs and Integration of the Acquired Business (IGA/Post Office):**
The costs of transitioning the acquired IGA/Post Office business need to be accurately reflected in the financial budget. This includes initial integration costs, staffing issues, and the operational expenses associated with running the business.
2. **Impact of Remote Location Staffing:**
Staffing challenges, particularly in remote locations, may incur additional expenses for recruitment, training, and retention of employees.
3. **Audit and Risk Management:**
The audit findings and recommendations will be factored into the financial planning to address any identified risks, such as improved cash management, inventory systems, and asset management.
4. **Capital Expenditure for Infrastructure (Airstrip and Other Projects):**

Major projects, such as the Norseman Airstrip terminal building, need to align with the capital budget, ensuring that funding is in place through a combination of government grants, FIFO/mining revenue, and Council contributions.

5. **Contingency Planning:**

Planning for unforeseen expenses related to the business transition, staffing shortages, or operational issues.

Grant and Funding Opportunities:

6. For major projects, such as the airstrip upgrades, ensure that the budget leverages all available grants and external funding (e.g., **LRCI Program**).

7. **Revenue Adjustments from New Operations:**

The IGA/Post Office acquisition will result in new revenue streams for the Shire, which are used to inform budget forecasting.

8. **Legislative Compliance and Reporting:**

The **Local Government (Audit) Regulations 1996**, ensure that the financial management and reporting systems meet audit requirements.

Strategic Implications

1. **Economic Development:**

Strategic Goal: Support economic diversification and development by improving infrastructure and fostering local business growth.

2. **Community Engagement and Services:**

Strategic Goal: Foster a strong sense of community through active participation and inclusive engagement.

3. **Sustainability and Environmental Stewardship:**

Strategic Goal: Integrate environmental sustainability with community development and ensure responsible land management.

4. **Staffing and Workforce Development:**

Strategic Goal: Ensure that staffing levels and competencies meet the operational needs of the Shire while supporting local workforce development.

5. **Infrastructure and Capital Works:**

Strategic Goal: Maintain and expand infrastructure to support growth and improve the quality of life for residents .

6. **Financial Sustainability:**

Strategic Goal: Ensure sound financial management practices that support sustainable growth and community well-being .

Consultation

Auditor General
NEXIA Australia
Chief Executive Officer
Elected Members
Senior Officers

Comment

NEXIA Australia has presented the Annual Audit Report as contained in the papers relating for the 2023/24 financial year. The audited financial report is also included in papers relating. The management letter is included as a confidential attachment to the agenda.

Voting Requirements

Simple Majority

Moved: Cr. C McLeod
Seconded: Cr. JEP Hogan

Officer Recommendation

That the Audit & Risk Committee recommend to Council that:

- 1. The audited Annual Financial Report for the Year Ended 30th June 2024 be received.**
- 2. The Independent Auditor's Report for the Year Ended 30th June 2024 be received.**
- 3. The Audit Management Letter be received.**

Carried by: Simple Majority

For: Cr. L Bonza, Cr. S Warner, Cr. JEP Hogan, Cr. S Brown, Cr. C McLeod

Against: 0

Resolution

That the Audit & Risk Committee recommend to Council that:

- 1. The audited Annual Financial Report for the Year Ended 30th June 2024 be received.**
- 2. The Independent Auditor's Report for the Year Ended 30th June 2024 be received.**
- 3. The Audit Management Letter be received.**

6. Next Meeting

The next meeting of the Audit & Risk Committee will be called as required.

There being no further business the Shire President will declare the meeting closed at: 4.34PM