

FINANCE, AUDIT & RISK MANAGEMENT COMMITTEE

Agenda



Meeting Date Monday 23 December 2024

Meeting Time 4:40 pm

To be held at Microsoft Teams

Online Only



SHIRE OF

Chapman Valley

love the rural life!

ACKNOWLEDGEMENT OF COUNTRY

The Shire of Chapman Valley would like to respectfully acknowledge the Naaguja peoples who are the traditional owners and first people of the land on which we stand.

We would like to pay our respect to the elders past, present and emerging for they hold the memories, the traditions, the culture and hopes of the Naaguja peoples.

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Chapman Valley for any act, omission or statement or intimation occurring during Council Meeting. The Shire of Chapman Valley disclaims any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council of Committee Meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council Meeting does so at that person's or legal entity's own risk.

The Shire of Chapman Valley warns that anyone who has any application or request with the Shire of Chapman Valley must obtain and should rely on written confirmation of the outcome of the application or request of the decision made by the Shire of Chapman Valley.

COMMITTEE PURPOSE & DELEGATIONS

To provide a review of Council's ongoing financial situation, provide a forum for ongoing review of strategic management plan for Council operations and discuss the Audit System.

- Delegations – Nil

The Finance, Audit & Risk Management Committee is comprised of:

Cr Elliott-Lockhart

Cr Batten

Cr Rodney

Cr Warr

Grant Middleton (External, Independent Member)

CEO

Manager Finance & Corporate Services

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1 Declaration of Opening & Announcements of Visitors

The Presiding member will welcome elected members and staff to the committee meeting and declare the meeting open.

“The Shire of Chapman Valley would like to respectfully acknowledge the Naaguja peoples who are the traditional owners and first people of the land on which we stand.

We would like to pay our respect to the elders past, present and emerging for they hold the memories, the traditions, the culture and hopes of the Naaguja peoples.”

2 Announcements from the Presiding Member

3 Record of Attendance

3.1 Attendees

The following are anticipated to attend the Finance, Audit & Risk Management Committee Meeting:

Elected Members

Cr Elliott-Lockhart

Cr Batten

Cr Rodney

Cr Warr

External

Grant Middleton (Independent Member)

Officers

Jamie Criddle, Chief Executive Officer

Dianne Raymond, Manager Finance & Corporate Services

Beau Raymond, Reporting Management Accountant

3.2 Apologies

4 Disclosure of Interest

<p>Local Government Act 1995</p> <p>Administration Part 5</p> <p>Disclosure of financial interests and gifts Division 6</p> <p>s. 5.59</p>
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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.

Section 5.60A:

“a person has a financial interest in a matter if it is reasonable to expect that the matter will, if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person.”

Section 5.60B:

“a person has a proximity interest in a matter if the matter concerns –

(a) a proposed change to a planning scheme affecting land that adjoins the person’s land;
or (b) a proposed change to the zoning or use of land that adjoins the person’s land; or
(c) a proposed development (as defined in section 5.63(5)) of land that adjoins the person’s land.”

Regulation 34C (Impartiality):

“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.”

5 Petitions/Deputations/Presentations

5.1 Petitions

The Council has not received any petitions at the time of writing this report

5.2 Presentations

The Council does not anticipate any presentations at the time of writing this report.

5.3 Deputations

The Council has not received any deputations at the time of writing this report.

6 Confirmation of Minutes from previous meetings

Recommendation

That the Minutes of the Finance, Audit and Risk Management Committee Meeting held on 22 February 2024 be confirmed as true and accurate.

7 Items to be dealt with En Bloc

8 Officers Reports

8.1	Independent Auditors Report 30 June 2024
Department	Finance, Governance & Corporate Services Finance
Author	Dianne Raymond
Reference(s)	305.00 Audits
Attachment(s)	1. Independent Auditors Report 30 June 2024 [8.1.1 - 3 pages]

Voting Requirements

Simply Majority

Staff Recommendation

The Finance, Audit & Risk Management Committee recommends to the Council that the Independent Audit Report for the year ending June 2024 be received.

Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

Background

The Shire of Chapman Valley has received the Independent Audit Report from its Auditors: Nexia Perth performed this audit on behalf of the Office of Auditor General.

Comment

Councillors, Chief Executive Officer, Manager of Finance & Corporate Services met (via TEAMS) with representatives from the Office of the Auditor General for Western Australia (OAG) and the OAG appointed Auditors, Nexia Perth, on 10 December 2024 for an audit exit meeting. Both the OAG and Nexia Perth reported on Key Audit Risks and Focus Areas as outlined in the original Audit Strategy Memorandum.

During the exit meeting attention was drawn to findings which are of sufficient concern to call the action being taken in the following areas, yet there were no items considered to cause a significant impact on the audit opinion. Refer below:

1. Non-Compliance with Local Government (Audit) Regulations 1996 Regulation 17 - Moderate finding

2. Corporate credit card statement not approved - Moderate finding
3. Lack of evidence of interview assessment conducted for new employee - Minor finding

Statutory Environment

No Financial Implications Identified.

Policy/Procedure Implications

No Policy or Management Procedure affected.

Financial Implications

No Financial Implications Identified.

Strategic Implications

The long-term financial viability of Chapman Vale Shire is of importance for future service delivery levels provided to the Shire's constituents. The annual audit of Shire's operations is integral to observe how Chapman Valley Shire is tracking with its integrated strategic planning.

Strategic Community Plan/Corporate Business Plan Implications

GOVERNANCE & ACCOUNTABILITY

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

GOVERNANCE & ACCOUNTABILITY

5.3 Make informed decisions within resources and areas of responsibility.

5.3.2 Regular and relevant briefings to Elected Members.

Consultation

Council staff have been in contact and discussion with the Office of Auditor General and Nexus auditors throughout the audit review process.

Risk Assessment

An Insignificant Compliance Risk of Level 1 - Which will likely result in no noticeable regulatory or statutory impact.

8.2 Auditors Management Report 30 June 2024

Department	Finance, Governance & Corporate Services Finance
Author	Dianne Raymond
Reference(s)	305.00 Audits
Attachment(s)	1. Management Report Office of Auditor General 30 June 2024 [8.2.1 - 6 pages]

Voting Requirements

Simply Majority

Staff Recommendation

The Finance, Audit & Risk Management Committee recommends to the Council that the Management Report for the year ending 30 June 2024 be received and actions taken on items listed endorsed.

Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

Background

The Shire of Chapman Valley has received the Management Report from its Auditors Nexia Perth who performed this audit on behalf of the Office of Auditor General (Please refer to Audit Report Letter).

Comment

The Management Report lists three findings with no impact on the audit opinion.

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	

1. Non-Compliance with Local Government (Audit) Regulations 1996 Regulation 17	No		✓		
2. Corporate credit card statement not approved	No		✓		✓
3. Lack of evidence of interview assessment conducted for new employee	No			✓	

These findings are noted by management to be followed up prior to June 2025.

Management will undertake a robust assessment of the appropriateness and effectiveness of the systems and procedures in relation to risk management, internal control, and legislative compliance to meet the legislative requirements of the Local Government Audit Regulation 17. Quotes for service are currently being sought for suitable external experts to be engaged.

Management have acknowledged a misstep in internal processes had occurred and this has been tweaked to ensure Council Management Procedure CMP-021 Corporate Transaction Cards is adhered to fully.

Management have acknowledged the oversight of documenting the movement of an administration employee and will seek to resource the finance and corporate services team adequately to ensure full compliance with Council Management Procedure CMP-060 Recruitment and Selection Procedure.

Statutory Environment

Long Term Financial Plan

No major effect is anticipated on the Long-Term Financial Plan.

Policy/Procedure Implications

No Policy or Management Procedure affected.

Financial Implications

Long Term Financial Plan

No major effect is anticipated on the Long Term Financial Plan.

Strategic Implications

Strategic Community Plan/Corporate Business Plan Implications

GOVERNANCE & ACCOUNTABILITY

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

- 5.1.1 Review policy categories and set ongoing accountability for review processes.
- 5.3 Make informed decisions within resources and areas of responsibility.
- 5.3.1 Council and Shire process formally incorporate integrated plans as references.
- 5.3.2 Regular and relevant briefings to Elected Members.

Consultation

Council Staff have been in contact and discussion with council auditors throughout the audit review process.

Risk Assessment

An Insignificant Compliance Risk of Level 1 – Which will likely result in no noticeable regulatory or statutory impact.

8.3	2023/2024 Annual Report and Annual General Meeting of Electors
Department	Finance, Governance & Corporate Services Chief Executive Officer
Author	Dianne Raymond
Reference(s)	413.01 Annual Electors Meeting
Attachment(s)	1. 2023/2024 Annual Report [8.3.1 - 78 pages]

Voting Requirements

Staff Recommendation 1 - **Absolute Majority**

Staff Recommendation 2 – **Simple Majority**

Staff Recommendation 1 (Absolute Majority Vote Required)

The Finance, Audit & Risk Management Committee recommends to the Council that it

- 1 Accepts the Annual Report for the 2023/2024 Financial Year as required by s5.54 of the Local Government Act 1995 as presented.

Staff Recommendation 2 (Simple Majority Vote Required)

The Finance, Audit & Risk Management Committee recommends to the Council that it

- 1 Receives and accepts the Auditors Financial Report for 2023/2024;
- 2 Receives and accepts the Auditors Management Report 2023/2024;
- 3 Set the date for the Annual General Meeting of Electors for Friday 14 February 2025 commencing 6.00pm at the Nabawa Council Chamber and advertise this meeting accordingly.
- 4 Request the CEO give local public notice of the availability of the Annual Report as required by s5.55 of the Act;
- 5 Provides a copy of the Shire of Chapman Valley 2023/2024 Annual Report to the Director General of the Department of Local Government.

Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

Background

The purpose of this item is to accept the Shire of Chapman Valley 2023/2024 Annual Report, receive the Auditors Report and Management Letter and set a date/time for the Annual General Meeting of Electors.

When considering setting a date for the Annual General Meeting of Electors it is a requirement of s5.27 'Electors General Meeting' of the Local Government Act 1995 this meeting can be no later than 56 days after accepting the Annual Report (17 February 2025).

Comment

The Staff Recommendation is suggesting the date, time and location to hold the Annual General Meeting of Electors as being:

- Friday 14 February 2025
- Commencing at 6.00pm
- Council Chambers, Nabawa

Bearing in mind the Act stipulates the Annual General Meeting of Electors must be held not more than 56 days after the local government accepts the annual report for the previous financial year. Therefore, the latest date the meeting could be held is the 17 February 2025.

It is important to maximise attendances at the Annual General Meeting of Electors by constituents, hence the Staff Recommendation has suggested a date and time, which is in the evening, after the harvest and school holiday periods.

Statutory Environment

No Financial Implications Identified.

Local Government Act 1995

The Local Government Act 1995 states the following:

“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 not more than 56 days after the local government accepts the annual report for the previous financial year. but*
- (3) *The matters to be discussed at general electors’ meetings are to be those prescribed.”*

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.*
- (2) *The local public notice referred to in subsection (1)(a) is to be treated as having commenced at the time of publication of the notice under section 1.7(1)(a)*

and is to continue by way of exhibition under section 1.7(1)(b) and (c) until the meeting has been held.

5.32. Minutes of electors' meetings

The CEO is to —

- (a) cause minutes of the proceedings at an electors' meeting to be kept and preserved; and*
- (b) ensure that copies of the minutes are made available for inspection by members of the public before the council meeting at which decisions made at the electors' meeting are first considered.*

5.33. Decisions made at electors' meetings

- (1) All decisions made at an electors' meeting are to be considered at the next ordinary council meeting or, if that is not practicable —*
 - (a) at the first ordinary council meeting after that meeting; or*
 - (b) at a special meeting called for that purpose, whichever happens first.*
- (2) If at a meeting of the council a local government makes a decision in response to a decision made at an electors' meeting, the reasons for the decision are to be recorded in the minutes of the council meeting.*

5.54. Acceptance of annual reports

- (1) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.*

** Absolute majority required.*

5.55. Notice of annual reports

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government."

Policy/Procedure Implications

No Policy or Management Procedure affected.

Financial Implications

No Financial Implications Identified.

Nil effect on the Long-Term Financial Plan

Strategic Implications

It is considered appropriate to conduct the Annual General Meeting of Electors to retain open and accountable governance and communication with the Shire's constituents

Strategic Community Plan/Corporate Business Plan Implications

GOVERNANCE & ACCOUNTABILITY

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

Consultation

The Shire President, relevant staff and the Shire's Auditors have been consulted and had input into the development of the 2023/2024 Annual Report.

Risk Assessment

An Insignificant Compliance Risk of Level 1 - Which will likely result in no noticeable regulatory or statutory impact.

- Insignificant risk of non-compliance with legislation to complete this activity in accordance with the Local Government Act and associated Regulations.
- Insignificant risk of not conducting the Annual General Meeting of Electors at an appropriate time/date to provide constituents to opportunity to attend.

9 New Business of an Urgent Nature Introduced by Decision of the Meeting

10 Closure