



SHIRE OF
Chapman Valley
love the rural life!

FINANCE, AUDIT & RISK MANAGEMENT COMMITTEE

Minutes



Meeting Date Wednesday 15 March 2023

Meeting Time 2:30 pm

Held via TEAMS

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 Warr

Cr Batten

Cr Forth

Cr Davidson

Grant Middleton (External, Independent Member)

CEO

Manager Finance & Corporate Services

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1 Declaration of Opening & Announcements of Visitors

The President welcomed elected members, staff and visitors to the council meeting and declaring the meeting open at 2:35 pm.

The Shire acknowledged the traditional landowners through the reading of our 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.”

2 Announcements from the Presiding Member

3 Record of Attendance

3.1 Attendees

The following attended the council meeting:

Elected Members

Cr Kirrilee Warr (President)
Cr Darrell Forth (Deputy President)
Cr Nicole Batten
Cr Beverley Davidson

Officers

Jamie Criddle, Chief Executive Officer
Dianne Raymond, Manager Finance & Corporate Services
Beau Raymond, Minute Taker

Visitors

Nil

3.2 Apologies

Grant Middleton (External Independent Member)

4 Disclosure of Interest

Nil

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

Council Resolution

Moved: Cr Darrell Forth **Seconded:** Cr Beverley Davidson

That the Minutes of the Finance, Audit and Risk Management Committee Meeting held on 14 December 2022 be confirmed as true and accurate.

For Cr Beverley Davidson, Cr Darrell Forth, Cr Kirrilee Warr and Cr Nicole Batten

Against Nil

4 / 0

CARRIED UNANIMOUSLY
Minute Reference FARMC 2023/03-1

7 Items to be dealt with En Bloc

Nil

8 Officers Reports

8.1 Compliance Audit Return

Department	Finance, Governance & Corporate Services Chief Executive Officer
Author	Jamie Criddle
Reference(s)	403.05 & 305.12
Attachment(s)	1. Compliance Audit Return 2022 [8.1.1 - 11 pages]

Voting Requirements

Simply Majority

Staff Recommendation

The Finance, Audit & Risk Management Committee recommends the following to Council:

1. The 2022 Compliance Audit Return be signed by CEO and Shire President
2. The 2022 Compliance Audit Return be received and recorded in the Minutes of Council
3. The 2022 Compliance Audit Return is submitted to the Department of Local Government and placed on the Shire website.

Council Resolution

Moved: Cr Darrell Forth **Seconded:** Cr Nicole Batten

The Finance, Audit & Risk Management Committee recommends the following to Council:

1. The 2022 Compliance Audit Return be signed by CEO and Shire President
2. The 2022 Compliance Audit Return be received and recorded in the Minutes of Council
3. The 2022 Compliance Audit Return is submitted to the Department of Local Government and placed on the Shire website.

For Cr Beverley Davidson, Cr Darrell Forth, Cr Kirrilee Warr and Cr Nicole Batten

Against Nil

4 / 0

CARRIED UNANIMOUSLY
Minute Reference FARMC 2023/03-2

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

Every Local Government Authority in Western Australia is required to complete the Compliance Audit Return (CAR) each year. The purpose of this item is to present the 2021 Compliance Audit Return to the Committee to review prior to going to Council for formal adoption and forwarding a certified copy to the Department of Local Government.

Comment

A Draft copy of the Shire of Chapman Valley 2022 Compliance Audit Return has been provided to Councillors as attachment ***Compliance Audit Return 2022***

Statutory Environment

No Financial Implications Identified.

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

No Financial Implications Identified.

Long Term Financial Plan

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

Strategic Implications

Nil

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

Council staff have been consulted as part of the process to complete the Compliance Audit Report.

Risk Assessment

An Insignificant Health Risk of Level 1 - Which could result in negligible injuries.

An Insignificant Service Disruption Risk of Level 1 - Which will likely resulting in no material service disruption.

An Insignificant Reputational Risk of Level 1 - Which will likely result in unsubstantiated, low impact, low profile or 'no news' item.

8.2	Financial Management Review
Department	Finance, Governance & Corporate Services Finance
Author	Dianne Raymond
Reference(s)	312.00
Attachment(s)	1. Financial Management Review Report 2022 [8.2.1 - 19 pages]

Voting Requirements

Simply Majority

Staff Recommendation

The Finance, Audit & Risk Management Committee recommends to Council that the items identified and management comments (as action plans) be endorsed.

Council Resolution

Moved: Cr Nicole Batten **Seconded:** Cr Darrell Forth

The Finance, Audit & Risk Management Committee recommends to Council that the items identified and management comments (as action plans) be endorsed.

For Cr Beverley Davidson, Cr Darrell Forth, Cr Kirrilee Warr and Cr Nicole Batten

Against Nil

4 / 0

CARRIED UNANIMOUSLY
Minute Reference FARMC 2023/03-3

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 is required by legislation (*Local Government (Financial Management) Regulation, 1996*) to undertake a review on the financial management procedures of the organisation i.e.

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

(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.*

The Shire of Chapman Valley has recently undertaken the latest review in accordance with the legislated time frame stipulated and received the *Financial Management Review Report* from Dry Kirkness (Audit) Pty Ltd

Comment

The review covered the period 1 July 2019 to 30 June 2022 in relation to financial management controls and this was performed in October 2022. Audit officers from Dry Kirkness attended the office and performed a

- (a) Review of the Shire's compliance with Local Government laws and regulations through enquiry, inspection and observation.*
- (b) Review of the appropriateness and effectiveness of the Shire's systems and procedures in relation to financial management by performing system walkthroughs, enquiry, inspection, and observation.*

The scope included review of policies, procedures and plans for legislative compliance and internal controls and has noted areas of concern which are detailed in the attached Financial Management Review Report. Findings are detailed in relation to these areas are categorized as "Moderate" or "Minor", which indicate a generally good system of internal control. Recommendations for improvement identified during the review have been discussed with management (Manager Finance & Corporate Services, Chief Executive Officer and Financial Services Officer) and action plans or implementation to address these risks within acceptable timeframes were agreed upon.

All areas of concern have been noted with a management comment in red in the attached Financial Management Review Report.

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

The financial management review of the Shire's operations is integral to monitoring how the 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.

Consultation

Council staff have been in contact and discussion with the audit officers throughout the audit review process.

Risk Assessment

A Minor Financial Impact Risk of Level 2 - Which will likely be between \$1,001 to \$10,000.

An Insignificant Service Disruption Risk of Level 1 - Which will likely resulting in no material service disruption.

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

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

Nil

10 Closure

The Shire President thanked Elected Members and Staff for their attendance and closed the Finance Audit and Risk Management Committee 15 March 2023 at 2:52 pm.