



**MINUTES
FOR
AUDIT COMMITTEE MEETING
Wednesday 15 December 2021**

**Council Chambers
Lot 66 Railway Street
Trayning WA 6488**

Commencement: 2:30pm

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Signed



Leanne Parola
Chief Executive Officer

PREFACE

When the Chief Executive Officer approves these Minutes for distribution they are in essence “Unconfirmed” until the following Meeting, where the Minutes will be confirmed subject to any amendments made by the members of the Committee

The “Confirmed” Minutes are then signed off by the Presiding Person.

UNCONFIRMED MINUTES

These minutes were approved for distribution on 17 December 2021.



Leanne Parola
CHIEF EXECUTIVE OFFICER

CONFIRMED MINUTES

These minutes were confirmed at a meeting held on

Signed:.....

Note: The Presiding Member at the meeting at which the minutes were confirmed is the person who signs above.

AGENDA

Audit Committee of the Trayning Shire Council,
to be held in the Council Chambers, Lot 66 Railway Street, Trayning,
on Wednesday 15 December 2021, commencing at 2.30 pm.

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1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Chairperson, Cr MA Brown, welcomed all Members, Staff declaring the meeting open at 2.30 pm.

2 RECORD OF ATTENDANCE

COMMITTEE MEMBERS

Cr Melanie Brown (Chairperson)
Cr Geoff Waters (Deputy President)
Cr Peter Barnes
Cr Mark Leslie
Cr Clayton Marchant
Cr Michelle McHugh
Cr Freda Tarr

STAFF

Mrs Leanne Parola (Chief Executive Officer)
Miss Belinda Taylor (Manager of Corporate Services)

3 MINUTES OF MEETINGS

Background

The Audit Committee Minutes of the previous meeting held 17 November 2021, have been circulated to all Councillors.

Officer Recommendation/Committee Decision

Moved Cr ML McHugh

Seconded Cr PM Barnes

That the minutes of the Audit Committee Meeting held on 17 November 2021 are a true and correct record of the proceedings.

Resolution 12-2021.04

Carried 6/0

4 BUSINESS AS NOTIFIED

4.1 Annual Report 2020/21

Date of Report:	24 November 2021
Proponent:	N/A
File Ref:	3.2.6.4 – Annual Report
Officer:	Leanne Parola, Chief Executive Officer
Officer's Disclosure of Interest:	Nil
Attachments:	2020/21 Annual Report
Voting Requirements:	Simple Majority

Purpose of Report

The Audit Committee is requested to examine the Annual Report which includes the Audit Financial Report, for the year ending 2020/2021 and recommend its adoption by Council.

Background

The purpose and responsibilities of the Audit Committee is outlined in Part 7 of the Local Government Act 1995.

One of the Audit Committee's responsibilities is to examine the reports of the auditor. The committee would then determine if any matters raised in the reports require action to be taken by the local government and to ensure that appropriate action is implemented. The Audit Committee is to receive and authorise a report relating to the audit prepared by the Chief Executive Officer that is subsequently to be sent to the Minister.

This report outlines actions intended to be undertaken in relation to matters identified by the auditor.

Consultation

The completion of the annual financial report and audit required staff to undertake extensive consultation with the audit staff and no further consultation is required.

Statutory Environment

Local Government Act 1995, Section 7.9 requires the Auditor to examine the accounts and annual financial report by 31 December following the end of the financial year.

Local Government Act 1995, Section 7.12A sets out the requirements for local governments in respect to audits. This includes the need to prepare a report to the Minister within 3 months of receiving the audit report if the auditor identifies any items it considers significant.

Local Government (Audit) Regulations 1996, section 10 requires the audit report

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to be forwarded to the Audit Committee within 30 days of completing the audit.

Local Government (Audit) Regulations 1996, section 16 describes the functions of the audit committee.

Policy Implications

The Shire's Accounting Policies are included in the notes to the Financial Statements.

Financial Implications

The Office of the Auditor General has not provided an invoice of costs for performing the audit at this time. There will be costs associated with holding an Audit Committee Meeting and the Electors General Meeting.

Strategic Implications

There are no strategic implications relevant to the adoption of the Annual Report. Actions to address the findings of the auditors may have an impact on future versions of the Long Term Financial Plan and the Asset Management Plan.

Environmental Implications

There are no significant environmental implications.

Officer's Comment

The auditors completed the audit for the financial year ended 30 June 2021 in August 2021 and issued the Audit Report on 23 November 2021.

The Auditor reported two (2) matters indicating non-compliance in the Audit Report:

- a) *For approximately 22% of transactions sampled the Shire did not have a sufficient number of supplier quotes as required under the Shire's purchasing policy or there was no documentation to explain why other quotes were not sought; and*
- b) *Five users (excluding administrators) have super user access to the Shire's systems, one of which was a contractor to the Shire. There were an additional 12 users that had the same profile without access to payroll system.*

At the Audit Committee Meeting held 17 November 2021, staff have advised that the majority of the transactions which did not appear to comply with the purchasing policy were made before current staff were engaged. There is a high chance that the policy was followed, however records could not be found to verify this.

Staff have sought a quotation from IT Vision to purchase it's online procurement module which will ensure that details of quotations sought and received will be retained and that the purchasing policy will have to either be adhered to, or an explanation as to why not be authorised.

Staff will include a request for budget variation in the February Budget Review to

allow the purchase of this software.

The IT Vision User Group are developing a recommended security structure for user access in SynergySoft. When this structure is released it will be adopted by the Shire of Trayning.

Officer Recommendation/Committee Decision

Moved Cr GF Waters	Seconded Cr ML McHugh
The Audit Committee recommends that Council:	
1) Accept the Shire of Trayning Annual Report that includes the Audited Financial Statements and Auditors Report for the year ending 30 June 2021.	
2) Endorse the content of the Officer's Comment in agenda item as the Shire of Trayning's report to the Minister.	
3) Hold an Electors' General Meeting at 6 pm on Wednesday 16 February 2022.	
Resolution 12-2021.05	Carried 6/0

5 URGENT BUSINESS BY DECISION OF MEETING

Nil

6 MATTERS FOR WHICH THE MEETING MAY BE CLOSED

Nil

7 NEXT MEETING

As required

8 CLOSURE OF MEETING

There being no further business, Councillor Brown closed the meeting at 2:34pm.