



Shire of
Plantagenet

Mount Barker • Kendenup • Narrikup
Porongurup • Rocky Gully

AUDIT AND RISK MANAGEMENT COMMITTEE MINUTES

**A meeting of the Audit and Risk Management Committee
was held in the Committee Room,
Lowood Road, Mount Barker WA 6324
at 3:00pm on Tuesday 26 November 2024**

**Julian Murphy
CHIEF EXECUTIVE OFFICER**



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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Presiding Member declared the meeting open at 3.19pm.

2 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

Members Present

Cr L Handasyde (Presiding Member)

Cr J Liebeck

Cr K Clements

Cr S Etherington (Deputy)

Observers

Cr J Oldfield (Deputy)

Cr W Sheard (Deputy)

Staff

Mr Julian Murphy – Chief Executive Officer

Mr Anthony Middleton - Executive Officer Corporate and Community Services

Ms Kylie Caley – Manager of Finance

Leave of Absence

Cr A Fraser

3 CONFIRMATION OF MINUTES

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr J Liebeck, seconded Cr K Clements:

That the Minutes of the Meeting of the Audit and Risk Management Committee held on 18 June 2024 as circulated, be taken as read and adopted as a correct record.

CARRIED 4-0

4 DISCLOSURE OF INTEREST

Part 5 Division 6 Local Government Act 1995

There were no disclosures of interest.

5 REPORTS OF COMMITTEE MEMBERS AND OFFICERS

5.1 COMMITTEE STATUS REPORT

The status list below captures all issues raised at Committee meetings since 18 June 2024 and will enable Committee members to easily track the actions taken. Once completed, the text will be crossed out and then deleted in the following agenda.

Date	Item	Issue	Comment/Status
18 June 2024	2022/2023 Final Audit 1. Non Compliance with Local Government (LG) act – Proceeds from sale of property	The Shire should organise payment of these funds as per the Local Government Regulations to the Supreme court as soon as possible to fulfil their obligations.	Funds have been forwarded to our lawyers trust account. This has removed the 'funds' issue for 2023/2024 and now the expensive process of liaising with the Supreme Court needs to be finalised.
18 June 2024	2022/2023 Final Audit 2. General IT controls – User access & permission levels	Management should: (i) regularly review staff access to certain modules, to ensure duties remain effectively segregated without preventing tasks being completed effectively and efficiently. (ii) Review "SUPERUSER" access based on role and functions required. (iii) accounts that are no longer required should be removed in a timely manner.	Completed.
18 June 2024	2022/2023 Final Audit 3. Late submission of annual financial report to auditor	Management should ensure they comply with the regulations relating to the delivery of its financial statements to the auditors to ensure compliance.	Noted / No further action. The 2023/2024 Annual Financial Report was submitted on 27 September, thus meeting the deadline.

18 June 2024	2022/2023 Final Audit 4. Compliance with local government regulations – Missing annual related party declarations	The shire should review its current related party disclosures collection process and ensure all KMP's complete a disclosure to allow the Shire to complete its financial statement disclosures.	All staff and elected members will be reminded of the importance to submit information to enable various processes to be completed.
18 June 2024	2022/2023 Final Audit 5. Transfer of funds to reserve bank accounts	All transfers of funds between bank accounts should be recorded in the general ledger when transacted and physically transferred to between the bank accounts as soon as practicable.	Noted / No further action.
18 June 2024	2022/2023 Final Audit 6. Payroll master file audit trail review	Management should ensure that all changes made to the payroll master file are reviewed by an independent senior officer and evidence of this review is to be retained.	Noted. Procedures have been amended to ensure this occurs.
18 June 2024	2022/2023 Final Audit 7. Festival cash receipts	Management should ensure all cash collections and receipting process should be accompanied by supporting evidence and authorised by a responsible officer.	Noted. Procedure changed to include hand-written cash receipts are provided (e.g. Narrikup Festival of Small Halls Event). An online booking system such as bookable is also being investigated.

5.2 INTERIM AUDIT RESULTS – YEAR ENDING 30 JUNE 2024

Attachment:	<u>Auditor's Management Letter</u>
Responsible Officer:	Julian Murphy Chief Executive Officer
Author:	Anthony Middleton Executive Manager – Corporate & Community
Proposed Meeting Date:	26 November 2024

PURPOSE

The purpose of this report is to consider the issues raised in the 2023/2024 Interim Audit.

BACKGROUND

The interim Audit was held onsite from 4 – 6 June 2024 and the interim audit findings were received on 11 September 2024.

EXTERNAL CONSULTATION

Lincoln's Accountants and Office of the Auditor General.

STATUTORY ENVIRONMENT

The interim audit is prepared under the *Local Government Act 1995* and relevant Regulations.

POLICY IMPLICATIONS

Policy implications do not apply for this report and it is the opinion of the author that policy development is not required.

FINANCIAL IMPLICATIONS

This item reports on financial processes and systems used by the organisation. The recommendation does not in itself have a financial implication.

BUDGET IMPLICATIONS

There are no budget implications for this report.

LEGAL IMPLICATIONS

There are no legal implications for this report.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications as no assets are being created or acquired.

STRATEGIC IMPLICATIONS

The Shire of Plantagenet Corporate Business Plan 2022/23 – 2025/26 provides:

At *Outcome 4 Performance & Leadership* the following Strategies:

Strategy 4.1.3:

‘A Shire that is open and transparent with its community.’

Accordingly, the recommended outcome for this report aligns with the Corporate Business Plan.

STRATEGIC RISK IMPLICATIONS

A key element of the Strategic Risk Register relates to ‘Failure to Fulfil Compliance Requirements (Statutory, Regulatory)’. Currently, the overall control rating is assessed as adequate.

REGIONAL IMPLICATIONS

There are no regional implications for this report.

OFFICER COMMENT

The Auditors Management Letter is attached to this item. The six (6) issues raised in the management letter will be added to the ‘Status Report’ (refer item 5.1) for inclusion in future Committee agendas. This will ensure that Committee members can monitor staff progress in addressing each item.

The six issues raised were as follows:

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Monthly reconciliation's process	No	✓			
2. General journals review process	No	✓			
3. Non-compliance LG Act – proceeds from sale of property	No	✓			✓
4. Payroll master file review	No		✓		✓
5. General IT controls – user access & permissions	No		✓		✓
6. Purchasing policy deviation – purchase orders	No		✓		

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr S Etherington, Seconded Cr J Liebeck:

That the Committee notes the six (6) matters raised in the Auditor's Management Letter and include in the future Committee Status Reports.

CARRIED 4-0

6 GENERAL BUSINESS

Nil

7 NEXT MEETING

To be advised (upon the receipt of the 2023/2024 final audit).

8 CLOSURE OF MEETING

There being no further business to discuss, the Presiding Member declared the meeting closed at 3.50pm.

CONFIRMED: PRESIDING MEMBER _____ DATE: ___/___/___