



murchisonshire

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Agenda for the Meeting of the

Murchison Shire Council Audit Committee

To be held in the Council Chambers, Carnarvon Mullewa Road, Murchison,
on Thursday **25 May 2023**, commencing at 10:30am

Purpose To receive and consider the Audit Closing Report and Financial Report for the year ending 30 June 2022 and any aspects that may have arisen

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ATTACHMENTS

1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

Shire President Rossco Foulkes-Taylor declared the meeting open at 10.35am

2 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

Councillors

Cr R Foulkes-Taylor – President
Cr Q Fowler

Staff

Bill Boehm – CEO
Travis Bate (RSM) - Financial Accountant

Leave of Absence

Cr A Whitmarsh

3 CONFIRMATION OF MINUTES

3.1 Audit Committee Meeting – 23 February 2023

Background

Minutes of the Audit Committee Meeting of Council have previously been circulated to all Audit Committee Members.

Recommendation

That the minutes of the Audit Committee meeting held on Thursday 23 February 2023 be confirmed as an accurate record of proceedings

Voting Requirements

Simple Majority

Committee Decision

Moved: Cr Q Fowler

Seconded: Cr R Foulkes-Taylor

That the minutes of the Audit Committee meeting held on Thursday 23 February 2023 be confirmed as an accurate record of proceedings

Carried

For

2

Against

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4 ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION

Nil

5 REPORTS

5.1 Audit Closing Report 2021-22

File	2.2
Author	Bill Boehm – Chief Executive Officer
Interest Declared:	No interest to disclose
Date	22 May 2023
Attachments	5.1.1 Audit Closing Report

Matter for Consideration

Consideration of a report of the Audit Closing Report.

Report

As part of the process in considering the Annual Financial Report under s6.4 of *the Local Government Act 1995*, the Auditor and Office of the Auditor General usually normally meet with Chief Executive Officer and Shire President and discuss an Audit Closing Report, the purpose of which is to brief the Shire on the results of the substantially completed audit.

This year due to work commitments and staff changes by the contract Auditors (Pitcher Partners) (Auditors) whilst the Audit Closing Report was prepared the actual Exit Meeting was not able to be arranged.

During the process of conducting the Audit various personnel were involved including the following.:

- ~ Shire of Murchison. Cr Rossco Foulkes-Taylor (Shire President), Bill Boehm Chief Executive Officer and Travis Bate (RSM) Financial Accountant
- ~ Office of the Auditor General. Jay Teichert (Director Financial Audit)
- ~ Pitcher Partners (Auditors). Michael Faye (Executive Director) and Gana Sajan (Accountant)

The Audit Closing Report describes in detail the substance of the findings In the meetings and discussions undertaken throughout the Office of the Auditor General; and Pitcher Partners were appreciative of the response by Council staff and generally pleased with the results

Notwithstanding the delays in finalising the Audit the overall result is pleasing with a recommendation made to the Auditor General that an unqualified audit opinion be issued on the financial statements. There were also no matters of significance under s24(1) of the *Auditor General Act 2006* that came to their attention and as such require reporting.

There was one matter raised with respect to valuation report prepared by Greenfields Technical Services (GTS) in relation to the valuation of roads and bridges infrastructure with a note that the Initial review of the valuation report provided by GTS noted that there was

- ~ no explicit statement that the valuation had been performed in accordance with Australian Accounting Standards and for financial reporting purposes.
- ~ That GTS are not currently accredited for valuations of this nature.

A management letter point was raised to recommending that management ensures that instructions issued to valuers are clear as to the purpose and that management should ensure that an assessment of the appropriateness of the valuers qualifications and accreditations is performed.

This has been noted but also the finding that the valuation work undertaken by Greenfields can be relied upon

Strategic and Policy Implications

Nil.

Consultation

Travis Bate (RSM) - Financial Accountant

Recommendation

That the Audit Committee notes the Chief Executive Officers Audit Closing 2021-22 Report and recommends to Council that at its 25 May 2023 Council Meeting that Council notes and accepts the Audit Committees decision.

Voting Requirements

Simple Majority

Committee Decision

Moved: Cr R Foulkes-Taylor

Seconded: Cr Q Fowler

That the Audit Committee notes the Chief Executive Officers Audit Closing 2021-22 Report and recommends to Council that at its 25 May 2023 Council Meeting that Council notes and accepts the Audit Committees decision.

Carried

For

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Against

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5.2 2021/22 Financial Report

File	2.2
Author	Bill Boehm – Chief Executive Officer
Interest Declared	No interest to disclose
Date	22 May 2023
Attachments	5.2.1 2021/22 Financial Report

Matter for Consideration

Consideration of the 2021-22 Financial Report.

Background

The 2021-22 Financial Report was prepared and sent to the Auditor after 30 September 2020 following an extension in time being obtained from the Minister for Local Government as prescribed under the *Local Government Act 1995*.

The audited report, once adopted by Council, will be included in the Annual Report 2021-22 for presentation at the Annual Meeting of Electors to be held within 56 days of the adoption of the report.

Comment

The Office of the Auditor General arranged for Pitcher Partners to conduct the audit of the Financial Report 2021-22 on its behalf in accordance with Australian Auditing Standards. The Office believe that the audit evidence obtained was sufficient and appropriate to provide a basis for its audit opinion.

In conducting the audit, the Auditor General and Pitcher Partners followed applicable independence requirements of Australian professional ethical pronouncements.

The overall result is pleasing with the Auditor General issuing an unqualified audit opinion on the financial statements. There were also no matters of significance under s24(1) of the *Auditor General Act 2006* that came to their attention, and as such require reporting.

The formal Audit Opinion is contained within the 2021-22 Financial Report

Statutory Environment

Local Government Act 1995

Division 3 — Reporting on activities and finance

6.4. Financial report

- (1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.*
- (2) The financial report is to —*
 - (a) be prepared and presented in the manner and form prescribed; and*
 - (b) contain the prescribed information.*
- (3) By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —*
 - (a) the accounts of the local government, balanced up to the last day of the preceding financial year; and*
 - (b) the annual financial report of the local government for the preceding financial year.*

Strategic Implications

Nil.

5.3 Matters Arising from the 2021/22 Audit

File	2.2
Author	Bill Boehm – Chief Executive Officer
Interest Declared	No interest to disclose
Date	22 May 2022
Attachments	5.3.1 Management Representation Letter & Attachments

Matter for Consideration

Consideration of several legal and regulatory items raised in Independent Auditors Report of the 2021/22 Financial Report.

Background

There were several legal and regulatory items raised in relation to Financial Ratios under Note 28 of the financial statements and some formal policies to supporting current operating procedures that have been included in the Audit Report. This aspect is not unusual, and matters raised are similar to previous years.

Comments

Specific Matters raised by the Independent Auditor with Management Responses are attached.

Strategic Implications

Nil.

Policy Implications

Nil.

Budget/Financial Implications

Nil

Sustainability Implications

Environmental	There are no known significant environmental considerations
Economic	There are no known significant economic considerations
Social	There are no known significant social considerations

Consultation

Travis Bate (RSM) - Financial Accountant

Recommendation

That the Audit Committee notes the Chief Executive Officer's Matters Arising from the 2021/22 Audit Report and recommends to Council that at its 25 May 2023 Council Meeting that Council notes and accepts the Audit Committees decision.

Voting Requirements

Simple Majority

Committee Decision

Moved: Cr Q Fowler

Seconded: Cr R Foulkes-Taylor

That the Audit Committee notes the Chief Executive Officer's Matters Arising from the 2021/22 Audit Report and recommends to Council that at its 25 May 2023 Council Meeting that Council notes and accepts the Audit Committees decision.

Carried

For

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Against

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6 URGENT BUSINESS

Nil

7 MEETING CLOSURE

The Shire President closed the meeting at 10.46am

Minutes of the Meeting were confirmed at the Audit Committee Meeting held on

Signed.....

Committee Chair