

TOWN OF BASSENDEAN

NOTICE OF THE MEETING OF THE

AUDIT AND GOVERNANCE COMMITTEE

Dear Committee Member

The meeting of the Town of Bassendean's Audit and Governance Committee will be held in the Council Chamber, 48 Old Perth Road, Bassendean on Wednesday 14 April 2021, commencing at 5.30pm.

Ms Peta Mabbs
CHIEF EXECUTIVE OFFICER

7 April 2021

A G E N D A

1.0 DECLARATION OF OPENING; ANNOUNCEMENT OF VISITORS; ACKNOWLEDGEMENT OF COUNTRY

Acknowledgement of Traditional Owners

The Town of Bassendean acknowledges the past and present traditional owners of the land on which we gather to conduct this meeting, and pays its respects to their Elders, both past and present.

2.0 ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

3.0 ATTENDANCES, APOLOGIES AND APPLICATIONS FOR LEAVE OF ABSENCE

Apologies

Cr McLennan, Member
Cr Gangell, Deputy Member
Amy Holmes, Minute Secretary

4.0 DECLARATIONS OF INTEREST

5.0 PRESENTATIONS OR DEPUTATIONS

6.0 CONFIRMATION OF MINUTES

6.1 Audit and Governance Meeting held on 10 March 2021

OFFICER RECOMMENDATION – ITEM 6.1

That the minutes of the Audit and Governance Committee meeting held on 10 March 2021, be confirmed as a true record.

7.0 BUSINESS DEFERRED FROM PREVIOUS MEETING

8.0 REPORTS

Item No. 8.1	Annual Audit of the Financial Report for 2020-21 – Audit Planning Memorandum
Property Address (if applicable)	N/A
Landowner/Applicant (if applicable)	N/A
File Ref/ROC	FINM/AUD/7
Previous Council Reports (if applicable)	N/A
Directorate	Corporate Services
Authority/Discretion <input type="checkbox"/> <input checked="" type="checkbox"/>	
<input type="checkbox"/> Advocacy	When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
<input checked="" type="checkbox"/> Executive	The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
<input type="checkbox"/> Legislative	Includes adopting local laws, town planning schemes and policies.
<input type="checkbox"/> Review	When the Council operates as a review authority on decisions made by Officers for appeal purposes.

<input type="checkbox"/> Quasi-Judicial	When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under <i>Health Act, Dog Act</i> or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.
Attachment No. 1	OAG Audit Update

Purpose

The purpose of this report is to provide the Committee with the Audit Planning Memorandum (APM) for the audit of the Town's Financial Report for 2020-21.

Background

The primary purpose of the APM is to brief the Town on the proposed approach by RSM Australia (RSM), on behalf of the Office of the Auditor General (**OAG**), to audit the financial report of the Town for the year ending 30 June 2021.

Proposal

For the Audit and Governance Committee to receive the APM.

Communication and Engagement

RSM held a pre-planning meeting with the Town's administration on 8 March 2021 to review and update the overall audit approach and plan.

Strategic Implications

Priority Area 6: Providing Visionary Leadership and Making Great Decisions

Make brave decisions in line with a risk appetite	<ul style="list-style-type: none"> • Early identification of potential risks / issues/opportunities • Embed opportunity cost considerations 	<p>SHORT TERM</p> <ul style="list-style-type: none"> • Efficient and effective Council meetings • Defensible decision making that is based on the identification of opportunities and benefits as well as negative impacts <p>LONG TERM</p> <ul style="list-style-type: none"> • Examples of being first adopters
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Comment

Following the audit, a final audit findings meeting will be held with Town management, the OAG and RSM to discuss any significant accounting issues and findings noted during the final audit. If there are significant, unresolved matters, then a meeting will also be held with the Committee and CEO.

The Final Audit Exit Meeting with the Committee is expected to be held on 1 December 2021 and will cover the presentation and discussion of the audit closing report, which will outline any significant audit related matters concerning the financial report, management letters and improvement suggestions for future audits.

Statutory Requirements

Local Government Act 1995

6.4 Financial report

A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.

The financial report is to —

- (a) be prepared and presented in the manner and form prescribed; and*
- (b) contain the prescribed information.*

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.*

Local Government (Financial Management) Regulations 1996

The Regulations specify the required content of the annual financial report prepared under section 6.4 of the Local Government Act 1995.

Local Government Act 1995

7.12AB Conducting a financial audit

The auditor must audit the accounts and annual financial report of a local government at least once in respect of each financial year.

7.12AD Reporting on a financial audit

- (1) *The auditor must prepare and sign a report on a financial audit.*
- (2) *The auditor must give the report to —*
 - (a) *the mayor, president or chairperson of the local government; and*
 - (b) *the CEO of the local government; and*
 - (c) *the Minister.*

Local Government (Audit) Regulations 1996

10 Report by auditor

- (1) *An auditor's report is to be forwarded to the persons specified in section 7.9(1) within 30 days of completing the audit.*
- (2) *The report is to give the auditor's opinion on —*
 - (a) *the financial position of the local government; and*
 - (b) *the results of the operations of the local government.*
- (3) *The report is to include —*
 - (a) *any material matters that in the opinion of the auditor indicate significant adverse trends in the financial position or the financial management practices of the local government; and*
 - (b) *any matters indicating non-compliance with Part 6 of the Act, the Local Government (Financial Management) Regulations 1996 or applicable financial controls in any other written law; and*
 - (c) *details of whether information and explanations were obtained by the auditor; and*
 - (d) *a report on the conduct of the audit; and*
 - (e) *the opinion of the auditor as to whether or not the following financial ratios included in the annual financial report are supported by verifiable information and reasonable assumptions —*
 - (i) *the asset consumption ratio; and*
 - (ii) *the asset renewal funding ratio.*

(4A) *In subregulation (3)(e) —*

asset consumption ratio *has the meaning given in the Local Government (Financial Management) Regulations 1996 regulation 50(2);*

asset renewal funding ratio *has the meaning given in the Local Government (Financial Management) Regulations 1996 regulation 50(2).*

- (4) *Where it is considered by the auditor to be appropriate to do so, the auditor is to prepare a management report to accompany the auditor's report and to forward a copy of the management report to the persons specified in section 7.9(1) with the auditor's report.*

Financial Considerations

The budget for the audit of the Town's annual Financial Report will be presented to Council as part of the draft Annual Budget for 2021-22.

Risk Management Implications

The annual audit of the Town's Financial Report is an important part of the Town's approach to identifying, assessing and treating risks. While audits are not an absolute guarantee of the accuracy or reliability of the Town's information and may not identify all matters of significance, the audit is likely to highlight any significant risks and weaknesses in controls for risk mitigation by the Town.

Officer Recommendation – Item 8.1

That the Audit and Governance Committee receives the RSM Audit Planning Memorandum.

Voting requirements: Simple majority

9.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

10.0 ANNOUNCEMENTS OF NOTICES OF MOTION FOR THE NEXT MEETING

11.0 CONFIDENTIAL BUSINESS

12.0 CLOSURE

The next Audit and Governance Committee meeting is to be held on Wednesday, 9 June 2021, commencing at 5.30pm.