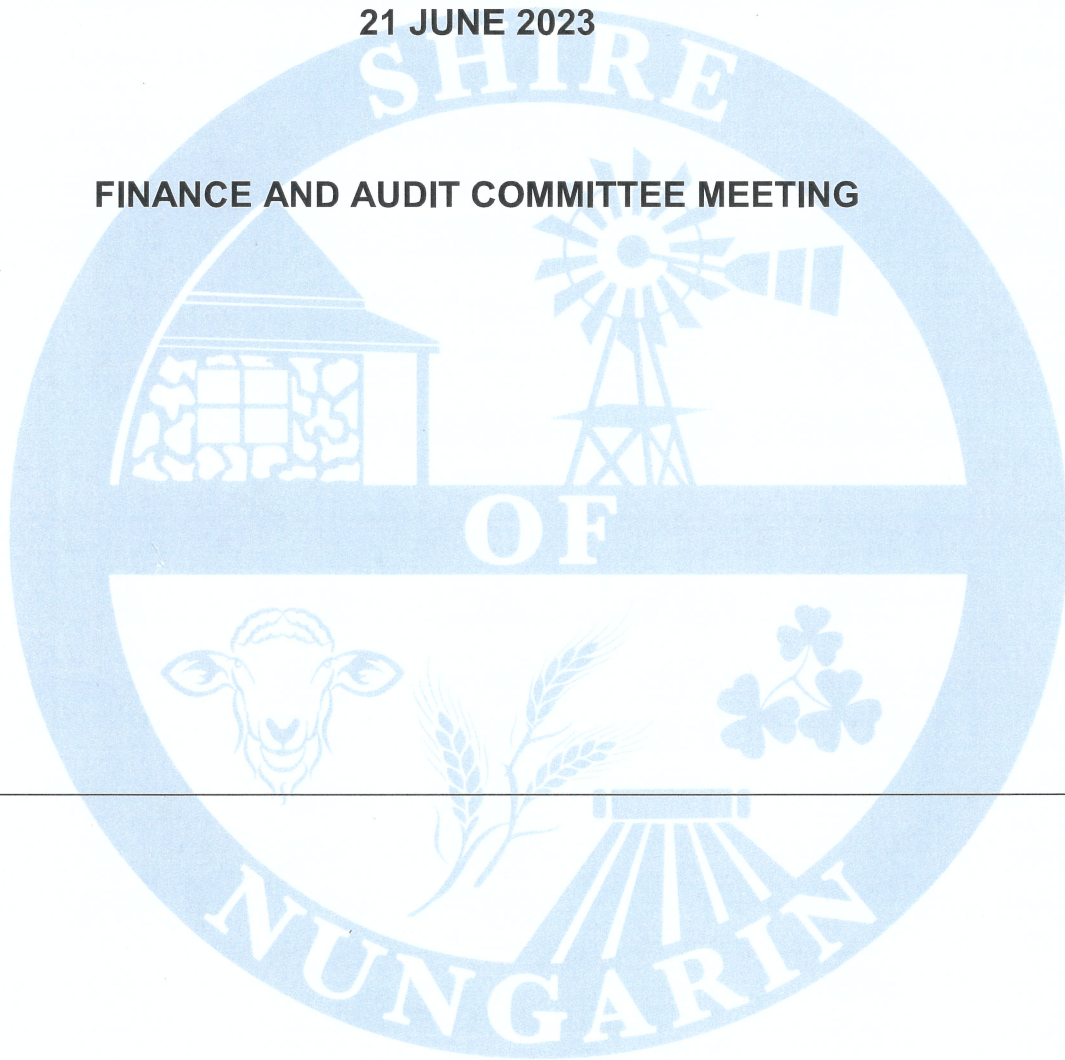




**MINUTES**

**21 JUNE 2023**

**FINANCE AND AUDIT COMMITTEE MEETING**



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## **AGENDA**

### **1. DECLARATION OF OPENING**

The Presiding Member declared the meeting open at 3:01pm.

#### **Affirmation of Civic Duty and Responsibility as Read**

*I make this Affirmation in good faith on behalf of Councillors and Officers of the Shire of Nungarin. We collectively declare we will duly, faithfully, honestly and with integrity fulfil the duties of our respective office and positions for all the people in the district according to the best of our judgment and ability.*

#### **Acknowledgement of Traditional Custodians**

We wish to acknowledge the Traditional Custodians of the land we are meeting on, the Njaki Njaki Nyoongar people, and recognise the contribution of Elders past, present and future.

### **2. ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE**

**2.1 ATTENDANCE**

**Councillors**

Shire President	Cr P de Lacy
Deputy Shire President	Cr G Coumbe
Elected Member	Cr RE O'Connell
Elected Member	Cr K Dayman
Elected Member	Cr W Lee
Elected Member	Cr M Caughey

**Council Officers**

A/Chief Executive Officer	Mr D Nayda
MCS	Crystal Pearce

**Observers / Visitors**

2.2 APOLOGIES Cr Davis

2.3 REQUEST FOR LEAVE OF ABSENCE

DECLARATIONS OF INTEREST

3.

3.1 FINANCIAL AND PROXIMTY INTEREST

3.2 DISCLOSURES OF INTEREST THAT MAY CAUSE A  
CONFLICT

4.

ANNOUNCEMENT BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)

5.

PREVIOUS FINANCE AND AUDIT COMMITTEE MEETING MINUTES

5.1 FINANCE AND AUDIT COMMITTEE MEETING – 15 FEBRUARY 2023

**FINANCE COMMITTEE RESOLUTION FAC09/06/23**

That the Minutes of the Finance and Audit Committee Meeting held on 15 February 2023 be confirmed as being a true and accurate record.

Moved: CrG Coumbe

Seconded: CrW Lee

**CARRIED 6/6**

## 6. OFFICER REPORTS

<b>6.1 AUDIT REGULATION 17 REVIEW</b>	
<b>File Ref:</b>	
<b>Previous Items:</b>	Nil
<b>Applicant:</b>	Nil
<b>Author and Title:</b>	David Nayda, Acting Chief Executive Officer
<b>Declaration of Interest:</b>	Nil
<b>Voting Requirements:</b>	Simple Majority / Absolute Majority
<b>Attachment Number</b>	6.1 – Review of Legislative Compliance Internal Controls and Risk Management Systems

### **FINANCE COMMITTEE RESOLUTION FAC10/06/23**

That the Committee recommend that Council:

- 1) **Accept the Review of Legislative Compliance Internal Controls and Risk Management systems**
- 2) **Request the CEO to prepare a detailed response to the recommendations within the Review Report for consideration at a future Audit Committee Meeting.**

Moved: CrKDayman  
Seconded: CrWLee

**CARRIED 6/6**

### **IN BRIEF**

Review and adoption of the recommendations set out in document 8.7a Review of Legislative Compliance Internal Controls and Risk Management Systems.

### **BACKGROUND**

The Shire of Nungarin appointed Darren Long Consulting to undertake a review of the local government's legislative compliance, internal control and risk management systems and procedures, as required by regulation 17(1) of the Local Government (Audit) Regulations 1996 and report as to their appropriateness and effectiveness.

The compliance programs of a local government are a strong indication of attitude towards meeting legislative compliance and risk management approach.

Internal control is a key component of a sound governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. Internal control systems involve policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with legislation and achieve effective and efficient operations and may vary depending on the size and nature of the local government.

The Review Report is an attachment to this item.

### **REPORT DETAIL**

Pursuant to Regulation 17(1) of the Local Government (Audit) Regulations 1996, the Chief Executive Officer (CEO) of a local government is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:

- (a) Legislative compliance;
- (b) Internal control; and
- (c) Risk management

Regulation 17(2) states that the review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

In addition, Regulation 17(3) requires the CEO to report to the audit committee the results of that review.

Darren Long Consulting have prepared and presented the attached report for consideration by the Audit Committee and Council. The review makes a significant number of recommendations which should be carefully considered by the substantive Chief Executive Officer before reporting back to the Audit Committee.

### **SHIRE OF NUNGARIN INTEGRATED STRATEGIC PLAN 2023 - 2033**

<b>Focus Area</b>	CMC Leadership
<b>Aspiration</b>	A strong local democracy with an actively engaged community and effective partnerships
<b>Objective</b>	16.7 Annual review compliance methods

### **OTHER STRATEGIC LINKS**

nil

### **STATUTORY ENVIRONMENT**

Regulation 17(1) of the Local Government (Audit) Regulations 1996

### **SUSTAINABILITY AND RISK CONSIDERATIONS**

**Economic –**

Nil

**Social**

Nil

**Policy Implications**

Nil

**Risk Management Implications**

<b>Risk Level</b>	<b>Comment</b>
Medium	The Audit Regulation 17 considers the Shire's Risk Management Systems

**CONSULTATION**

Darren Long, the Shire's Financial Consultant has prepared the attached report in consultation with staff.

**RESOURCE IMPLICATIONS**

**Financial**

There are no immediate financial implications in accepting the report, however addressing some of the recommendations may result in additional costs in the future.

**Workforce**

There are no immediate workforce implications in accepting the report, however addressing some of the recommendations may result in increased workloads in the future.

---

end

<b>6.2 FINANCIAL MANAGEMENT REVIEW</b>	
<b>File Ref:</b>	
<b>Previous Items:</b>	Nil
<b>Applicant:</b>	Nil
<b>Author and Title:</b>	David Nayda, Acting Chief Executive Officer
<b>Declaration of Interest:</b>	Nil
<b>Voting Requirements:</b>	Simple Majority
<b>Attachment Number</b>	6.2 Financial Management Review 2023

### **FINANCE COMMITTEE RESOLUTION FAC11/06/23**

**That Committee recommends that Council:**

- 1) **Accept the Financial Management Review as attached.**
- 2) **Request the CEO to prepare a detailed response to the recommendations within the Review Report for consideration at a future Audit Committee Meeting.**

**Moved: Cr M Caughey**

**Seconded: Cr R O'Connell**

**CARRIED 6/6**

### **IN BRIEF**

The Financial Management Review provides the CEO and Council with an independent assessment of the appropriateness and effectiveness of the Shires' Financial Management Systems.

### **BACKGROUND**

The Shire of Nungarin appointed Darren Long Consulting to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the local government (not less than once in every 3 financial years) and report to the local government the results of those reviews. The Review report is an attachment to this item.

### **REPORT DETAIL**

Pursuant to Regulation 5(1) of the Local Government (Financial Management) Regulations 1996, the Chief Executive Officer of a local government is to establish efficient systems and procedures for:

- (a) The proper collection of all money owing to the local government;
- (b) The safe custody and security of all money collected or held by the local government;

- (c) The proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process);
- (d) Ensuring the proper accounting for municipal or trust-
  - (i.) Revenue received or receivable;
  - (ii.) Expenses paid or payable; and
  - (iii.) Assets and liabilities;
- (e) Ensuring the proper authorisation for the incurring of liabilities and the making of payments;
- (f) The maintenance of payroll, stock control and costing records; and
- (g) Assisting in the preparation of budgets, budget reviews, accounts and reports required by the Act or regulations.

In addition, Regulation 5(2) requires the Chief Executive Officer of a local government to-

- (a) Ensure that the resources of the local government are effectively and efficiently managed;
- (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 (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

The Financial Management Review provides the CEO and Council with an independent assessment of the appropriateness and effectiveness of the Shires' Financial Management Systems and whether the Shire has complied with the requirements of the Local Government Act 1995 and the Local Government [Financial Management] Regulations 1996.

### **SHIRE OF NUNGARIN INTEGRATED STRATEGIC PLAN 2023 - 2033**

<b>Focus Area</b>	CMC Leadership
<b>Aspiration</b>	A strong local democracy with an actively engaged community and effective partnerships
<b>Objective</b>	16.7 Annual review compliance methods

### **OTHER STRATEGIC LINKS**

There are no other strategic links.

### **STATUTORY ENVIRONMENT**

Local Government (Financial Management) Regulations 1996, Regulation 5 – CEO's duties as to financial management

### **SUSTAINABILITY AND RISK CONSIDERATIONS**

**Economic –**



Nil

**Social**

Nil

**Policy Implications**

There are no immediate policy implications, but addressing the recommendations may require changes to existing policies, or new policies to be created.

**Risk Management Implications**

Risk Level	Comment
Medium	Financial management process with strong internal controls reduces the Shire’s risks

**CONSULTATION**

The review was carried out by Darren Long in consultation with Staff.

**RESOURCE IMPLICATIONS**

**Financial**

There are no immediate financial implications.

**Workforce**

There are no immediate workforce implications, but the recommended improvements may have future impacts on workloads.

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end

- 7. **NEW BUSINESS OF AN URGENT NATURE**  
(New business of an urgent nature approved by the Presiding Member)

8. **CLOSURE**

There being no further business the meeting closed at 3.17pm

  
Presiding Member

20/3/2024  
Date