



Shire of
Peppermint Grove

AUDIT, GOVERNANCE AND RISK MANAGEMENT COMMITTEE MEETING

AGENDA

This meeting is not open to the public. All recommendations of this committee are referred to council.

TO BE HELD ON THE

14th MAY 2024 AT 4:45PM



Shire of Peppermint Grove

NOTICE OF MEETING

Dear Committee Member

It is advised that the **Audit Committee Meeting** will be held in the Council Chamber of the **Shire of Peppermint Grove**, 1 Leake Street, Peppermint Grove, on 14th May 2024 at 4:45pm.

MEETING AGENDA ATTACHED

Yours faithfully

A handwritten signature in black ink, appearing to read 'Don Burnett', is positioned below the text 'Yours faithfully'.

Mr Don Burnett
CHIEF EXECUTIVE OFFICER

9th May 2024



Shire of Peppermint Grove

AUDIT, GOVERNANCE AND RISK MANAGEMENT COMMITTEE MEETING AGENDA

14 May 2024

1 DECLARATION OF OFFICIAL OPENING

At _____ pm, the Presiding Member declared the meeting open.

2 RECORDING OF ATTENDANCE, APOLOGIES AND LEAVES OF ABSENCE

2.1 ATTENDANCE

Deputy Shire President – Presiding Member	Cr P Dawkins
Elected Member	Cr C Hohnen
Elected Member	Cr P Macintosh
Elected Member	Cr J Mahony
Chief Executive Officer	Mr D Burnett
Manager Corporate and Community Services	Mr J Clapham

2.2 GUESTS

Office of Audit General	Liang Wong
Pitcher Partners	Marius van der Merwe

2.3 APOLOGIES

NIL

2.4 LEAVES OF ABSENCE

3 DECLARATIONS OF INTEREST

3.1 FINANCIAL INTEREST

3.2 PROXIMITY INTEREST

3.3 IMPARTIALITY INTEREST

3.4 INTEREST THAT MAY CAUSE A CONFLICT

3.5 STATEMENT OF GIFTS AND HOSPITALITY

4 ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)

5 CONFIRMATION OF MINUTES

5.1 AUDIT, GOVERNANCE AND RISK COMMITTEE MEETING 12 MARCH 2024

6 OFFICER REPORTS

6.1 Entrance meeting with the External Auditor and the Office of Auditor General

6.2 2024 Risk Management Review

6.3 Financial Management Review and Regulation 17 Review

OFFICER RECOMMENDATION – ITEM 5.1

Moved:

Seconded:

That the Minutes of the Audit, Governance and Risk Committee Meeting, of the Shire of Peppermint Grove held in the Council Chambers on 12 March 2024 be confirmed as a true and accurate record.

6.OFFICER REPORTS

6.1 Entrance meeting with the External Auditor and the Office of Auditor General –
Attachment 6.1.1 will be provided once received from the auditors

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Attachment 6.1.1	2023/24 Audit Plan

Voting Requirement : Simple Majority
Subject Index : Financial management Audit
Disclosure of any Interest : Nil
Responsible Officer : Jeremy Clapham, Manager Corporate & Community Services

PURPOSE OF REPORT

The purpose of this report is for Marius van der Merwe from Pitcher Partners and Liang Wong from the Office of Auditor General to provide a presentation on the audit plan for the 2023/24 financial year.

SUMMARY AND KEY ISSUES

A presentation will be provided for the information of the Audit, Governance and Risk Management Committee prior to the commencement of the 2023/24 Audit including any matters relating to the Library Management and Joint Venture.

BACKGROUND

The meeting will provide information on the requirement of the Audit process and details of the audit process.

CONSULTATION

There has been no specific consultation undertaken in respect to this matter.

STRATEGIC IMPLICATIONS

There are no Strategic Implications identified at this time.

POLICY IMPLICATIONS

Financial Management Policies

STATUTORY IMPLICATIONS.

Local Government (Financial Management) Regulations 1996

FINANCIAL IMPLICATIONS

There are no Financial Implications identified at this time.

ENVIRONMENTAL IMPLICATIONS

There are no Environmental Implications identified at this time.

SOCIAL IMPLICATIONS

There are no Social Implications identified at this time.

OFFICER COMMENT

The presentation will be conducted by Marius van der Merwe and Liang Wong and it will provide information for the Committee to understand the process and timeframe for the 2023/24 Financial year audit.

OFFICER RECOMMENDATION/S – ITEM NO 6.1

That the Committee recommends to Council that it notes the Entrance meeting presentation provided by representatives of Pitcher Partners and the Office of the Auditor General.

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Attachment – 6.2.1	Risk Management and Reporting Tool -2024

Voting Requirement	Simple Majority
Subject Index	Financial management Audit
Disclosure of any Interest	Nil
Responsible Officer	Jeremy Clapham, Manager Corporate & Community Services

PURPOSE OF REPORT

The purpose of this report is to present to the Committee, the results of the Risk review undertaken by the Senior Management team in April 2024 in accordance with the requirements of the Local Government Audit Regulations (Clause 17).

SUMMARY AND KEY ISSUES

The report provides a review of the Risk Management profiles for the Shire of Peppermint Grove and identifies the matters that require further work.

LOCATION

N/A

BACKGROUND

A risk review is required to be carried out on bi-annual basis, or more often if deemed prudent. The Shire’s Risk review was last carried out in April 2022. During April 2024 the Senior Management began with the current risk review. Key Controls and actions have been reviewed and updated. Indicators still need to be reviewed and finalised. It is intended that this will be completed by the 30 June 2024.

CONSULTATION

There has been no specific consultation undertaken in respect to this matter.

STRATEGIC IMPLICATIONS

There are no Strategic Plan implications evident at this time.

POLICY IMPLICATIONS

There are no significant policy implications evident at this time.

STATUTORY IMPLICATIONS

Local Government (Audit) Regulations 1996

Clause 17- CEO to review certain system and Procedures

(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —

- (a) risk management; and*
- (b) internal control; and*
- (c) legislative compliance.*

(2) The review may relate to any or all of the matters referred to in subregulation (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.

(3) The CEO is to report to the audit committee the results of that review

FINANCIAL IMPLICATIONS

There are no financial implications evident at this time.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no social implications at this time.

OFFICER COMMENT

The risk review will be completed by 30 June 2024.

OFFICER RECOMMENDATION/S – ITEM NO 6.2

That the Audit, Governance and Risk Committee notes the review of the Risk Management register and profiles in accordance with Clause 17 of the Local Government (Audit) regulations.

6.3 Financial Management Review and Regulation 17 Review

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Attachment 1 – 6.3.1 and 6.3.2	Reports on the Financial Management Review and Regulation 17 Review

Voting Requirement : Simple Majority
Subject Index : Financial Management
Responsible Officer : Jeremy Clapham, Manager Corporate & Community Services
Disclosure of Interest: Nil

PURPOSE OF REPORT

The purpose of this report is to consider the reports on the Financial Management Review and the Regulation 17 review performed by Australian Audit.

SUMMARY AND KEY ISSUES

Australian Audit was engaged to undertake a financial management review as required by *Regulation (5)(2)(c) of the Local Government (Financial Management) Regulations 1996*, which must be carried out at least once every 3 years. Australian Audit was also engaged to carry out a review of the risk management, internal control and legislative compliance as required per *Regulation 17 of the Local Government (Audit) Regulations 1996*.

BACKGROUND

The Financial Management review is required to be carried out at least every 3 years in accordance with *Australian Auditing Standard ASAE 3000 – Assurance Engagement other than Audits or Reviews of Historical Financial Information* which provides a limited assurance regarding the appropriateness and effectiveness of the Shire’s management controls over its financial management systems and processes. The attached report outlines the work undertaken and includes findings, recommendations and Shire responses. There were no High Risk findings, 2 Medium Risk findings and 3 Low Risk findings in the Financial Management Review.

The Regulation 17 review is also required to be carried out at least every 3 years, in accordance with *Regulation 17(1), (2) and (3) of the Local Government (Audit) Regulations 1996*. The attached report outlines the work undertaken and includes findings, recommendations and Shire responses. There were no High Risk findings, 2 Medium Risk findings and 4 low risk findings.

The Shire is in the process of addressing these findings and will report to the next Audit, Governance and Risk Management meeting on the progress of these actions.

CONSULTATION

There has been no specific consultation undertaken in respect to this matter.

STRATEGIC IMPLICATIONS

There are no Strategic Plan implications evident at this time.

POLICY IMPLICATIONS

Financial Policy 3.5 – Risk Management

STATUTORY IMPLICATIONS

*Regulation (5)(2)(c) of the Local Government (Financial Management) Regulations 1996.
Australian Auditing Standard ASAE 3000 – Assurance Engagement other than Audits or
Reviews of Historical Financial Information.
Regulation 17(1), (2) and (3) of the Local Government (Audit) Regulations 1996.*

FINANCIAL IMPLICATIONS

The cost of the reviews was \$8,085.00 including GST.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no social implications at this time.

OFFICER COMMENT

Management will address the findings of these reviews and report back to the Audit, Governance and Risk Committee.

OFFICER RECOMMENDATION/S – ITEM NO 6.3

That the Audit, Governance and Risk Committee recommends to Council that it accepts the Financial Management Review and the Regulation 17 Review.

7. CLOSURE

There being no further business, the meeting closed at