



# Minutes

of the Shire of Cranbrook

**Audit Committee**

held on Wednesday 15 December 2021

At 1:00pm in the Cranbrook Council Chambers

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## AGENDA

### 1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chairperson, Cr Slater declared the meeting open at 1.04pm. The Chairperson alerted the meeting to the procedures for emergencies including evacuation, designated exits and muster points.

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

#### 2.1 ATTENDANCE

Chairperson	Cr PW (Peter) Slater Cr PM (Peter) Beech Cr RW (Robert) Johnson Cr JA (Jen) Quick Cr LM (Lee) Casson Cr P (Perin) Mulcahy Cr DM (Daisy) Egerton-Warburton
Chief Executive Officer Manager Corporate and Community	Ms LA (Linda) Gray Mrs PA (Trish) Standish
Members of the Public	Nil

#### 2.2 APOLOGIES

Manager of Works Councillors	Mr JE (Jeff) Alderton Cr PL (Phil) Horrocks Cr G (George) Pollard
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#### 2.3 APPROVED LEAVE OF ABSENCE

Nil

### 3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

#### 3.1 AUDIT COMMITTEE MEETING – 16 June 2021

Moved Cr Beech, seconded Cr Quick that the minutes from the Audit Committee Meeting held on 16 June 2021, be confirmed as a true and correct record.

Carried 7/0

### 4. ELECTION OF CHAIRPERSON

Nominations were called for the position of Chairperson.

Cr Beech nominated Cr Slater who accepted the nomination. There were no further nominations received therefore Cr Slater was declared elected as Chairperson.

Once Elected Cr Slater took the Chair.

## 5. GENERAL BUSINESS

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<b>5.1</b>	<b>ANNUAL REPORT 2020/2021</b>
<b>RESPONSIBLE OFFICER:</b>	Trish Standish – Manager Corporate and Community
<b>REPORT AUTHOR:</b>	Trish Standish – Manager Corporate and Community
<b>FILE REFERENCE:</b>	AD4/GO4
<b>APPLICANT:</b>	N/A
<b>DATE OF REPORT:</b>	8 December 2021
<b>ATTACHMENTS:</b>	1. Report to Audit Committee 2. 2020/2021 Annual Report

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### **Purpose**

The purpose of this report is for the Audit Committee to consider the adoption of the 2020/2021 Shire of Cranbrook Annual Report and to set a date for the Annual Electors Meeting.

### **Background**

The Annual Report has been prepared in accordance with the Local Government Act 1995, associated regulations, and is attached to this report.

### **Officers Comment**

The final audited financial statements have been received from the auditor and the formal audit exit meeting was held on 8 December 2021. In attendance at this meeting (via teleconference) was:

- Ms Efthalia Samaras, Director Financial Audit, Office of the Auditor General;
- Mr Russell Harrison, Partner, Lincolns;
- Cr Phil Horrocks, Shire President;
- Cr Peter Slater Chair of the Audit Committee;
- Ms Linda Gray, Chief Executive Officer; and
- Mrs Trish Standish Manager Corporate and Community.

During this meeting, Mr Harrison discussed the report to the audit committee for the year ended 30 June 2021, which included:

- Significant Adverse Trends – The operating surplus ratio has been below the Department of Local Government Sport and Cultural Industries (DLGSI) standard for the past three years.
- Audit Report – The audit report had an unqualified opinion.
- Management Letter Findings – There were no reportable findings in the management letter.
- Uncorrected Audit Misstatements – There were no uncorrected audit misstatements.
- Corrected Audit Misstatements – There was one corrected audit misstatement, being the correction of allocation of ex-gratia rates from operating grants, subsidies and contributions to other revenue.

Following the formal audit exit meeting, the Office of the Auditor General released the independent auditors report (included in the Annual Report document).

When considering the timing requirements to hold the annual electors' meeting described below in Statutory Environment, the meeting needs to be held between 30 December 2021 and 9 February 2022.

### **Statutory Environment**

The Local Government Act 1995 requires the Council to accept the Annual Report by 31 December each year unless the audit report is not available. If unable to be accepted by 31 December in any given year then Council must accept the report within two (2) months of the audit report becoming available. The annual meeting of electors must then be held within fifty-six (56) days of Council accepting the Annual Report. A minimum of fourteen days local public notice is required of the date, time, place and purpose of the meeting.

### **Policy Applicable - Implications**

Council Policy 1.1 'Electors Meeting' states:

'The Annual Electors' meeting will be held within 56 days of receiving the Annual Financial Report. The Annual Electors' meeting venue will alternate between the Cranbrook and Frankland River town-sites as follows:

2020/2021	Frankland River
2021/2022	Cranbrook
2022/2023	Frankland River

The previous annual electors' meeting was held on 17 March 2021 in Cranbrook.

Electors are requested to provide the Chief Executive Officer with their questions no later than one week prior to the Annual Electors Meeting to enable staff to research the matter if required.

### **Financial Implications**

There are no financial implications for this report. The Annual Report contains the annual financial statements for 2020/2021, illustrating the Council's financial performance for this period.

### **Risk Implications**

The risks associated with matters in this report are:

- Misconduct
- Errors, Omissions and Delays
- Failure of IT and or Communication Systems and Infrastructure
- Providing inaccurate advice/information
- Inadequate document management processes
- Ineffective employment practices

**The impact** of the risk is Financial and Reputational.

**The consequences** of these risks are considered to be Extreme.

**The likelihood** is Unlikely

Hence the **risk rating** for this item is High

Risk mitigation includes ensuring staff have the appropriate security access levels for financial transactions and by implementing recommendations from the auditor.

### **Strategic Community Plan Reference**

The 2021-2031 Shire of Cranbrook, Strategic Community Plan states that:

#### **Key Pillar: Connect**

**Outcome 16 – High Performing Shire:** An accountable and respected Shire, investing in its people and structures.

**Deliverable 16.1:** A Shire and supporting entities are well-governed with delineated roles and accountabilities.

**Consultation**

Consultation was not required for this report.

**VROC Implications**

There are no strategic VROC implications for this report.

**OFFICER RECOMMENDATION/COMMITTEE RESOLUTION**

**Moved Cr Egerton-Warburton, seconded Cr Johnson that the Audit Committee recommends to the Council:**

- 1. The attached 2020/2021 Shire of Cranbrook Annual Report be accepted; and**
- 2. The annual meeting of Electors be held on Monday 7 February 2022 at 5.00pm in Frankland River.**

**Carried 7/0**

**6. CLOSURE OF MEETING**

There being no further business to discuss the Chairperson, Cr Slater declared the meeting closed at 1.12pm.