



**City of
Kalgoorlie
Boulder**

MINUTES

(unconfirmed)

of the

Audit and Risk Committee Meeting

held at 6:00 PM

on

16 DECEMBER 2024

at the

Kalgoorlie Town Hall

Nature of Council's Role in Decision-Making

Advocacy:	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
Executive Strategic:	The substantial direction setting and oversight role of the Council, e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
Legislative:	Includes adopting local law, town planning schemes and policies.
Review:	When Council reviews decisions made by officers.
Quasi-Judicial:	<p>When Council determines an application/matter that directly affects a person's rights and interests. The Judicial character arises from the obligations to abide by the principles of natural justice.</p> <p>Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits/licenses (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</p>

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Audit and Risk Committee Members

Independent Member Natasha Holderness

Mayor Glenn Wilson

Deputy Mayor Kirsty Dellar

Cr Terrence Winner

Cr Wayne Johnson

Cr Kyran O'Donnell

Cr Nardia Turner

1 DECLARATION OF OPENING

The Chairperson declared the meeting open at 6:00PM welcoming those present.

2 RECORD OF ATTENDANCE

2.1 Attendance

In Attendance:

Independent Member Natasha Holderness	- Via telephone - approved under item 2.1.
Mayor Glenn Wilson	
Deputy Mayor Kirsty Dellar	
Cr Terrence Winner	
Cr Wayne Johnson	
Cr Kyran O'Donnell	
Cr Nardia Turner	
Cr Carla Viskovich	- Observer

Members of Staff:

Andrew Brien	Chief Executive Officer
Mia Hicks	Director Advocacy and Strategy
Lui Camporeale	Director Engineering
Cassandra Jaegar	Director Corporate and Commercial
Xandra Curnock	Executive Manager Finance
Frances Liston	Executive Manager Governance and Risk Services
Jaymie Boyes	Governance Officer

Visitors:

Nil

COUNCIL RESOLUTION

Moved By: Cr Terrence Winner

Seconded By: Deputy Mayor Kirsty Dellar

That Council approve Independent Member Natasha Holderness to attend the 16 December 2024 Special Audit and Risk Committee Meeting via telephone.

CARRIED (6 / 0)

For:	Deputy Mayor Kirsty Dellar, Cr Terrence Winner, Cr Wayne Johnson, Cr Kyran O'Donnell, Cr Nardia Turner and Natasha Holderness
Against:	Nil

2.2 Apologies

Apologies - Elected Members:

Nil

Apologies - Members of Staff:

Nil

Leave of Absence:

Nil

3 PRESENTATIONS

Nil

4 DECLARATIONS OF MEMBERS' AND OFFICERS' INTEREST

4.1 Interest Affecting Impartiality City of Kalgoorlie-Boulder Code of Conduct

Nil

4.2 Financial Interest Local Government Act Section 5.60A

Nil

4.3 Proximity Interest Local Government Act Section 5.60B

Nil

5 CONFIRMATION OF MINUTES

Nil

6 URGENT BUSINESS

Nil

7 REPORTS OF OFFICERS

7.1 Chief Executive Officer

7.1.1 Annual Financial Report and Annual Report 2023/2024

Responsible Officer:	Andrew Brien Chief Executive Officer Frances Liston Executive Manager Governance and Risk Services Xandra Curnock Executive Manager Finance
Responsible Business Unit:	Finance
Disclosure of Interest:	Nil
Voting Requirements:	Absolute Majority
Nature of Council's Role in Decision-Making:	Legislative
Attachments:	<ol style="list-style-type: none"> 1. CONFIDENTIAL - CKB - Management Letter - 30 June 2024 [7.1.1.1 - 11 pages] 2. CONFIDENTIAL - CKB - Audit Findings Report - 30 June 2024 [7.1.1.2 - 26 pages] 3. CKB - Audited Annual Financial Report [7.1.1.3 - 51 pages] 4. Annual Report [7.1.1.4 - 99 pages]

SUMMARY STATEMENT

Council is asked to adopt the 2023-2024 Annual Financial Report and Annual Report, receive the Auditor's Management letter in respect of the audit for that financial year and give notice of the Annual Elector's Meeting proposed to be held on 6pm on 20 January 2025.

REPORT

Annual Financial Report

In accordance with section 6.4 of the *Local Government Act 1995* (the Act), the 2023-2024 Annual Financial Statements were prepared and submitted to the Office of the Auditor General (OAG) in September 2024 in order for the OAG to conduct the City's annual financial audit.

The OAG has completed its audit, in accordance with the terms of their engagement and the requirements of Part 7 Division 3 of the Act and prepared the Audit Report.

The attached Annual Financial Report and Audit Report (attachment 3) will form part of the City's 2023-2024 Annual Report.

The Annual Financial Report needs to be accepted by Council to enable the holding of the Annual General Meeting of Electors, at which the City's Annual Report will be considered.

The signed Annual Financial Report is also required to be submitted to the Department of Local Government, Sport and Cultural Industries (DLGSC).

Audit field work

Section 6.4 of the Act requires the City to prepare the annual financial report and submit the report to the auditor by 30 September 2024. The accounts and draft annual financial report were submitted by this date.

The external audit was conducted by Grant Thornton on behalf of the OAG and they presented the Audit Planning Report to the Audit and Risk Committee on 13 June 2024. The plan described the areas of audit focus and a proposed audit timeline including the schedule for the audit fieldwork which was to be conducted in two stages (the first being the interim audit 24 June to 5 July and then the final audit 21 October to 8 November). The audit was scheduled for completion in December 2024 so it could be presented to Council at the December Ordinary Council Meeting.

The auditors worked remotely for the majority of the audit and attended the City offices for one week. They performed testing on all areas of the accounts, with a focus on areas they consider to be of high risk.

End of financial year position

As at 30 June 2024, the City reported a lower Statement of Financial Activity Deficit than was budgeted. The deficit is (\$4,415,851) which is (\$4,893,778) lower than the \$477,927 provided for in the 2024/2025 annual budget.

This additional deficit will be accounted for in the amended mid-year budget to be taken to Council before 31 March 2025.

Audit findings

The auditor identified one significant finding, three moderate findings and two minor findings.

The significant finding relates to state land incorrectly being included in the 2021-2022 asset valuations. This was identified by City staff and corrected in the 2023-2024 financial statements as a prior period adjustment.

The moderate findings are in relation to immaterial variances between the City valuation of provisions and the auditor valuation of provisions, plus bank signatories where an ex-employee was not removed from two of the City's bank accounts in a timely manner.

The two minor findings are in relation to ICT processes with regards to user access matrix and offboarding procedures. These are both process driven and expected to be resolved prior to September 2025.

Further details on the findings are provided in the Management Letter and Audit Findings Report (confidential attachments 1 and 2).

Annual Report

The Annual Report contains the following reports (as well as highlighting achievements, awards and providing other critical information):

- The Annual Financial Report for the year ended 30 June 2024;
- The Audit Report for the Financial Statements for the year ended 30 June 2024; and
- The report of the CEO and Mayor for the year ended 30 June 2024.

Section 5.54(1) of the Act requires Council to approve the Annual Report by no later than 31 December. Accordingly, the Annual Report 2023/24 is attached (attachment 4) for consideration and adoption by Council.

The Annual Report for 2023/2024 will be made available on the City's website and printed copies will also be available for viewing at the Customer Service Centres across Kalgoorlie-Boulder including the Administration Building and the Library.

Annual Electors Meeting

Pursuant to section 5.27 of the Act, the Annual Electors Meeting must be convened no more than 56 days after the local government accepts the Annual Report.

On the basis of the Annual Report 2023/2024 being adopted by Council on 16 December 2024, this means the Annual Electors Meeting must be held by no later than 10 February 2025.

City officers propose that this meeting be convened on 20 January 2025, prior to the scheduled Ordinary Council Meeting.

INTERNAL CONSULTATION

Internal consultation in the form of collating information as support for audit queries from all business units was necessary throughout the audit process. In addition, various officers across the organisation contributed to the preparation of the Annual Report.

COUNCIL CONSULTATION

Elected Members were made aware of the audit outcome at the Audit and Risk Committee meeting on 4 December 2024.

COMMUNITY ENGAGEMENT CONSULTATION

No community consultation was considered necessary in relation to the recommendations of the report.

BUDGET IMPLICATIONS

The audited carried forward surplus as at 1 July 2024 will be amended by (\$4,893,778) in the mid-year budget review, to be reviewed by Council prior to March 2025.

STATUTORY IMPLICATIONS

Section 5.53 of the *Local Government Act 1995* states:

5.53 Annual Reports

- (1) The local government is to prepare an annual report for each financial year.*
- (2) The annual report is to contain:*
 - (f) the financial report for the financial year;*

Section 6.4 of the *Local Government Act 1995* states:

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.*

Section 7.9 of the *Local Government Act 1995* states:

7.9 Audit to be conducted

- (1) An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and audit report relate or such later date as may be prescribed, to prepare a report thereon ...*

Section 5.27 of the *Local Government Act 1995* states:

5.27 Electors' general meetings

A general meeting of the electors of a district is to be held once every financial year and not more than 56 days after the local government accepts the annual report for the previous financial year.

Section 5.29 of the *Local Government Act 1995* states:

5.29 Convening electors' meetings

The CEO is to convene an electors' meeting by giving at least 14 days' local public notice of the date, time, place and purpose of the meeting.

Local Government (Financial Management) Regulations 1996.

Regulation 51(2) states:

“A copy of the annual financial report of a local government is to be submitted to the Departmental CEO within 30 days of the receipt by the local government’s CEO of the auditor’s report on that financial report.”

Local Government (Audit) Regulations 1996.

Regulation 16 a and b states:

An audit committee has the following functions – to guide and assist the local government in carrying out its functions under Part 6 and Part 7 of the Act; and its functions relating to audits and other matters related to financial management.

POLICY IMPLICATIONS

The Audit and Risk Committee Terms of Reference includes the following Roles and Functions of the Committee:

- Provide guidance and assistance to Council as to the carrying out of the functions of the City in relation to audits; and
- Consider and recommend adoption of the annual financial report to Council.

COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the following Guiding Theme/s:

CAPABLE: We will have the resources to contribute to our community and economy.

STRATEGIC CONTEXT

Provision of the audited financial statements while a statutory requirement also supports open and accountable governance.

RISK ASSESSMENT

Council has a moderate tolerance of risk to long term financial sustainability and annual budget, and a low risk tolerance regarding legislative and regulatory compliance and corporate governance. The risks with adopting this report are within Council tolerance as any errors identified which have not been corrected in the financial statements are deemed immaterial in nature. The users of the financials will not be misguided by their omission.

OFFICER RECOMMENDATION

That Council:

1. Adopt the 2023/2024 Annual Financial Report and accompanying Independent Auditors Report for the year ended 30 June 2024;

2. Receives the Auditor's Management Letter in respect of the 2023/2024 financial audit for the year ended 30 June 2024;
3. Accept the 2023/2024 Annual Report;
4. Authorise the CEO to make minor administrative amendments to the 2023/2024 Annual Report; and
5. In accordance with section 5.29 of *the Local Government Act 1995*, give local public knowledge of the annual general electors' meeting to be held at 6.00pm, 20 January 2025 at the Kalgoorlie Town Hall to discuss the annual report for the year ended 30 June 2024 and then any other general business.

AMENDED MOTION/COMMITTEE RECOMMENDATION

Moved By: Cr Terrence Winner

Seconded By: Deputy Mayor Kirsty Dellar

That Council:

1. Adopt the 2023/2024 Annual Financial Report and accompanying Independent Auditors Report for the year ended 30 June 2024;
2. Receives the Auditor's Management Letter in respect of the 2023/2024 financial audit for the year ended 30 June 2024;
3. Accept the 2023/2024 Annual Report;
4. Authorise the CEO to make minor administrative amendments to the 2023/2024 Annual Report;
5. In accordance with section 5.29 of *the Local Government Act 1995*, give local public knowledge of the annual general electors' meeting to be held at 6.00pm, 20 January 2025 at the Kalgoorlie Town Hall to discuss the annual report for the year ended 30 June 2024 and then any other general business; and
6. Refer to Ordinary Council Meeting on 16 December 2024.

CARRIED

(7 / 0)

For:	Mayor Glenn Wilson, Deputy Mayor Kirsty Dellar, Cr Terrence Winner, Cr Wayne Johnson, Cr Kyran O'Donnell, Cr Nardia Turner and Natasha Holderness
Against:	Nil

8 DATE OF NEXT MEETING

The next Audit and Risk Committee Meeting will be held on a date to be confirmed in March 2025.

9 CLOSURE

There being no further business, the Chairperson thanked those present for their attendance and declared the meeting closed at 6:03PM.