



**City of  
Kalgoorlie  
Boulder**

**MINUTES**

of the

**FINANCE AND AUDIT COMMITTEE MEETING**

**Held at 2:00PM**

on

**20 MAY, 2021**

in the

**Councillors Conference Room**

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**Finance and Audit Committee Members**

Independent Chairperson Allan Pendal

Mayor John Bowler

Cr Laurie Ayers

Cr Gary Brown

Cr Glenn Wilson

Cr Nardia Turner

**1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

The Chairman declared the meeting open at 2.00pm welcoming those present.

**2 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)****IN ATTENDANCE:**

Independent Chairperson Allan Pendal  
Mayor John Bowler  
Cr Laurie Ayers  
Cr Gary Brown  
Cr Glenn Wilson

**MEMBERS OF STAFF:**

Mr John Walker	Chief Executive Officer
Mr David Trevaskis	Chief Financial Officer
Ms Xandra Curnock	Financial Controller
Ms Eve Reitmajer	PA to Chief Financial Officer

**APOLOGIES – ELECTED MEMBERS:**

Nil

**APOLOGIES – MEMBERS OF STAFF:**

Nil

**LEAVE OF ABSENCE:**

Cr Nardia Turner

**3 PETITIONS/DEPUTATIONS/PRESENTATIONS****3.1 Audit Entrance Meeting****AUDIT PLANNING REPORT FOR THE YEAR ENDING 30 JUNE 2021**

Grant Thornton has been engaged by the Office of the Auditor General (OAG) Western Australia to perform the audit of the City of Kalgoorlie-Boulder for the year ending 30 June 2020. Grant Thornton will present the Audit Planning Report which highlights the proposed audit strategy including the audit timeline and areas of audit focus.

*The presentation was conducted by Michael Dewhurst and Vanessa Koh of Grant Thornton and Efthalia Samaras of the OAG.*

## **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**

### **COMMITTEE RECOMMENDATION**

**MOVED BY: CR GARY BROWN  
SECONDED BY: MAYOR JOHN BOWLER**

**Minutes of Finance and Audit Committee Meeting held on 17 February 2021**

**That the minutes of the Finance and Audit Committee meeting held on 17 February 2021 be confirmed as a true record of that meeting.**

**CARRIED  
(5/0)**

## 6 REPORTS OF OFFICERS

### 6.1 CHIEF FINANCIAL OFFICER

#### 6.1.1 WESTERN AUSTRALIA PUBLIC SECTOR AUDIT COMMITTEES - BETTER PRACTICE GUIDE

<b>Responsible Officer:</b>	David Trevaskis Chief Financial Officer
<b>Author:</b>	David Trevaskis Chief Financial Officer
<b>Disclosure of Interest:</b>	Nil
<b>VOTING REQUIREMENTS</b>	
Simple	
<b>OFFICER RECOMMENDATION</b>	
That the Committee recommend Council:	
<ol style="list-style-type: none"><li>1. Receive the report on the OAG's Better Practice Guide for Public Sector Audit Committees;</li><li>2. Review and endorse the attached Annual Work Plan to schedule activities across the financial year 2021/22; and</li><li>3. Receive the attached Audit Recommendations Progress Report to be introduced as a standing item each quarter for the Finance and Audit Committee's review.</li></ol>	
<b>COMMITTEE RECOMMENDATION</b>	
MOVED BY: <b>MAYOR JOHN BOWLER</b> SECONDED BY: <b>CR GARY BROWN</b>	
That Council:	
<ol style="list-style-type: none"><li>1. Receive the report on the OAG's Better Practice Guide for Public Sector Audit Committees;</li><li>2. Review and endorse the attached Annual Work Plan to schedule activities across the financial year 2021/22;</li><li>3. Receive the attached Audit Recommendations Progress Report to be introduced as a standing item each quarter for the Finance and Audit Committee's review;</li><li>4. Support the addition of an Audit &amp; Finance Committee action item list to be introduced as a standing item each quarter for the Finance and Audit Committee's review;</li><li>5. Support the use of the Audit committee member induction checklist as outlined in the better practice guide; and</li></ol>	

**6. In view of the timing of local elections and the audit process:**

- a. Endorse the continuation of the Independent Chairperson's appointment for a further two (2) years from the end of the initial two-year term;
- b. Endorse the appointment of a second independent member for a four (4) year term, to be appointed through an Expression of Interest process;
- c. Immediately appoint an additional Councillor to the Finance and Audit Committee who will not be contesting the 2021 election; and
- d. After the election, review the existing composition of the Finance and Audit Committee to include six (6) Elected Members of Council, with three representatives from each election cycle to ensure continuity.

**CARRIED  
(5/0)**

**EXECUTIVE SUMMARY**

The Chair of the Finance and Audit Committee (**the Committee**) was extended an invitation along with other local government audit committee chairs to attend a broadcast of a forum, on 18 February, arranged by the OAG for State sector entities. One of the items discussed during the broadcast, was the Better Practice Guide for Public Sector Audit Committees which was launched in June 2020. The report recognises that State and local government operate under different legislation requirements but provides guidance on common key challenges that audit committees face. The guide includes a toolkit consisting of 8 templates the Committee should consider implementing as standing items on the agenda.

**COMMUNITY STRATEGIC PLAN LINKS**

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

- **EMPOWERED:** We ensure considered decision making based on collaborative, transparent and accountable leadership.

**BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report.

**REPORT**

The guide consists of six parts:

*Part 1: Introduction* outlines the purpose of the guide and explains the lines of defence model.

*Part 2: Key challenges to building effective audit committees* provides insight into the key challenges faced by audit committees based on observations from attending a wide range of Western Australian public sector audit committees.

*Part 3: Principles for better practice audit committees* outlines core better practice principles for the State public sector audit committees based on guidance from the Institute of Internal Auditors Australia (the IIA). These principles are as follows:

1. **Membership:** Members have the right experience and leadership skills to be trusted independent advisors.
2. **Role and Responsibilities:** The roles and responsibilities of the audit committee allow for wholesome oversight of internal audit, governance, risk management and internal control practices.
3. **Professional Practices:** The audit committee conducts itself professionally to provide independent, sound and valuable advice to the accountable authority.
4. **Performance and Accountability:** The audit committee is aligned with the entity's strategic outcomes and is accountable for its performance.
5. **Entity Relationships:** The audit committee is a trusted, independent partner.
6. **Governance and Reporting:** The audit committee is governed effectively to enable transparent, objective and timely reporting.

*Part 4: Guidance for audit committee fees* outlines information to guide fee arrangements for external audit committee members.

*Part 5: Guidance for smaller entities* provides practical measures that smaller entities could apply to build effective audit committees with limited resources.

*Part 6: Toolkit* includes a comprehensive compilation of templates and checklists which can be used to help develop effective audit committees.

The toolkit includes 8 templates provided to help promote the better practice principles included in the guide.

- Tool 1 Example of audit committee charter.

The Committee's terms of reference is reviewed annually and this review is next due in February 2022.

- Tool 2 Audit committee member induction checklist.

- Tool 3 Meeting preparation checklist.

- Tool 4 Meeting agenda template.

- Tool 5 Characteristics of effective meetings.

- Tool 6 Annual work plan template.

The annual work plan is a tool to help schedule activities across the year. The Committee currently prepares a high level forward meeting plan that confirms the meeting dates for the upcoming year and that agenda items will include

items with respect to external audits, internal audits, annual financial reports, risk management, control framework, governance and compliance and other relevant items as determined.

The attached example, prepared for the Committee's consideration, provides greater detail of the agenda items and the planned timing of these across the year. It has been based on the financial year schedule.

- Tool 7 Audit recommendations progress report template.

The template is designed to assist the Committee with monitoring the implementation of recommendations from the OAG, internal audit and external reviews. It is recommended the Committee should review this report at every finance and audit committee meeting.

See attached example prepared for the Committee's consideration.

- Tool 8 Review of OAG audit reports template.

This report is prepared internally to self-assess the City's performance against the OAG best practice recommendations.

## **STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report.

## **POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

## **COMMUNITY ENGAGEMENT CONSULTATION**

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

## **ATTACHMENTS**

Annual Work Plan 2021-22 

Audit recommendations progress report 

Better Practice Guide for Public Sector Audit Committees 

### 6.1.2 STRATEGIC RISK REGISTER

<b>Responsible Officer:</b>	David Trevaskis Chief Financial Officer
<b>Author:</b>	Eve Reitmajer PA to Chief Financial Officer
<b>Disclosure of Interest:</b>	Nil

#### VOTING REQUIREMENTS

Simple

#### OFFICER RECOMMENDATION

That the Committee review the May 2021 Strategic Risk Register and recommend its adoption by Council.

#### COMMITTEE RECOMMENDATION

**MOVED BY:** CR GLENN WILSON  
**SECONDED BY:** CR LAURIE AYERS

That Council adopt the May 2021 Strategic Risk Register with:

1. The inclusion of an additional treatment for R0043 Service provision to the community; and
2. Amendment of the risk ratings for R0001 Failure of Critical IT Infrastructure and R0035 Lack of suitable land supply.

**CARRIED**  
(5/0)

#### EXECUTIVE SUMMARY

The Council and Management are required to keep a Risk Register which identifies inherent risk ratings across a range of areas, makes a control assessment by reviewing current control practices, determines a residual risk rating and sets forward actions that will improve the management of the risk.

The strategic risks are primarily a responsibility of the elected Council. Council has resolved to review the Strategic Risk Register on a quarterly basis through the Finance and Audit Committee.

In November, Council supported the inclusion of a further risk, titled Functionality of Council. The register has been amended and updated accordingly.

#### COMMUNITY STRATEGIC PLAN LINKS

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

- EMPOWERED: We ensure considered decision making based on collaborative, transparent and accountable leadership.

**BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report.

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**REPORT**

The Finance and Audit Committee receives the Strategic Risk Register presented at each Finance and Audit meeting held quarterly. The Strategic Register is attached.

Regarded as a living document which requires constant review, a significant change since the last version reviewed by the Committee is the inclusion of an additional risk, titled Functionality of Council. Dysfunction and division within local government poses risks regarding the ability to function properly, as well as significant reputational, legal and work, health and safety risks. Treatments to promote an effective and responsible council include education, training and development.

Other changes to the Strategic Risk Register include transfer of ownership of some risks and risk treatments, reflecting recent organisational structural changes and staff changes.

The Committee is requested to complete a review of the May 2021 Strategic Risk Register, and if appropriate, recommend for adoption by Council.

**STATUTORY IMPLICATIONS**

Compliance with section 17 of the *Local Government (Audit) Regulations 1996*.

**POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

**COMMUNITY ENGAGEMENT CONSULTATION**

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

**ATTACHMENTS**

Strategic Risk Register - May 2021 

**7 CONFIDENTIAL ITEMS**

**8 CLOSURE**

There being no further business, the Chairman, Independent Chairperson Allan Pendal, thanked those present for their attendance and declared the meeting closed at 3.30pm.