



# **Shire of Mukinbudin**

## **Audit Committee Meeting**

# **CONFIRMED MINUTES**

Audit Committee Meeting held at  
15 Maddock St, Mukinbudin  
Commencing at 1.02pm Tuesday 16<sup>th</sup> June 2020

Dirk Sellenger  
**CHIEF EXECUTIVE OFFICER**

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## **ETHICAL DECISION MAKING AND CONFLICTS OF INTEREST**

Council is committed to a code of conduct and all decisions are based on an honest assessment of the issue, ethical decision-making and personal integrity. Councillors and staff adhere to the statutory requirements to declare financial, proximity and impartiality interests and once declared follow the legislation as required.

### **7.1B. Delegation of some powers and duties to audit committees**

- (1) Despite section 5.16, the only powers and duties that a local government may delegate\* to its audit committee are any of its powers and duties under this Part other than this power of delegation.

*\* Absolute majority required.*

- (2) A delegation to an audit committee is not subject to section 5.17.

*[Section 7.1B inserted by No. 49 of 2004 s. 5.]*

### **7.1C. Decisions of audit committees**

Despite section 5.20, a decision of an audit committee is to be made by a simple majority.

*[Section 7.1C inserted by No. 49 of 2004 s. 5.]*

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## **MINUTES**

Minutes of the Audit Committee Meeting held in Council Chambers, Maddock Street, Mukinbudin on 16 June 2020.

### **1. Declaration of Opening**

- 1.1 The Shire President declared the Meeting open at 1.02pm

### **2. Public Question Time**

- 2.1 Response to previous questions taken on notice.

- 2.2 Declaration of public question time opened

The Shire president declared public question time open.

- 2.3 Declaration of public question time closed

The Shire President declared public question time closed.

### **3. Record of attendance, apologies and approved leave of absence**

- 3.1 Present:

Cr Gary Shadbolt – President  
 Cr Rod Comerford – Deputy President  
 Cr Geoff Bent  
 Cr Callum McGlashan  
 Cr Romina Nicoletti  
 Cr Steve Paterson  
 Cr Jeff Seaby  
 Cr Sandie Ventris

- 3.2 Apologies:

Cr Ashley Walker

- 3.3 On leave of absence:

- 3.4 Staff:

Mr Dirk Sellenger – Chief Executive Officer

- 3.5 Visitors:

- 3.6 Gallery:

- 3.7 Applications for leave of absence:

### **4. Petitions, deputations and presentations**

- 4.1 Petitions

Nil

- 4.2 Deputations

Nil

4.3 Presentations

Nil

**5. Announcements by the Presiding person without discussion**

5.1 Nil

**6. Confirmation of the Minutes of previous meetings**

6.1 Confirmation of Minutes for the Audit Committee Meeting of Council held on the 17<sup>th</sup> March 2020.

**OFFICER RECOMMENDATION / COUNCIL DECISION**

**Council Decision Number – 01 06 20**

**Voting Requirements – Simple Majority**

**Moved: Cr McGlashan**

**Seconded: Cr Comerford**

**That the Minutes of the Audit Committee Meeting of Council held on the 17<sup>th</sup> March 2020 be accepted as a true and correct record of proceedings.**

**Carried 8 / 0**

**7. Matters for which the meeting may be closed**

7.1 Nil

## 8. Reports of Officers

8.1 2019/2020 Fraud and Error Assessment	
Location:	Mukinbudin
File Ref:	ADM289
Applicant:	Dirk Sellenger, Chief Executive Officer
Date:	11 <sup>th</sup> June 2020
Disclosure of Interest:	Nil
Responsible Officer	Dirk Sellenger, Chief Executive Officer
Author:	Dirk Sellenger, Chief Executive Officer
Documents Attached	Nil

### Report Purpose

To present a Fraud and Error Assessment to the Audit Committee for endorsement.

### Background

Australian Audit Standards, ASA 240 – *The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report*, requires Council's approved Auditor to make enquiries of both management and those charged with governance of the Shire as to their assessment of the risk that the financial report may be materially misstated due to fraud or error.

### Fraud and Error Assessment by the Audit Committee

#### TO THE CHAIR OF THE AUDIT COMMITTEE

#### RE: FRAUD AND ERROR ASSESSMENT FOR THE YEAR ENDED 30 JUNE 2020.

In performing the audit engagement, the Australian Auditing Standards require us to consider the risk that fraud or error could occur within the organisation for the year ended 30 June 2020.

These standards require us to make enquiries of those charged with governance of the risk of fraud or error within the organisation.

Therefore, we would appreciate you taking the time to briefly answer the following questions in the spaces provided, and return this letter, preferably before the commencement of the audit.

1. Do you believe the policies and procedures in place within the organisation are adequate to minimise the risk of fraud to an appropriately low level? If no, please provide an explanation and reasons for your answer.  
Yes ☒ No ☐
2. Are you aware of any instances where policies and procedures have not been adhered to which could have resulted in a fraud occurring? If yes, please provide details.  
Yes ☐ No ☒
3. Have you, during the past year, become aware of or suspected fraud within the organisation? If yes, Please provide details  
Yes ☐ No ☒
4. If there any concerns or questions you would like us to address during the course of our audit, please describe.  
Yes ☐ No ☒

Shire of Mukinbudin  
Council Name

\_\_\_\_\_  
Reply Completed by

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Date

### **Comment**

The Local Government Act 1995, *s7.10 – Power of Auditor, s7.11 – Power to Demand Production of Books Etc.* and *7.12A Duties of a Local Government with Respect to Audits* requires Council and management to supply or make available all information requested by Council's Auditor. The requirement to provide and assessment of possible fraud or error as required by ASA 240 would fall within the requirements of these sections of the Act.

### **Statutory Environment**

*Local Government Act 1995*

#### **7.10. Powers of auditor**

- (1) An auditor —
  - (a) has a right of access at all reasonable times to such books, accounts, documents and assets of the local government as are, in the opinion of the auditor, necessary to allow the audit to be conducted; and
  - (b) may require from a member or an employee of the local government —
    - (i) any book, account, document or asset of the local government; or
    - (ii) any information, assistance or explanation, necessary for the performance of the duty of the auditor in relation to the audit; and
  - (c) may, at the expense of the local government obtain and act upon a legal opinion on a question arising in the course of an audit.
- (2) In this section and in section 7.11 **employee** includes a person who has a contract for services with the local government.

#### **7.11. Power to demand production of books etc.**

For the purpose of an audit, an auditor has authority at all reasonable times and without notice to demand from the local government and its employees, the production of books, accounts, vouchers, papers, documents, records, assets and cash in hand, belonging to the local government or being in the custody or control of it or any of its employees.

*[Section 7.11 amended: No. 5 of 2017 s. 17.]*

#### **Division 4 — General**

#### **7.12A. Duties of local government with respect to audits**

- (1) A local government is to do everything in its power to —
  - (a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and
  - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government must —
  - (aa) examine an audit report received by the local government; and

- (a) determine if any matters raised by the audit report, require action to be taken by the local government; and
  - (b) ensure that appropriate action is taken in respect of those matters.
- (4) A local government must —
- (a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
  - (b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.
- (5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

*[Section 7.12A inserted: No. 49 of 2004 s. 8; amended: No. 5 of 2017 s. 19.]*

#### **Policy Implications**

Nil

#### **Financial Implications**

Nil

#### **Strategic Implications**

Nil

#### **Voting Requirements**

Simple Majority

#### **OFFICER RECOMMENDATION / OFFICER RECOMMENDATION**

**Council Decision Number: 02 06 20**

**Moved: Cr Ventris**

**Seconded: Cr Nicoletti**

**That the Audit Committee:**

- 1. Believe that the current policies and procedures adopted by Council are adequate to minimise the risk of fraud;**
- 2. Is not aware of any occasions where these policies and procedures have not been adhered to, resulting in fraud;**
- 3. Is not aware of any occasion when fraud has occurred during the year;**
- 4. Does not have at this time any issues that it would like the auditors to consider over and above the current audit process.**
- 5. That the completed Fraud and Error Assessment be signed by Audit Committee Chairperson, Cr Gary Shadbolt, and forwarded to Council's Auditors as required.**

**CARRIED 8 / 0**



**9. Urgent Business without notice (with the approval of the President or meeting)**

Nil

**10. Closure of Meeting 1.03pm.**



## DECLARATION

I declare that these minutes of the Audit Committee Meeting held on the 16<sup>th</sup> June 2020 were confirmed at the Audit Committee Meeting of Council held on 21<sup>st</sup> July 2020.

Signed: \_\_\_\_\_

Being the person presiding at the meeting at which these minutes were confirmed

Date: \_\_\_\_\_

21/7/2020