



**City of  
Kalgoorlie  
Boulder**

# **MINUTES**

**of the**

**AUDIT AND RISK COMMITTEE MEETING**

**Held at 11:00**

**on**

**12 MAY, 2022**

**in the**

**Councillor's Conference Room**

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**Audit and Risk Committee Members**

Independent Chairperson Allan Pandal  
Independent Member Robert Northcoat  
Mayor John Bowler  
Deputy Mayor Glenn Wilson  
Cr John Matthew  
Cr Terrence Winner  
Cr Kirsty Dellar  
Cr Kim Eckert  
Cr Amy Astill

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

The Chairman declared the meeting open at 11:00am welcoming those present.

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

Independent Chairperson Allan Pandal	Via Teams
Mayor John Bowler	
Deputy Mayor Glenn Wilson	Via Teams
Cr John Matthew	
Cr Terrence Winner	
Cr Kirsty Dellar	

**MEMBERS OF STAFF:**

Andrew Brien	Chief Executive Officer
David Trevaskis	Deputy Chief Executive Officer
Xandra Curnock	Chief Financial Officer
Anjuli Till	Executive Assistant to the CEO

**APOLOGIES – ELECTED MEMBERS:**

Cr Kim Eckert  
Independent Member Robert Northcoat

**APOLOGIES – MEMBERS OF STAFF:**

Nil

**LEAVE OF ABSENCE:**

Cr Amy Astill

**3 PETITIONS/DEPUTATIONS/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

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**4.3 PROXIMITY INTEREST LOCAL GOVERNMENT ACT SECTION 5.60B**

Nil

**5 CONFIRMATION OF MINUTES**

**MOVED BY: CR JOHN MATTHEW**

**SECONDED BY: CR KIRSTY DELLAR**

[Minutes of Finance and Audit Committee Meeting held on 16 March 2022](#)

That the minutes of the **Audit and Risk Committee** meeting held on 16 March 2022 be confirmed as a true record of that meeting.

**CARRIED  
(6/0)**

## 6 REPORTS OF OFFICERS

### 6.1 CHIEF EXECUTIVE OFFICER

#### 6.1.1 2020-21 ANNUAL FINANCIAL REPORT

**Responsible Officer:** David Trevaskis  
Deputy Chief Executive Officer

**Author:** Xandra Curnock  
Chief Financial Officer

**Disclosure of Interest:** Nil

#### VOTING REQUIREMENTS

Simple

#### OFFICER RECOMMENDATION

**MOVED BY:** CR TERRENCE WINNER

**SECONDED BY:** CR GLENN WILSON

**That the Committee recommends Council:**

- 1. Accepts the Annual Financial Report of the City of Kalgoorlie-Boulder and the accompanying Independent Audit Report for the financial year 2020-21; and**
- 2. Accepts the Auditors Management Report / Findings Report in respect of the financial audit for the financial year 2020-21.**

**CARRIED  
(6/0)**

#### EXECUTIVE SUMMARY

In accordance with S6.4 of the *Local Government Act 1995*, the 2020-21 Annual Financial Report was prepared and submitted to the Officer of the Auditor General (OAG) to conduct the annual 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 *Local Government Act 1995*, and prepared the Audit Report. The Annual Financial Report and the Audit Report will form part of the City's 2020-1 Annual Report.

#### 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.

#### BUDGET IMPLICATIONS

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

## REPORT

The preparation of an Annual Financial Report and submission of the City's accounts to the auditors for audit are statutory requirements of the *Local Government Act 1995*. The Annual Financial Report needs to be accepted by Council in order to enable the holding of an 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 *Local Government Act 1995* requires local governments to prepare the annual financial report and submit the report to the auditor by 30 September. The accounts and draft annual financial report was 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 Committee on 20 May 2021. 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 28 June to 9 July and then the final audit 4 to 22 October. 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 2021, the City reported a higher Rate Setting Statement surplus than budget. The surplus is \$7,953,362 and it is \$6,140,413 higher than the \$1,812,949 closing surplus estimate provided for in the 2020-21 annual budget. This additional surplus has been provided for in the Council's mid-year budget review 2021/22.

The Financial Health Indicator (FHI) is a measurement of a local government's overall financial health. It is calculated from the seven financial ratios that local governments are required to calculate annually. An FHI result of 70 and above indicates sound financial health. The City has achieved the basic standard or better for all seven financial ratios and estimates an FHI score of 93 for the 2020-21 financial year.

### Audit findings

The auditors identified no significant, four moderate and two minor findings. The Audit and Risk Committee were presented with a summary of the audit findings at an Audit Exit Meeting held on 28 April. Both the OAG and Grant Thornton attended this meeting via Teams and it provided an opportunity for the Committee to ask any questions regarding the findings.

Legislation requires the City to prepare a report addressing any significant matters identified in the report and state what action has been taken. This report must be

provided to the Minister within three months of receiving the audit report. Within 14 days after giving the report to the Minister, the CEO must publish a copy of the report on its official website.

Due to there being no significant findings for the 2020-21 financial year, no report will be prepared. The four moderate and two minor findings will be added to the City's Audit Findings Progress Report and reviewed quarterly by the Committee. The Audit Findings Report including management comments has been presented as a confidential attachment for the Committee's consideration.

## **STATUTORY IMPLICATIONS**

*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."*

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 5.54 of the *Local Government Act 1995* states:

### **5.54 Acceptance of annual reports**

- (1) Subject to subsection (2), the annual report for a financial year is to be accepted\* by the local government no later than 31 December after that financial year.

\* Absolute majority required

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.



### **POLICY IMPLICATIONS**

The Audit and Risk Committee Terms of Reference includes the following duties and responsibilities of the Committee:

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

### **COMMUNITY ENGAGEMENT CONSULTATION**

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

### **ATTACHMENTS**

Signed 2021 Financial Statements 

Findings Report

**7 CONFIDENTIAL ITEMS**

**8 CLOSURE**

There being no further business, the Chairman, Chairperson Allan Pental , thanked those present for their attendance and declared the meeting closed at 11:39am.