



# Agenda of the Audit Committee

## Audit Committee Meeting

To be held in Council Chambers, Wolfram Street Westonia  
Thursday 20<sup>th</sup> February 2025  
Commencing 2.30pm

Dear Councillors,

The next Audit Committee Meeting of the Shire of Westonia will be held on Thursday 20<sup>th</sup> February 2025 the Council Chambers, Wolfram Street, Westonia.

Audit Meeting – 2.30 pm

A handwritten signature in black ink, appearing to read 'Bill Price', is positioned above a horizontal line.

BILL PRICE  
CHIEF EXECUTIVE OFFICER  
18 February 2025



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**SHIRE OF WESTONIA**  
A vibrant community lifestyle

# STRATEGIC COMMUNITY

SNAPSHOT

PLAN

2018-2028

## CORE DRIVERS

1. Relationships that bring us tangible benefits (to the Shire and our community)
2. Our lifestyle and strong sense of community.
3. We are prepared for opportunities and we are innovative to ensure our relevancy and destiny.

## OUR VALUES

**Respect** – We value people and places and the contribution they make to the Shire.

**Inclusiveness** – Be receptive, proactive, and responsive.

**Fairness and Equity** – Provide services for a variety of ages and needs.

**Communication** – Create opportunities for consultation with the broad community.

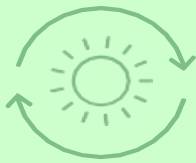
## OUR VISION

A vibrant community lifestyle

## MISSION

Provide leadership and direction for the community.

## ECONOMIC



Support growth and progress, locally and regionally...

Efficient transport connectivity in and around our Shire.

- Continue to utilise our Road Management Plan, which incorporates a road hierarchy, minimum service levels and maintenance policy.
- RAV Ratings and Shire boundaries are consistent across local government boundaries.
- Lobby and build enduring partnerships with key Government Departments to improve Great Eastern Hwy.
- Actively participate in the Secondary Freight Network group.
- Develop and implement a Road Asset Plan highlighting key funder and strategic partnerships to support sustainability.
- Develop a Gravel Reserve Policy which identifies future gravel reserves and recognises cost to local government.
- Educate road users about road safety and driving on gravel roads.
- Optimal and safe use of our plants and equipment assets.
- Ensure that appropriate RAV vehicles traverse correct RAV routes.
- Maintain our airport with a view to improvements to meet commercial and recreational aviation needs.

Facilitate local business retention and growth.

- Council recognises the opportunity of partnering with Westonia Progress Association, works closely and supports them to help achieve their economic development projects and our strategic goals.
- Council continue to have a role in facilitating the presence of a Co-op in our community.
- Enhance local economic activity by supporting the growth of tourism in our Shire and region including applying for funding to improve tourist facilities.
- Improve our online tourism presence.
- We forward plan to improve the economic diversity in our community.
- In partnership with Council, the mine develops long term business plans for current mine assets.
- Investigate options for multipurpose accommodation if vacancies arise in mine accommodation.

## SOCIAL



Provide community facilities and promote social Interaction...

Plan for community growth and changing demographics.

- Develop the Town Planning Scheme.
- Plan and develop residential and industrial land.
- Community safety and ease of access around town is a priority.
- Our lifestyle, facilities and sense of community is promoted.
- The CEACA project continues to expand the number of universally designed dwellings in our town.
- We support our emergency services.
- We enable visiting health professionals to our community.
- The Community Resource Centre receives external funding to provide preventative health and community development initiatives to the community.
- We facilitate healthy and active ageing in place
- Our cemetery is well presented.

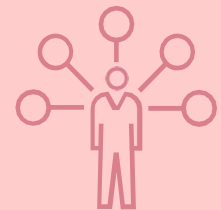
Our community has the opportunity to be active, socialised and connected.

- We collaborate and encourage active engagement in local clubs and community initiatives that support a healthy lifestyle.
- Investigate motor sport opportunities around the Shire.
- Preserve and celebrate our local history.
- Support our volunteers and clubs to remain strong, dynamic, and inclusive.
- Encourage lifelong learning.
- Children and youth have active and social opportunities.
- Continue to provide high standard and accessible shire facilities.
- Retain and expand Westonia's unique tourism experience.

Natural spaces are preserved and bring us value.

- Sustainably manage our reserves and open spaces.
- Participate in best practice waste management.
- Work collaboratively to meet legislative compliance with managing weeds and pests as well as our environmental health standards.
- Investigate renewable energy generation technologies.

## GOVERNANCE



Continually enhance the Shire's organisational capacity to service the needs of a growing community...

Be progressive and capture opportunities.

- Be open to local productivity/ best practice and cost saving opportunities locally and regionally.
- Investigate joint resourcing and tendering
- Advocate and develop strong partnerships to benefit our community.
- Be prepared by forward planning our resources and focusing on continuous improvement.
- Identify risks and opportunities after the life of the mine.

The community receives services in a timely manner.

- Meet our legislative and compliance requirements.
- Work towards optimal management of our assets.
- Work to develop Councillor and staff skills and experience to provide career and succession opportunities within the Shire.
- Inside and outside staff are multi skilled to understand the business of local government and provide a seamless service to the community.
- Communicate and engage with our community regularly.

Financial resources meet the ongoing needs of the community.

- Seek external funding for significant capital improvements that deliver upon our strategic objectives.
- Investigate ways to reduce reliance on operational grants given the current State and Federal Government priorities.

Shire of Westonia: -  
A vibrant community lifestyle.



TABLE OF CONTENTS

1.	DECLARATION OF OPENING	5
2.	ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE	5
3.	PUBLIC QUESTION TIME (2.25 PM – 2.48PM)	5
4.	CONFIRMATION OF PREVIOUS MINUTES	5
5.	PRESIDENT/COUNCILLORS ANNOUNCEMENTS	5
6.	MATTERS REQUIRING A COUNCIL DECISION	5
6.1.	AUDIT & RISK COMMITTEE TERM OF REFERENCE	5
6.2.	APPOINTMENT OF INDEPENDENT AUDIT & RISK COMMITTEE MEMBER	7
7.	NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY A DECISION OF THE MEETING	9
8.	DATE AND TIME OF NEXT MEETING	9
9.	MEETING CLOSURE	9

## 1. DECLARATION OF OPENING

The President, Cr Crees welcomed Councillors and staff and declared the meeting open at 2.30pm.

## 2. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

### Councillors:

Cr RM Crees	<i>Shire President</i>
Cr RA Della Bosca	<i>Deputy Shire President</i>
Cr DL Simmonds	
Cr DL Geier	
Cr A Faithfull	
Cr WJ Huxtable	

### Staff:

Mr.AW Price	<i>Chief Executive Officer</i>
Mrs JL Geier	<i>Deputy Chief Executive Officer</i>

## 3. PUBLIC QUESTION TIME (2.35 PM – 2.50PM)

NIL

## 4. CONFIRMATION OF PREVIOUS MINUTES

### OFFICER RECOMMENDATIONS







That the minutes of the Audit Committee Meeting held of Council held on 19<sup>th</sup> December 2024 be confirmed as a true and correct record.

## 5. PRESIDENT/COUNCILLORS ANNOUNCEMENTS

Nil

## 6. MATTERS REQUIRING A COUNCIL DECISION

### 6.1. AUDIT & RISK COMMITTEE TERM OF REFERENCE

<b>Responsible Officer:</b>	Bill Price, CEO				
<b>Author:</b>	Jasmine Geier, DCEO				
<b>File Reference:</b>	A2.8.5				
<b>Disclosure of Interest:</b>	Nil				
<b>Attachments:</b>	Term of Reference				
<b>Signature:</b>	<table><tbody><tr><td>Officer</td><td>CEO</td></tr><tr><td></td><td></td></tr></tbody></table>	Officer	CEO		
Officer	CEO				
					

### Purpose of the Report

Executive Decision

Legislative Requirement

### Summary

In accordance with Section 7 of the *Local Government Act 1995* (the Act), an Audit Committee is to be established to offer guidance and assistance to the local government, operating with accountability to the

Council. The purpose of this report is for the Audit and Risk Committee (ARC) to endorse the Terms of Reference (TOR) and recommend that Council adopt the same.

### **Background**

An audit committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability, and the internal and external audit functions.

The primary objective of the audit committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

### **Comment**

Under statutory requirements, Council must appoint an Audit & Risk Committee to oversee financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability, and the internal and external audit functions. The committee make recommendations and report to Council on these matters.

As per of the Audit & Risk Committee terms of reference, the committee is required to review its performance and terms of reference once a year, and report to Council.

Officers have made minor amendments to the Terms of Reference – Audit and Risk Committee (Attachment).

Committee members are asked to discuss any other amendments they deem necessary or appropriate.

### **Statutory Environment**

Local Government Act 1995  
Local Government (Administration) Regulations 1996  
Local Government (Audit) Regulations 1996

### **Policy Implications**

Nil

### **Strategic Implications**

Provide accountable and transparent leadership

### **Financial Implications**

There are no financial implications associated with this item. Moreover, it is important to emphasise that the ARC Committee does not hold any financial delegation.

### **Voting Requirements**



Simple Majority



Absolute Majority

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## **OFFICER RECOMMENDATIONS**

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**That the Audit, Risk and Compliance Committee:**

**Adopt the Audit and Risk Committee Terms of Reference, as per the Attachment; and recommends that council endorse the Audit and Risk Committee Terms of Reference**



# Council Policy

## Audit and Risk Committee Term of Reference

### Purpose

These Terms of Reference set out the Committee purpose, authority, membership, functions and responsibilities.

### Scope

This policy is applied to the Shire of Westonia elected members

### Definitions

Term	Meaning
Policy	This Shire of Westonia policy titled "Audit and Risk Committee Term of Reference".
Council Members	Includes all Councillors.

### OBJECTIVES

The primary objective of the Committee is to accept responsibility for the annual external audit and to liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

To ensure openness in the local government's financial reporting and to liaise with the Chief Executive Officer (or his/her representative) to ensure the effective and efficient management of the local government's financial accounting systems and compliance with legislation.

As prescribed by Section 16 of the Local Government (Audit) Regulations 1996, the Committee provides appropriate advice to Council on matters relevant to its Terms of Reference. The Committee achieves this by making a recommendation to Council on all matters brought before it.

The Committee advises Council in fulfilling its oversight responsibilities in relation to:

- Systems of risk management and internal control;
- Performance reporting for external and internal audit;
- Financial Management and reporting practices.
- Compliance with laws and regulations.

The Committee is not responsible for the management of these functions but will engage with the administration in a constructive and professional manner to perform its oversight responsibilities.

The Committee also acts a forum for communication between Council, the administration, the External Service Providers, and the Office of the Auditor General ("OAG") and their selected auditor.

Members of the Committee are expected to:

- Understand the legal and regulatory obligations of the Council;
- Understand the governance arrangements that support achievement of the Shire's strategies and objectives;
- Exercise due care, diligence and skill when performing their duties;
- Adhere to the Code of Conduct for Council Members, Committee Members and Candidates and demonstrate behaviour which reflects the Shire's desired culture;
- Be aware of contemporary and relevant issues impacting the public sector;

- Only use information provided to the Committee to carry out their responsibilities, unless expressly agreed by Council; and
- Be committed to implementing better practice principles within their workings
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## **DUTIES AND RESPONSIBILITIES**

The Committee oversees the Shire's systems of financial reporting, risk management, internal control and its opportunities for improvement. Its duty is to provide oversight over significant risk exposures and control issues, including fraud risks, governance issues and other matters as necessary or requested by the CEO or Council.

The duties and responsibilities have been given to the Committee in order to facilitate the achievement of its objectives which include but not limited to:

### **Risk Management**

- Ensure the Shire's risk management framework addresses Council's exposure to both strategic and operational risks;
- Monitor the effectiveness of risk management framework through regular reviews and reporting;
- Regularly review Council's strategic risk register to check that extreme and high level risks are managed in an appropriate manner;
- Address any specific requests referred from Council in relation to issues of risk and risk management
- Assess whether a sound and effective approach has been followed to manage the Shire's major risks associated with individual projects and activities.

### **Business Continuity**

- Assess whether a sound and effective approach has been followed in establishing the Shire's business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested.

### **Internal Control**

- Review whether management's approach to maintaining an effective internal control framework is sound and effective;
- Review whether management has in place relevant policies and procedures and that they are periodically reviewed and updated;
- Assess whether the appropriate processes are in place to assess, at least once a year, whether key policies and procedures are complied with;
- Review whether appropriate procedures are in place for the management of all delegations.
- Review the design and/or implementation of key internal controls.

### **Financial Reporting**

- Review the Shire's draft annual financial report, focusing on:
  - i. Accounting policies and practices;
  - ii. Changes to accounting policies and practices;
  - iii. The process used in making significant accounting estimates;
  - iv. Significant adjustments to the financial report (if any) arising from the audit process;
  - v. Compliance with accounting standards and other reporting requirements; and
  - vi. Significant variances from prior years.
- Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation, but before the annual financial report is signed;
- Address issues brought to the attention of the committee, including responding to requests from Council for advice that are within the parameters of the committee's terms of reference;
- Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference.
- Review and recommend adoption of the Annual Report including the setting of a date for the meeting of electors.
- Review and recommend the adoption of the mid-year Budget review.



## **Audit**

- Note the auditors scope and approach to any financial performance audits
- Reviewing reports from the OAG, including auditor's reports, closing reports and management letters;
- Reviewing managements response to OAG findings and recommendations;
- Monitoring the implementations of recommendations from external audits;
- Meeting with the OAG at least once per year;
- Reviewing the results of relevant OAG audit reports and better practice publications for guidance on good practices, including any self-assessment by the CEO.
- Annually review the performance of external audit including the level of satisfaction with external audit function.

## **Compliance**

- Review the annual Compliance Audit Return and satisfy itself that the return is supported by appropriate processes and controls;
- Provide reasonable confidence about the accuracy of information contained in the Compliance Audit Return and make a recommendation on its adoption to Council.

## **Reporting Requirements**

- Report to Council the activities, issues and related recommendations through an agenda item to Council conducted by the Committee;
- Monitor that open communication between external auditor and the Shire's management occurs; and
- Review and ensure that management is completing a status report for all actions requested by the Committee and adopted by Council.
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## **MEMBERSHIP**

The Committee will consist of <at least four> members with <three elected and one external> person. All members shall have full voting rights.

The CEO and employees are not members of the committee.

The CEO or his/her nominee is to be available to attend meetings to provide advice and guidance to the Committee. The local government shall provide secretarial and administrative support to the committee.

## **MEETINGS**

**Frequency** - The Committee shall meet at least four (4) times per year.

The Presiding Member is required to call a meeting if asked to do so by Council.

If a meeting is requested by another Committee member, OAG or the CEO, the Presiding Member will decide whether the meeting is necessary. A special meeting may be called for the Committee to consider Financial Statements.

**Open to Public** – No

**Quorum** – As prescribed by Section 5.19 of the Act, the quorum for Committee meetings will be at least 50% of the number of offices of the Committee (whether vacant or not).

**Agenda** – An agenda will be distributed at least five (5) business days prior to the meeting, along with reports and other attachments or information to be addressed.

The Committee Agenda papers will be circulated to members via drop box for Councillors and email for independent members.

**Voting** – Voting is in accordance with section 5.21 of the Act.

All decisions to make a recommendation to Council must be made by simple majority.

**Minutes** – All meetings will be minuted and minutes will be submitted to the Committee at the next Committee meeting for conformation, as per section 5.22 of the Act.

Minutes are to include all that is listed in Regulation 11 of the Local Government (Administration) Regulations 1996.

**Reporting** – The Committee will present its recommendation on each item on the Committee's agenda at the next Ordinary Meeting of Council, for Council's consideration.

**Confidentiality** – All Committee members will be required to adhere to Council's confidentiality requirements as per the Code of Conduct for Council Members, Committee Members and Candidates.

**Conduct of Meetings** – The Committee meetings will be held in accordance with the Act, subsidiary legislation, and the Council's Standing Orders.

**Attendance**

- Electronic Attendance is permitted where a member is unable to be present in person, however the Presiding Member and CEO must be informed of this at least twenty four (24) hours prior to the meeting.
- Elected members not forming part of the Committee are permitted to attend the meetings as observers.

**CHANGES TO THE TERMS OF REFERENCE**

This Terms of Reference is to be reviewed prior to each ordinary local government election.

These Terms of Reference may be amended by the committee when required with Council to endorse any changes.

**COMMITTEE SITTING FEES AND REIMBURSEMENTS**

- Council members will be paid in accordance with the adopted rates for Committee meeting attendance
- Independent members will be remunerated in accordance with section 5.100 of the act.


**DISBAND**

Council may determine at any time that a committee is no longer required and is to be disbanded.

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<b>Responsible Officer</b>	Chief Executive Officer
<b>History</b>	
<b>Relevant Legislation</b>	Sections 7.1A, of the Local Government Act A1995. Regulations 16 of the Local Government (Audit) Regulations 1996
<b>Related Documentation</b>	Code of Conduct Policy Risk Management Policy Standing Orders Local Law 2017

## 6.2. APPOINTMENT OF INDEPENDENT AUDIT & RISK COMMITTEE MEMBER

<b>Responsible Officer:</b>	Bill Price, CEO
<b>Author:</b>	Jasmine Geier, DCEO
<b>File Reference:</b>	A2.8.5
<b>Disclosure of Interest:</b>	Nil
<b>Confidential Attachments:</b>	Expressions of Interests Received
<b>Signature:</b>	<b>Officer</b>  <b>CEO</b> 

### **Purpose of the Report**

Executive Decision  Legislative Requirement

### **Summary**

The purpose of this report is to consider the appointment of an independent member to the Audit and Risk Management Committee

### **Background**

In accordance with the Audit and Risk Management Committee Terms of Reference, the appointment of an independent member to the Audit and Risk Management Committee (ARMC) is made following a public notice period calling for applicants/expressions of interest.

A public notice was placed in the Westonian on the 2<sup>nd</sup> January 2025 and on the Shires Facebook Page 3<sup>rd</sup> January 2025. The notice was also placed on the Shires website and noticeboard, located at the Administration Building for the duration of the notice period, from 20<sup>th</sup> December 2025 until 11 February 2025.

The expression of interest closed on 11 February 2025 at 0900 hours with three (3) expression of interest received at close.

### **Comment**

Appointing an independent external member will significantly benefit the ARMC's effectiveness and objectivity, leading to improved risk management, audit procedures, and overall governance.

Inclusion of an independent member to the ARMC is consistent with:

- The Department of Local Government, Sport and Cultural Industries (DLGSC) Guideline No 9 'Audit in Local Government' which recommends *'that one or more persons, with requisite knowledge and skills, other than elected members be appointed to the audit committee.'*
- The WA Public Sector Audit Committees – Better Practice Guide which states that for local governments which recommends *'having at least 1 appropriately skilled audit committee member who is completely independent of the board or council can bring fresh insight or bridge gaps in the experience needed by the audit committee to perform their duties.'*

Local Government Amendment Bill 2024

On 15 August 2024 the DLGSC introduced tranche 2 reforms into parliament. Some of the proposed changes relate to audit, risk and improvement committees, namely that the ARMC must have an independent member as a chairperson, and if there is a deputy chairperson, this must also be an independent person.

Transitional provisions require new committee presiding members to be appointed by 30 June 2025.

The Shire received two applications before submission closure, one application after closure which has not been included for consideration for the independent member on the Audit and Risk Management Committee, as outlined in Confidential Attachment

The Chief Executive Officer and Deputy Chief Executive Officer reviewed both applications in accordance with the Selection Criteria, and concluded that Karin Day's skills, qualifications and experience was most closely aligned to the requirements of the position and is the preferred applicant.

It is recommended that Karin Day be appointed as an independent member of the Audit and Risk Management Committee.

#### **Statutory Environment**

Section 5.10 LG Act deals with appointment of committee members

Section 7.1A LG Act deals with Audit Committee

#### **Policy Implications**

Council does not have a specific policy regarding the election of these roles.

#### **Strategic Implications**

Provide accountable and transparent leadership

#### **Financial Implications**

Reimbursement of reasonable expenses is also permissible in accordance with *Local Government (Administration) Regulations 1996* and the applicable Salaries and Allowances Tribunal Determination.

In accordance with the Audit and Risk Management Committee terms of reference, the external member will be entitled to receive reimbursement of reasonable expenses to a maximum of \$130 per meeting.

#### **Voting Requirements**

Simple Majority

Absolute Majority

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#### **OFFICER RECOMMENDATIONS**

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**That the Audit, Risk and Compliance Committee:**

**In accordance with the provisions of section 5.10 and 7.1A of the Local Government Act 1995, ADOPTS BY ABSOLUTE MAJORITY the appointment of Mrs Karin Day the following external independent member to the Audit and Risk Committee for the term 1 March 2025 until 1 March 2027 a period of 2 years and recommends that Council endorse the appointment of Mrs Karin Day**

## **7. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY A DECISION OF THE MEETING**

## **8. DATE AND TIME OF NEXT MEETING**

The next ordinary meeting of Council will be held on Thursday schedule 20<sup>th</sup> March 2025 commencing at 3.30pm.

## **9. MEETING CLOSURE**

There being no further business the Shire President, Cr Mark Crees declared the meeting closed at pm