



# Agenda

## Audit Committee

12 December 2023

### Notice of Meeting

Notice is hereby given that the next Audit Committee Meeting of the Shire of Exmouth will be held on 12 December 2023, in the Shire Administration Office, 2 Truscott Crescent, Exmouth commencing at 10.00 am.

Ben Lewis  
CHIEF EXECUTIVE OFFICER

12 December 2023

## Disclaimer

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Please note that this agenda contains recommendations which have not yet been adopted by Council.

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**SNAPSHOT**  
**Strategic Community Plan**  
**2023-2033**



**Your Choice. Our Future.**

**VISION**

A globally recognised community of guardians for our unique environment and culture as we pursue innovations for sustainable growth.


**GOALS**

The goals are organised in five strategic pillars: Social, Natural Environment, Built Environment, Economy, and Governance and Leadership.

**SOCIAL**

Nurture a friendly, safe and inclusive community spirit.


- Improve local community and visitor experiences.
- Ensure a full suite of services to meet the needs of families and individuals at all ages and stages of life.
- Build community cohesion and connectedness.



**GOVERNANCE & LEADERSHIP**

Foster open, transparent & accountable leadership, working collaboratively & in partnership with our community & stakeholders.


- Forward-thinking leadership for efficient & sustainable operations.
- Continued focus on transparent, accountable leadership & community & stakeholder engagement.
- Council & administration plan & lead with good governance.



**ECONOMY**

Enhance a robust, resilient & diversified economy that champions innovation.

- Increase opportunities for smart and sustainable business ideas.
- Establish Exmouth as a vibrant, welcoming and environmentally aware destination.
- Promote Exmouth as a thriving economy based on its regional strength as a global environmental hotspot.



**NATURAL ENVIRONMENT**

Embrace natural sensitivities and promote positive change.

- Establish Exmouth as a clean and green town.
- Prepare Exmouth for changing environmental conditions.
- Increase awareness of sustainability and environmental issues.



**BUILT ENVIRONMENT**

Enable sustainable development and infrastructure that meets the needs of the community, visitors and industry.

- Infrastructure and assets are well-managed and maintained.
- Plan and cater for increased population growth.
- Revitalisation and expansion of airport services.



## Disclosure of Interest Form

(Elected Members/Committee Members/Employees/Contractors)  
Local Government Act 1995 (Section 5.65, 5.70, 5.71 & 5.71(B))

To: Chief Executive Officer

Name [Click here to enter text.](#)

Elected Member     Committee Member     Employee     Contractor

Ordinary Council Meeting held on [Click here to enter text.](#)

Special Council Meeting held on [Click here to enter text.](#)

Committee Meeting held on [Click here to enter text.](#)

Other [Click here to enter text.](#)

Report No [Click here to enter text.](#)

Report Title [Click here to enter text.](#)

Type of Interest (\*see overleaf for further information)

Proximity                       Financial                                       Impartiality

Nature of Interest

[Click here to enter text.](#)

Extent of Interest (if intending to seek Council approval to be involved with debate and/or vote)

[Click here to enter text.](#)

Signed: \_\_\_\_\_ Date: [Click here to enter text.](#)

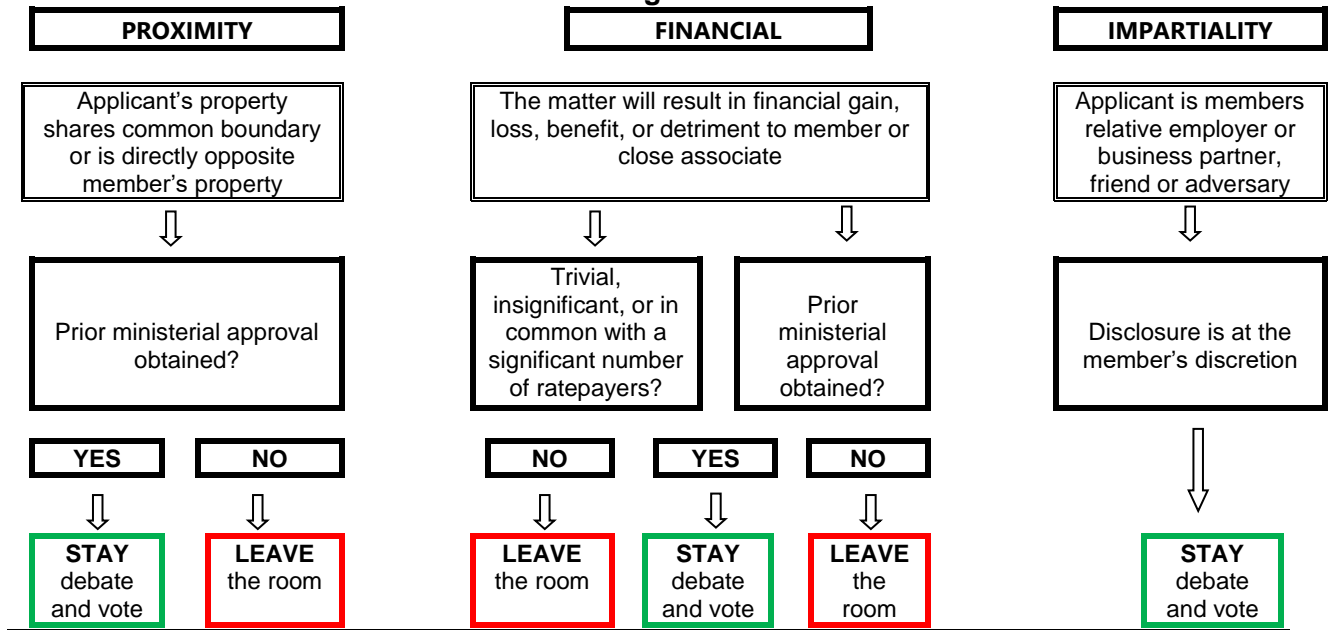
- **Note 1** - Elected Members/ Committee Members/Employees refer to the Disclosure of Interest Declaration card when disclosure is being read out at Council or Committee Meeting.
- **Note 2:** For Ordinary meetings of the Council, elected members and employees are requested to submit this completed form to the Chief Executive Officer prior to the meeting. Where this is not practicable, disclosure(s) must be given to the Chief Executive Officer prior to the matter being discussed.
- **Note 3:** Employees or Contractors disclosing an interest in any matter apart from at meetings, where there is a conflict of interest including disclosures required by s5.71 are required to submit this form to the CEO as soon as practicable.

CEO: \_\_\_\_\_ Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**OFFICE USE ONLY**

Particulars recorded in Minutes                       Particulars recorded in Register

**\* Declaring an Interest**



**Local Government Act 1995 – Extract**

**s.5.60A - Financial Interest**

A person has a financial interest in a matter if it is reasonable to expect that the matter will, if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person.

**s.5.60B – Proximity Interest**

A person has a proximity interest in a matter if the matter concerns —

- (a) a proposed change to a planning scheme affecting land that adjoins the person's land; or
- (b) a proposed change to the zoning or use of land that adjoins the person's land; or
- (c) a proposed development (as defined in section 5.63(5)) of land that adjoins the person's land.

**5.65 - Members' interests in matters to be discussed at meetings to be disclosed.**

(1) A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest:

(a) in a written notice given to the CEO before the meeting; or (b) at the meeting immediately before the matter is discussed. (Penalties apply).

(2) It is a defence to a prosecution under this section if the member proves that he or she did not know: (a) that he or she had an interest in the matter; or (b) that the matter in which he or she had an interest would be discussed at the meeting.

(3) This section does not apply to a person who is a member of a committee referred to in section 5.9(2)(f).

**5.70 - Employees to disclose interests relating to advice or reports.**

(1) In this section: 'employee' includes a person who, under a contract for services with the local government, provides advice or a report on a matter.

(2) An employee who has an interest in any matter in respect of which the employee is providing advice or a report directly to the council or a committee must disclose the nature of the interest when giving the advice or report.

(3) An employee who discloses an interest under this section must if required to do so by the council or committee, as the case may be, disclose the extent of the interest. (Penalties apply).

**5.71 - Employees to disclose interests relating to delegated functions.**

If, under Division 4, an employee has been delegated a power or duty relating to a matter and the employee has an interest in the matter, the employee must not exercise the power or discharge the duty and:

- (a) in the case of the CEO, must disclose to the mayor or president the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter; and (b) in the case of any other employee, must disclose to the CEO the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter. (Penalties apply)

**5.71A. - CEOs to disclose interests relating to gifts in connection with advice or reports**

(1) A CEO who has an interest relating to a gift in a matter in respect of which the CEO proposes to provide advice or a report, directly or indirectly, to the council or a committee must disclose the nature of the interest in a written notice given to the council.

(2) A CEO who makes a disclosure under subsection (1) must not provide the advice or report unless the CEO is allowed to do so under section 5.71B(2) or (6).

(3) A CEO who has an interest relating to a gift in a matter in respect of which another employee is providing advice or a report directly to the council or a committee must disclose the nature of the interest when the advice or report is provided.

**Local Government (Administration) Regulations 1996 – Extract** - In this clause and in accordance with Regulation 19AA "Interest" means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.

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**1. Declaration of Opening and Announcements**

**2. Attendance, Apologies and Approved Leave of Absence**

Councillor J (Jackie) Brooks  
Councillor D (David) Gillespie  
Councillor T (Todd) Bennett

Mr Ben Lewis	Chief Executive Officer
Mr Robert Koelbel	Manager Finance
Ms Michelle Head	Minute Taker

**3. Response to Previous Public Questions Taken on Notice**

N/A

**4. Declarations of Interest**

**5. Confirmation of Minutes of Previous Meetings**

That the Minutes and associated attachment of the Audit Committee Meeting of the Shire of Exmouth held on 2 March 2023 be confirmed as a true and correct record of proceedings.

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

**7. Petitions/ Deputation/Presentations/ Submissions**

**8. Reports of Officers**

**Election of Presiding Member**

- Nominations for the Office of Presiding Member are given to the Chief Executive Officer in writing.
- The position of Presiding Member expires at the time of next Ordinary election in October 2025.
- The Nominee is to accept the nomination to the position of Presiding Member.
- The elected Presiding Member will take over the position of Chairperson from the Chief Executive Officer.

**Election of Deputy Presiding Member**

- The Presiding Officer will call for nominations for the position of Deputy Presiding Officer.
- Nominations for the Office of Deputy Presiding Officer are to be given to the Presiding Officer in writing.
- The Nominee is to accept the nomination to the position of Presiding Member.

### 8.1 AUDITED FINANCIAL REPORT FOR THE YEAR ENDED JUNE 2023

File Reference	FM.AD.22.23
Reporting Officer	Manager Finance
Responsible Officer	As above
Date of Report	7 December 2023
Applicant/Proponent	Nil
Disclosure of Interest	Nil
Attachments	1. Financial Report for the Year Ended 30 June 2023 2. Audit Opinion for the Year Ended 30 June 2023 3. Nexia Australia / OAG Exit Report for the Year Ended 30 June 2023 4. Transmittal Letter for the Year Ended 30 June 2023

#### **Purpose**

1. That Audit Committee receives the 2022/23 Audited Financial Report and Audit Opinion issued by the Office of the Auditor General for recommendation to the Council.

#### **Background**

2. In 2023 the Office of Auditor General outsourced the auditing of Council's financials. This was a change as the Auditor General has undertaken the annual audit themselves for the last three years.
3. This year, Nexia Australia was appointed by the Auditor General to undertake the Shire's annual auditing on their behalf for the next three year period.
4. Following receipt of the audit report for the year ended 30 June 2023, the Audit Committee is required to consider any compliance issues raised in the Independent Audit Report and Management Report and recommend they be received by Council.
5. Nexia Australia have completed their audit for the financial year ending 30 June 2023 and the Exit Report is attached.

#### **Comment**

6. The Auditor General has completed their review of the audited Financial Report for the year ended 30 June 2023 and provided Council with an unqualified audit opinion.
7. The Independent Audit Report did not identify any significant, moderate or minor internal control deficiencies.

#### **Consultation**

8. Nexia Australia
9. Office of Auditor General

#### **Statutory Environment**

10. *Local Government Act 1995* section 6.4(3) & section 5.54(1)

#### **Policy Implications**

11. Nil

#### **Financial Implications**

12. Nil



**Risk Management**

<b>Risk</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Analysis</b>	<b>Mitigation</b>
<i>Performance (operational)</i> Management Audit Report not accepted by the Audit Committee	Unlikely	Minor	Low	Audit Committee and Officers work with the auditors to address areas of concern.
<i>Financial/Compliance</i> Council does not accept the Annual Financial Report	Unlikely	Minor	Low	Officers work with the auditors to ensure timeliness and accuracy to ensure compliance with the prescribed time period in accordance with the Act.

**Risk Matrix**

Consequence Likelihood	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (5)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

**Alternate Options**

13. Nil

**Strategic Alignment**

14. This item is relevant to the Council’s approved Strategic Community Plan and Corporate Business Plan 2023 – 2033.

Governance & Leadership	<p><b>Foster open, transparent &amp; accountable leadership, working collaboratively and in partnership with our community and stakeholders</b></p> <p>5.1 Forward-thinking leadership for efficient and sustainable operations</p> <p>5.2 Continued focus on transparent, accountable leadership and community stakeholder engagement</p> <p>5.3 Council and administration plan and lead with good governance</p>
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**Voting Requirements**

15. Simple Majority

<b>Officers Recommendation</b>	<b>Item 8.1</b>
<p>That the Audit Committee recommends to Council that it:</p> <ol style="list-style-type: none"> <li>1. Receives the 2022/23 Annual Financial Report; and</li> <li>2. Receives the Audit Opinion for the Year Ended 30 June 2023.</li> </ol>	

**9. Elected Members Motions of which previous Notice has Been Given**

Nil

**10. New Business of an Urgent nature introduced by Decision of Meeting**

Nil

**11. Matters to be considered Behind Closed Doors**

Nil

**12. Closure of meeting**