

Shire of Cocos (Keeling) Islands

Shire of Cocos (Keeling) Islands

Minutes

Audit and Governance Committee Meeting

Wednesday 16 November 2022, 4.00pm (CKI time) 5.30pm (Perth time) via Video Conferencing Platform

Conferencing Platform

Council Chambers, Administration Building

Lot 256 Jalan Bunga Melati, Home Island

OUR VALUES

Service

Provide the best service we can.

We serve the community and each other.

Accountability

We take responsibility for our own actions.

We do what we say we will do.

Mistakes are an opportunity to learn.

Support

We support our team and our community.

Look for opportunities to help each other.

Respect

We respect and value others.

Our interactions are always respectful towards others.

Integrity

We will be honest and transparent with all our dealings.

Maintain confidentiality.

Trust each other.

Achievement

Being proactive and enabling the outcomes.

Be creative and think outside the square.

Disclaimer

Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any member or officer of the Shire during the course of any meeting is not intended to be and is not to be taken as notice of approval from the Shire. No action should be taken on any item discussed at a Council meeting prior to written advice on the resolution of the Council being received. Any plans or documents contained in this document may be subject to copyright law provisions (Copyright Act 1968, as amended) and the express permission of the copyright owner(s) should be sought prior to the reproduction.

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1. OPENING/ANNOUNCEMENTS OF VISITORS

The meeting was formally opened by the Chair of the Audit and Governance Committee, Cr Young at 4.00pm.

2. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Presiding Member Cr Young

Committee Member Cr Minkom
Mr Anastasakis (Video link)

Staff Chief Executive Officer, Frank Mills
Manager Finance and Corporate Services, Vikki Lauritsen
Governance and Risk Coordinator, Ibrahim Macrae

Visitors Nil

Apologies Cr Lacy

Approved Leave of Absence Nil

3. DECLARATION OF INTERESTS

Members of the Committee are bound by the provisions of *the Local Government Act 1995, Section 5.65* with respect to disclosure of financial, impartiality or proximity interests.

Name	Item No	Interest	Nature
NIL			

4. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

4.1 Audit Committee Meeting held on 18 May 2022
Attachment 4.1

PURSUANT TO SECTIONS 3.18 AND 5.22(2) OF THE LOCAL GOVERNMENT ACT 1995, THE MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE MEETING HELD ON 18 MAY 2022, ARE PRESENTED IN ATTACHMENT 4.1 FOR CONSIDERATION BY THE AUDIT AND GOVERNANCE COMMITTEE.

COMMITTEE RESOLUTION – ITEM NO 4.1

MOVED CR MINKOM

SECONDED MR ANASTASAKIS

PURSUANT TO SECTIONS 3.18 AND 5.22(2) OF THE LOCAL GOVERNMENT ACT 1995, THE MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE MEETING HELD ON 18 MAY 2022, ARE PRESENTED IN ATTACHMENT 4.1 FOR CONSIDERATION BY THE AUDIT AND GOVERNANCE COMMITTEE.

THE MOTION WAS PUT AND DECLARED CARRIED (3/0)

FOR: ANASTASAKIS, MINKOM, YOUNG

AGAINST: NIL

5. PRESENTATIONS

Nil

6. OFFICER'S REPORTS

6.1 EXTERNAL AUDIT PLAN FOR THE YEAR ENDED 30 JUNE 2022

Report Information

Date: 10 November 2022
Applicant: Shire of Cocos (Keeling) Islands
File Ref:
Location: Not Applicable
Disclosure of Interest: Nil
Reporting Officer: Manager Finance & Corporate Services
Island: Shire Wide
Attachments: 6.1.1 – Audit Fee 200 – Shire of Cocos (Keeling) Islands
6.1.2 – Audit Planning Summary – Shire of Cocos (Keeling) Islands
FY2022
6.1.3 – Entrance Meeting Agenda – Shire of Cocos (Keeling)
Islands FY2022

Authority / Discretion

Definition

<input type="checkbox"/>	Advocacy	<i>when Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input checked="" type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes and policies. Review when Council reviews decisions made by officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.</i>
<input type="checkbox"/>	Information	<i>Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).</i>

Report Purpose

The purpose of this report is to present to the members of the Audit Committee, the Annual Financial Report Audit - Planning Summary from the Office of the Auditor General for the year ended 30 June 2022.

Relevant Documents

Available for viewing at the meeting

Nil

Background

In accordance with section 1.4 of the *Local Government Act 1995 (WA) (CKI)*, the Office of the Auditor General (OAG) will be the auditor for the Shire.

The OAG have provided the Shire with its Audit Planning Summary for the audit of the financial report of the Shire of Cocos (Keeling) Islands for the year ended 30 June 2022, a copy of which is attached as Attachment 6.1.2. The Audit Planning Summary outlines the purpose and scope of the audit, explains the approach, and gives details of financial reporting responsibilities. The Audit Planning Summary also details the key areas to be covered by the interim and final audits.

An Entrance Meeting was held remotely over 'Teams' on Wednesday 6th July 2022 with representatives from the OAG and the Shire CEO (Frank Mills) and Manager Finance and Corporate Services (Vikki Lauritsen). Efthalia Samaras, Senior Director for the OAG

discussed the provided Planning Summary and proposed audit timeline. The agenda for this meeting is provided as Attachment 6.1.3.

All sampling for the interim audit has been completed, however, the Office of Auditor General intends to issue the interim audit results in conjunction with the final audit.

The OAG will have two auditors visiting Cocos Islands for one week to conduct some on-site audit activities, the remaining audit work will be done remotely over email. The two auditors arrive Tuesday 8th November and return to Perth on Tuesday 15 November.

Comment

This report presents the Audit Planning Summary, a copy of which is attached as Attachment 6.1.2. The primary purpose of the Audit Planning Summary is to brief the Audit Committee on the proposed approach by the OAG to audit the financial report of the Shire of Cocos (Keeling) Islands for the year ended 30 June 2022.

Policy and Legislative Implications

Section 7.2 of the *Local Government Act 1995* states:

The accounts and annual financial report of a local government for each financial year are required to be audited by an auditor appointed by the local government.

Financial Implications

Audit fees of \$60,000 have been included in the 2022/23 Budget.

The indicative Audit Fee for 2022 is \$69,300. This fee represents an increase to the prior year with reasons outlined in the Indicative Fee Letter from the OAG per Attachment 6.1.1.

The increase in audit fees will be taken into consideration as part of the 2022/23 Budget Review.

Strategic Implications

Nil

Risk Implication

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Compliance	It is a Legislative requirement of council which must be adhered to.	Med (1)	Ensure the Shire accounts and annual report is audited per the required Act.

Risk Matrix

Consequence / Likelihood	Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Extreme (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 (6)	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)

Phil cr minkom

OFFICER RECOMMENDATION – ITEM NO 6.1

1. THAT THE AUDIT AND GOVERNANCE COMMITTEE:
 - a. ACCEPTS THE AUDIT PLANNING SUMMARY, AS DETAILED IN ATTACHMENT 6.1.2.
 - b. NOTES THE AUDITOR GENERAL 2022 AUDIT FEES, AS DETAILED IN ATTACHMENT 6.1.1.

COMMITTEE RESOLUTION – ITEM NO 6.1

MOVED MR ANASTASAKIS

SECONDED CR MINKOM

1. THAT THE AUDIT AND GOVERNANCE COMMITTEE:
 - a. ACCEPTS THE AUDIT PLANNING SUMMARY, AS DETAILED IN ATTACHMENT 6.1.2.
 - b. NOTES THE AUDITOR GENERAL 2022 AUDIT FEES, AS DETAILED IN ATTACHMENT 6.1.1.

THE MOTION WAS PUT AND DECLARED CARRIED (3/0)

FOR: ANASTASAKIS, MINKOM, YOUNG

AGAINST: NIL

