



Shire of  
**Bruce Rock**

*Where friends become family*



# Audit Committee Agenda Attachments

Thursday 14 December 2023

**SHIRE OF BRUCE ROCK**

**AUDIT COMMITTEE AGENDA ATTACHMENTS 14 DECEMBER 2023**

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## SHIRE OF BRUCE ROCK

### AUDIT AND RISK COMMITTEE MEETING MINUTES - 19 OCTOBER 2023

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## SHIRE OF BRUCE ROCK

### AUDIT AND RISK COMMITTEE MEETING AGENDA – 19 OCTOBER 2023

#### 1. Declaration of Opening

The Shire President Stephen Strange declared the meeting open at 3.13pm.

#### 2. Record of Attendance / Apologies / Leave of Absence (Previously Approved)

President	Cr SA Strange
Councillors	Cr Tony Crooks
	Cr KP Foss
	Cr NC Kilminster
	Cr PG Negri
	Cr Rajagopalan
	Cr J Verhoogt
	Cr BJ Waight
	Cr RA Waye
Chief Executive Officer	Mr DRS Mollenoyux
Manager of Governance and Community Services	Ms N Ugarte
Manager of Finance	Mrs M Barthakur
Executive Support Manager	Mrs M Schilling (Minutes)

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

#### 4. Public Question Time

#### 5. Petitions / Deputations / Presentations / Submissions

#### 6. Confirmation of Minutes

Audit Committee Meeting held on 20 July 2023.

#### OFFICER RECOMMENDATION AND COMMITTEE DECISION

##### Resolution ACM Oct 23 – 6.1

**Moved:** Cr Rajagopalan

**Seconded:** Cr Crooks

**That the minutes of the Audit Committee Meeting held 20 July 2023 be confirmed as a true and correct record.**

**For:** Cr SA Strange, Cr Crooks, Cr KP Foss, Cr Kilminster, Cr PG Negri, Cr R Rajagopalan, Cr J Verhoogt, Cr Waight and Cr RA Waye

**Against:** Nil

**Carried 9/0**

## 7. Reports of Officers - Audit

### Agenda Reference and Subject:

**7.1** Acceptance of Road to Recovery Audited Report (2022-23)

### Reporting Officer:

Manisha Barthakur, Manager of Finance

### Author:

Manisha Barthakur, Manager of Finance

### Disclosure of Interest:

Nil

### Attachments:

*Item 7.1 Attachment A – Independent Audit Report for Roads to Recovery program by Dry Kirkness*

### Summary

Recommendation to Council to adopt the Audited Report for Roads to Recovery program grant funding by the Department of Infrastructure for the year ended 30 June 2023.

### Background

At the end of the financial year, as per the ***National Land Transport Act 2014***, an audit on grant acquittal for the RTR program must be completed. Dry Kirkness, Shire's auditor provided the opinion on the acquittals, appropriate expense of the projects and complete audit for the Grants received via Road to Recovery Program.

The report including audit opinion has been issued following the completion of the Audit. The audit opinion is favourable and certifies that the funding and expenditure of RTR Projects has been used for appropriate purpose, and have been acquitted with proper accounts and records.

### Comment

The Audit and Risk Committee is provided with the Audited Report Road to Recovery grant for the year ending 30 June 2023.

### Consultation

Darren Mollenoyux, Chief Executive Officer  
David Holland, Manager of Works  
Manisha Barthakur, Manager of Finance  
Robert Hall, Director, Dry Kirkness (OAG Contract Auditors)

### Statutory Implications

Under the RTR Program, entities who are eligible for funding must provide the Department of Infrastructure with an audited annual report. This must be audited by an appropriate auditor as per ***National Land Transport Act 2014***.

### Policy Implications

Nil



**Risk Implications**

<b>Risk:</b> Compliance – Non-compliance with relevant sections and regulations of the Local Government Act 1995.		
<b>Likelihood</b>	<b>Consequence</b>	<b>Rating</b>
Possible	Moderate	Moderate
<b>Action / Strategy</b>		
This item has been evaluated against the Shire of Bruce Rock’s Risk Management Framework’s Risk Matrix. The perceived level of risk is considered to be “Moderate” and will be managed to mitigate the risks associated with each of the areas of the financial audit.		

**Financial Implications**

Annual audit fee has been advised for the 2022-23 certification of the R2R projects audit, by the Dry Kirkness, is \$1500.

**Strategic Implications**

*Shire of Bruce Rock – Strategic Community Plan 2022-2032*

**Governance**

Goal 4.3 Proactive and well governed Shire

**Voting Requirements**

Simple Majority

**OFFICER RECOMMENDATION AND COMMITTEE DECISION**

**Resolution ACM Oct 23 – 7.1**

**Moved:** Cr Foss  
**Seconded:** Cr Waye

**That the Audit and Risk Committee accepts the Audited Report independently audited by Dry Kirkness for Roads to Recovery funding for the year ended 30 June 2023 and recommends to Council endorse.**

**For:** Cr SA Strange, Cr Crooks, Cr KP Foss, Cr Kilminster, Cr PG Negri, Cr R Rajagopalan, Cr J Verhoogt, Cr Waight and Cr RA Waye

**Against:** Nil

**Carried 9/0**

**8. Report of Officers – Risk Management**

**9. Confidential Items**

**10. New Business of an urgent nature introduced by discussion of the meeting.**

**11. Closure of Meeting.**

The Shire President Stephen Strange thanked everyone for their attendance and declared the meeting closed at 3.15pm.

These minutes were confirmed at a meeting on

\_\_\_\_\_  
Cr Stephen Strange  
Shire President



# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2023 Shire of Bruce Rock

To the Council of the Shire of Bruce Rock

### Opinion

I have audited the financial report of the Shire of Bruce Rock (Shire) which comprises:

- the Statement of Financial Position as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2023 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or my knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

## **Responsibilities of the Chief Executive Officer and Council for the financial report**

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

## **Auditor's responsibilities for the audit of the financial report**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## **My independence and quality management relating to the report on the financial report**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Shire of Bruce Rock for the year ended 30 June 2023 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Mark Ambrose  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
7 December 2023