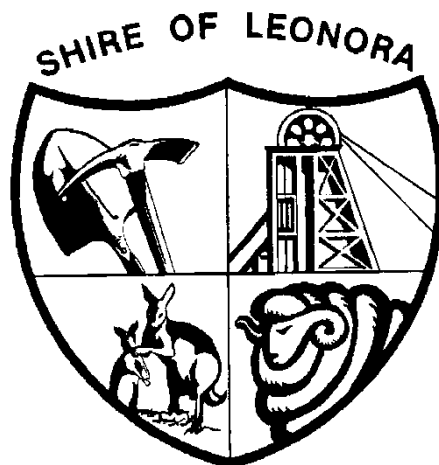


# **SHIRE OF LEONORA**



## **MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING**

HELD 16<sup>TH</sup> MARCH 2021, IN COUNCIL CHAMBERS  
COMMENCING AT 11.48 AM.

**1.0 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS / FINANCIAL INTEREST DISCLOSURE**

Chairperson, Cr PJ Craig, declared the meeting open at **11.48 am**.

**2.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE**

**2.1 Present**

President  
Deputy President  
Councillors

PJ Craig  
RA Norrie  
RM Cotterill  
AE Taylor  
LR Petersen  
AM Moore

Chief Executive Officer  
Deputy Chief Executive Officer

JG Epis  
LA Gray

**2.2 Apologies**

Nil

**2.3 Leave of Absence**

Nil

**2.4 Applications for Leave of Absence**

**Moved Cr AM Moore, seconded Cr RA Norrie** that Council approve Leave of Absence for Cr F Harris for the Audit and Risk Committee Meeting to be held on 16<sup>th</sup> March, 2021.

**CARRIED (6 VOTES TO 0)**

**3.0 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING**

**Moved Cr RA Norrie, Seconded Cr LR Petersen** that the Minutes of the Audit and Risk Committee Meeting held on 15<sup>th</sup> December, 2020 be confirmed as a true and accurate record.

**CARRIED (6 VOTES TO 0)**

#### **4.0 REPORTS OF OFFICERS**

##### **4.1 CHIEF EXECUTIVE OFFICER**

Nil

The CEO left the meeting at 11.50 am.

The CEO returned to the meeting at 11.51 am.

#### **4.0 REPORTS OF OFFICERS**

##### **4.2 DEPUTY CHIEF EXECUTIVE OFFICER**

##### **4.2.1 RELATED PARTY TRANSACTIONS AND DISCLOSURES**

**SUBMISSION TO:** Meeting of Audit Committee  
Meeting Date: 16<sup>th</sup> March, 2021

**AGENDA REFERENCE:** 4.2.1 AUDIT MAR 21

**SUBJECT:** Related Party Transactions and Disclosures

**LOCATION / ADDRESS:** Leonora

**NAME OF APPLICANT:** N/A

**FILE REFERENCE:** 1.8

##### **AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT**

**NAME:** Linda Gray

**OFFICER:** Deputy Chief Executive Officer

**INTEREST DISCLOSURE:** Nil

**DATE:** 11<sup>th</sup> March, 2021

##### **BACKGROUND**

In accordance with AASB 124 *Related Party Disclosures*, local governments must disclose in the annual financial statements related party relationships, transactions and outstanding balances (including commitments) from 1 July 2016. Related parties include Key Management Personnel (KMP), which in the Shire of Leonora's case will include all elected members and executive staff, their close family members and any entities that they control or jointly control. The disclosure requires any transactions with these parties, whether monetary or not, to be identified and assessed whether disclosure is required or not. A disclosure may be in aggregate and will only occur where a transaction has occurred.

Regarding the disclosures, the following approach was developed in a workshop held at the June 2017 Audit and Risk Committee Meeting to ensure that management can properly address the requirements of the accounting standard:

- A procedure / guide for related party disclosures to be established, which includes the updating of returns quarterly through the Audit and Risk Committee Meetings
- Establishment of a system to identify and record related parties of KMPs
- Establishment of a system to identify and record related party relationships of KMPs
- Establishment of a system to identify and record related party transactions
- Identify 'Ordinary Citizen Transactions' (OCTs) that will not be disclosed by Council
- Create declaration forms to be completed by KMPs
- Set a materiality threshold for management to apply when assessing transactions for inclusion in the financial statements
- Identified the need for a separate workshop to be scheduled for newly elected members and
- For the Audit and Risk Committee to recommend any changes required to the above processes

## **STATUTORY ENVIRONMENT**

Disclosures were required from Local Government entities from 1 July 2016 in accordance with AASB 124 *Related Party Disclosures*, with the first disclosures made in the Financial Statements for the year ended 30 June 2017.

## **POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendation of this report.

## **FINANCIAL IMPLICATIONS**

There are no financial implications resulting from the recommendation of this report that will have any detrimental effect on the Shire's finances.

## **STRATEGIC IMPLICATIONS**

Strategic References within the Shire of Leonora Strategic Community Plan 2017-2027 demonstrate connections between services and the desired outcomes and community vision for the Shire of Leonora, particularly in relation to Governance services in this instance such as 4.1 Efficient service offerings to the community, 4.2 Effective and open engagement with all sections of the community, 4.5 Strong leadership and planning.

## **RECOMMENDATIONS**

That the Audit and Risk Committee note the approach taken and the systems established by management with regard to addressing the requirements of *AASB 124 Related Party Disclosures*.

## **VOTING REQUIREMENT**

Simple Majority

## **COUNCIL DECISION**

**Moved Cr RA Norrie, Seconded Cr AM Moore** that the Audit and Risk Committee note the approach taken and the systems established by management with regard to addressing the requirements of *AASB 124 Related Party Disclosures*.

**CARRIED (6 VOTES TO 0)**

#### **4.0 REPORTS OF OFFICERS**

##### **4.2 DEPUTY CHIEF EXECUTIVE OFFICER**

##### **4.2.2 RECORDKEEPING AND DISASTER MANAGEMENT PLAN UPDATE**

**SUBMISSION TO:** Meeting of Audit Committee  
Meeting Date: 16<sup>th</sup> March, 2021

**AGENDA REFERENCE:** 4.2.2 AUDIT MAR 21

**SUBJECT:** Recordkeeping and Disaster Management Plan Update

**LOCATION / ADDRESS:** Leonora

**NAME OF APPLICANT:** Shire of Leonora

**FILE REFERENCE:** 1.55 Information Management/Control of Records/Recordkeeping

##### **AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT**

**NAME:** Linda Gray

**OFFICER:** Deputy Chief Executive Officer

**INTEREST DISCLOSURE:** Nil

**DATE:** 11<sup>th</sup> March, 2021

##### **BACKGROUND**

In 2019 the Auditor General report highlighted the need for the shire to improve its record keeping function in compliance with the State Record Act 2000.

##### **COMMENT**

To improve the shire's recordkeeping functions, implementation of an electronic record management system has been implemented and Keywords for Councils has been applied for document control. Due to this upgrade, the Shire of Leonora's Record Keeping Plan now requires updating to comply with the procedures now in place.

Under the State Record Act 2000, the Recordkeeping Plan is to be reviewed at least once in every 5 years. The next full review does not have to be submitted until December 2023. Therefore, it is not a requirement to send the updated Recordkeeping Plan to the State Record Office for approval, however the requirement to have it adopted at Council is necessary.

##### **STATUTORY ENVIRONMENT**

State Record Act 2000

##### **POLICY IMPLICATIONS**

Shire of Leonora Policy A.1.11 Recordkeeping Policy

##### **FINANCIAL IMPLICATIONS**

Budget provision.

##### **STRATEGIC IMPLICATIONS.**

**Shire of Leonora Community Strategic Plan 2017-2027**

##### **Leadership Objective**

*Innovative and proactive Shire and Councillors*

##### **Outcome 4.5 Strong leadership and planning**

4.5.3 Continue to develop strategic plans and ensure legislative compliance

## **RECOMMENDATIONS**

That the Audit and Risk Committee adopt the Shire of Leonora Recordkeeping Plan and Disaster Recovery Plan as attached.

## **VOTING REQUIREMENT**

Simple Majority

## **COUNCIL DECISION**

**Moved Cr RM Cotterill, Seconded Cr LR Petersen** that the Audit and Risk Committee adopt the Shire of Leonora Recordkeeping Plan and Disaster Recovery Plan as attached.

**CARRIED (6 VOTES TO 0)**

### **5.0 NEXT MEETING**

15<sup>th</sup> June, 2021, following the conclusion of the Ordinary meeting of Council commencing at 9:30am.

### **6.0 CLOSURE OF MEETING**

There being no further business, Chairperson Cr PJ Craig declared the meeting closed at **12:00 noon**.