Notice is hereby given of the Audit Committee Meeting of Council to be held in the Council Chambers, City of Kwinana Administration Centre commencing at 5:30pm.

Joanne Abbiss
Chief Executive Officer

Members of the public who attend Committee meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council’s position. Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

Agendas and Minutes are available on the City’s website www.kwinana.wa.gov.au
Vision Statement

*Kwinana 2030*
*Rich in spirit, alive with opportunities, surrounded by nature – it’s all here!*

Mission

*Strengthen community spirit, lead exciting growth, respect the environment - create great places to live.*

We will do this by –

- providing strong leadership in the community;
- promoting an innovative and integrated approach;
- being accountable and transparent in our actions;
- being efficient and effective with our resources;
- using industry leading methods and technology wherever possible;
- making informed decisions, after considering all available information; and
- providing the best possible customer service.

Values

We will demonstrate and be defined by our core values, which are:

- Lead from where you stand – Leadership is within us all.
- Act with compassion – Show that you care.
- Make it fun – Seize the opportunity to have fun.
- Stand Strong, stand true – Have the courage to do what is right.
- Trust and be trusted – Value the message, value the messenger.
- Why not yes? – Ideas can grow with a yes.
# TABLE OF CONTENTS

1. Declaration of Opening ................................................................. 4
2. Apologies/Leave(s) of Absence (previously approved) ............ 4
3. Public Question Time: ................................................................. 4
4. Declaration of Interest by Members: ............................................. 4
5. Minutes to be Confirmed: ............................................................. 5
   5.1 Audit Committee Meeting held on 2 July 2018. ...................... 5
6. Reports ........................................................................................ 6
7. Urgent Business ........................................................................... 9
8. Response to Previous Questions .................................................. 9
9. Matters Behind Closed Doors ..................................................... 10
   9.1 Quarter One 2018/2019 Internal Audit Plan ............................ 10
10. Next Meeting ............................................................................ 11
11. Meeting Closure ..................................................................... 11
1 Declaration of Opening

Presiding Member to read the Welcome

“IT GIVES ME GREAT PLEASURE TO WELCOME YOU ALL HERE AND BEFORE COMMENCING THE PROCEEDINGS, I WOULD LIKE TO ACKNOWLEDGE THAT WE COME TOGETHER TONIGHT ON THE TRADITIONAL LAND OF THE NOONGAR PEOPLE”

2 Apologies/Leave(s) of Absence (previously approved)

Apologies

Councillor Merv Kearney

Leave(s) of Absence (previously approved):

Nil

3 Public Question Time:


In accordance with Regulation 6 of the Local Government (Administration) Regulations 1996, the minimum time allowed for Public Question Time is 15 minutes.

A member of the public who raises a question during Question Time is to state his or her name and address.

4 Declaration of Interest by Members:

Elected Members are to deliver to the Chief Executive Officer:

(a) written notice of any Declaration of Interest prior to the meeting; or

(b) at the meeting immediately before the matter is discussed [Local Government Act 1995 Section 5.65(1)]. A City employee who has an interest in any matter of which the employee is providing advice or a report directly to the Council or Committee must disclose the nature of the interest when giving the advice or report [Local Government Act 1995 Section 5.7(2)].
5 Minutes to be Confirmed:

5.1 Audit Committee Meeting held on 2 July 2018.

Moved Cr ....................... Seconded Cr ......................... that the Minutes of the Audit Committee held on 2 July 2018 be confirmed as a true and correct record of the meeting.
6 Reports

6.1 2017/18 Annual Financial Audit – Audit Strategy Memorandum

DECLARATION OF INTEREST*:

There were no declarations of interest declared.

SUMMARY:

The purpose of this report is to provide the Audit Committee details of the Audit Strategy Memorandum as provided by the City's Auditors, Moore Stephens WA (“Moore Stephens”).

OFFICER RECOMMENDATION:

That the Audit Committee note the Audit Strategy Memorandum as provided by the City's Auditors, Moore Stephens WA as detailed in Confidential Attachment A.

DISCUSSION:

The City has engaged Moore Stephens WA Pty Ltd (“Moore Stephens”) to perform the annual financial report audit for the year ended 30 June 2018. As part of the new requirements of the Office of the Auditor General, local government auditors are now required to provide to each local government an Audit Strategy Memorandum prior to the commencement of each audit.

The memorandum, as contained within Confidential Attachment A, sets out the proposed strategy for the audit of the City of Kwinana's annual financial report for the year ended 30 June 2018.

The key purposes of the memorandum are to:

- set out the audit scope and approach in summary;
- identify and communicate the key audit risk areas which are expected to be the focus of the audit procedures; and
- promote effective communication between the auditor and those charged with governance at the local government.

A timetable for the audit has also been provided as part of the memorandum and is detailed below.
6.1 2017/18 ANNUAL FINANCIAL AUDIT – AUDIT STRATEGY MEMORANDUM

<table>
<thead>
<tr>
<th>Engagement Activity</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Planning</td>
<td>1 March 2018</td>
</tr>
<tr>
<td>Entrance Meeting (Interim)</td>
<td>5 March 2018</td>
</tr>
<tr>
<td>Interim Audit Visit</td>
<td>5 – 6 March 2018</td>
</tr>
<tr>
<td>Interim Exit Meeting</td>
<td>6 March 2018</td>
</tr>
<tr>
<td>Interim management report (if any matters to be reported)</td>
<td>N/A</td>
</tr>
<tr>
<td>Issuance of Audit Strategy Memorandum</td>
<td>17 July 2018</td>
</tr>
<tr>
<td>Receipt of complete and balanced draft financial report</td>
<td>30 September 2018</td>
</tr>
<tr>
<td>Final Audit Visit</td>
<td>1 – 3 October 2018</td>
</tr>
<tr>
<td>Final Exit Meeting</td>
<td>3 October 2018</td>
</tr>
<tr>
<td>Year end management report (if any matters to be reported)</td>
<td>31 October 2018</td>
</tr>
<tr>
<td>Issuance of Audit Concluding Memorandum</td>
<td>2 November 2018</td>
</tr>
<tr>
<td>Concluding (Exit) Meeting</td>
<td>2 November 2018</td>
</tr>
<tr>
<td>Date CEO sign off on financial statements</td>
<td>5 November 2018</td>
</tr>
<tr>
<td>Final sign-off of Auditor’s report and Management report</td>
<td>5 November 2018</td>
</tr>
</tbody>
</table>

The results and findings of the 2017/18 annual financial audit will be presented to the Audit Committee at the Audit Committee meeting held on 11 November 2018.

LEGAL/POLICY IMPLICATIONS:

There are no legal or policy implications as a result of this report.

FINANCIAL/BUDGET IMPLICATIONS:

There are no financial implications as a result of this report.

ASSET MANAGEMENT IMPLICATIONS:

There are no asset management implications as a result of this report.

ENVIRONMENTAL IMPLICATIONS:

There are no environmental implications as a result of this report.

STRATEGIC/SOCIAL IMPLICATIONS:

This proposal will support the achievement of the following outcome and objective detailed in the Corporate Business Plan.

<table>
<thead>
<tr>
<th>Plan</th>
<th>Outcome</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Business Plan</td>
<td>Business Performance</td>
<td>5.4 Ensure the financial sustainability of the City of Kwinana into the future</td>
</tr>
</tbody>
</table>
6.1 2017/18 ANNUAL FINANCIAL AUDIT – AUDIT STRATEGY MEMORANDUM

COMMUNITY ENGAGEMENT:

There are no community engagement implications as a result of this report.

RISK IMPLICATIONS:

The risk implications in relation to this proposal are as follows:

<table>
<thead>
<tr>
<th>Risk Event</th>
<th>The scope and planning of the audit by auditors is not sufficient to ensure the financial statements are free from material misstatements due to fraud or error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Theme</td>
<td>Failure to fulfil statutory, regulatory or compliance requirements</td>
</tr>
<tr>
<td>Risk Effect/Impact</td>
<td>Financial/Compliance</td>
</tr>
<tr>
<td>Risk Assessment Context</td>
<td>Strategic</td>
</tr>
<tr>
<td>Consequence</td>
<td>Moderate</td>
</tr>
<tr>
<td>Likelihood</td>
<td>Possible</td>
</tr>
<tr>
<td>Rating (before treatment)</td>
<td>Moderate</td>
</tr>
<tr>
<td>Risk Treatment in place</td>
<td>Reduce - mitigate risk</td>
</tr>
<tr>
<td>Response to risk treatment required/in place</td>
<td>Reduce the risk by ensuring the City’s auditors are adequately resourced and effective planning is undertaken.</td>
</tr>
<tr>
<td>Rating (after treatment)</td>
<td>Low</td>
</tr>
</tbody>
</table>
7 Urgent Business

Note: In accordance with Clause 6.7 of Council’s Standing Orders, only items resolved by Audit Committee to be Urgent Business will be considered.

Moved Cr ............... Seconded Cr ................ that Audit Committee deal with the ...... items of urgent business as presented in the Addendum to the Agenda.

8 Response to Previous Questions

Nil
9  Matters Behind Closed Doors

9.1  Quarter One 2018/2019 Internal Audit Plan
10 Next Meeting

19 November 2018

11 Meeting Closure