



UNCONFIRMED MINUTES

AUDIT AND RISK MANAGEMENT COMMITTEE MEETING

21 FEBRUARY 2024

SHIRE OF CARNAMAH COUNCIL CHAMBERS
33-37 Macpherson Street Carnamah



Unlocking the past, securing our future

We reflect on the spirit of the people who settled this country and developed the land; along with the service personnel and volunteers whose sacrifices have enabled us to enjoy the lifestyle we are accustomed.

UNCONFIRMED MINUTES AUDIT AND RISK MANAGEMENT COMMITTEE MEETING 21 February 2024

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CONFIRMED MINUTES

These minutes were confirmed as a true and accurate record of the proceedings at the Audit Committee held on 21 February 2024.

Presiding Person at the Meeting at which the Minutes were confirmed

CONTENTS

1.0	DECLARATION OF OPENING	4
2.0	RECORD OF ATTENDANCE	4
2.1	PRESENT	4
2.2	APOLOGIES/ MEMBERS ON APPROVED LEAVE OF ABSENCE	4
3.0	PUBLIC QUESTION TIME	4
4.0	DISCLOSURE OF INTEREST	4
4.1	DECLARATION OF FINANCIAL AND PROXIMITY INTEREST	4
4.2	DECLARATION OF INTEREST AFFECTING IMPARTIALITY	4
5.0	PETITIONS, PRESENTATIONS AND DEPUTATIONS	5
6.0	CONFIRMATION OF MINUTES	5
6.1	AUDIT AND RISK MANAGEMENT COMMITTEE MEETING HELD ON WEDNESDAY 13 DECEMBER 2023	5
7.0	OFFICER REPORTS	5
7.1	RISK MANAGEMENT DASHBOARD – FEBRUARY 2024	5
7.2	COMPLIANCE AUDIT RETURN	8
8.0	CONFIDENTIAL REPORTS	12
8.1	CLOSURE OF THE MEETING TO THE PUBLIC	12
8.2	INTERNAL AUDIT PROGRAMME – ANNUAL LEAVE ACCRUALS AND LONG SERVICE LEAVE	15
8.3	REOPENING OF THE MEETING TO THE PUBLIC	15
9.0	NEW BUSINESS OF AN URGENT NATURE	15
10.0	CLOSURE OF MEETING	15

AUDIT AND RISK MANAGEMENT COMMITTEE MEETING

21 FEBRUARY 2024

1.0 DECLARATION OF OPENING

The Presiding Member declared the meeting open at 3.36pm

Acknowledgement of Country

The Presiding Member acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, waters and community; and pays respect to Elders past, present and emerging.

2.0 RECORD OF ATTENDANCE

2.1 Present

<u>Elected Members</u>	Cr Isbister Cr Wooltorton Cr Chisholm Cr Kikeros Cr Ogilvie Cr Risinger Cr Smallwood	Shire President (Presiding Person) Shire Deputy President Councillor Councillor Councillor Councillor Councillor
<u>Staff</u>	Robert Paull Ian Walsh Joe Hodges Rachael Moore	Chief Executive Officer Deputy Chief Executive Officer Manager Works and Services Executive Coordinator

2.2 Apologies/ Members on Approved Leave of Absence

Nil

3.0 PUBLIC QUESTION TIME

Nil

4.0 DISCLOSURE OF INTEREST

4.1 Declaration of Financial and Proximity Interest

Nil

4.2 Declaration of Interest Affecting Impartiality

Nil

5.0 PETITIONS, PRESENTATIONS AND DEPUTATIONS

Nil

6.0 CONFIRMATION OF MINUTES

6.1 Audit and Risk Management Committee Meeting held on Wednesday 13 December 2023

ACM 20240201 OFFICER RECOMMENDATION / COUNCIL DECISION	
That the Minutes of the Audit and Risk Committee Meeting held on Wednesday 13 December 2023 be accepted as a true and correct record.	
Moved:	Cr Chisholm
Seconded:	Cr Kikeros
CARRIED 7/0	

7.0 OFFICER REPORTS

7.1 Risk Management Dashboard – February 2024

File Code	ADM0742
Author	Rachael Moore, Executive Coordinator
Senior Employee	Ian Walsh – Acting Chief Executive Officer
Disclosure of Interest	Nil
Attachments	1 Risk Management Dashboard

SUMMARY

The Audit and Risk Management Committee is requested to receive the Risk Dashboard Quarterly Report – February 2024 and recommend Council that it adopts the quarterly Risk Dashboard.

BACKGROUND

The International Organization for Standardization (ISO) defines risk management as the "coordinated activities to direct and control an organisation with regard to risk". Risk management is cornerstone to the success of good corporate governance and ensuring a safer workplace and community.

By taking an integrated, structured, supported and embedded approach to risk management, the Shire and Council benefit from:

- Increased confidence in decision making;
- Increased certainty of achieving strategies, objectives and goals;
- Improved workplace safety and morale;
- Enhanced governance, compliance and assurance;
- Cost effectiveness and improved budget control;
- Better managed resources and workflows, with less re-work;

- Reduced potential for litigation and claims; and
- Meeting stakeholder expectations and attracting and retaining quality people

In early 2020, LGIS was contracted to work with the Shire to develop a risk management framework and policy that would assist with identifying and managing risks across the organisation.

From the workshops with Shire officers, framework and policy documents were developed to guide the organisation in its risk management journey. At the same time, a number of risks were identified, and corresponding risk profiles established. The Risk Profiles Summary Dashboard should be presented to the Audit Committee on a regular basis. This is understood to be first Risk Summary Dashboard to be referred to Committee.

COMMENT

The Shire has adopted a 'Three Lines of Defence' model for the management of risk. This model ensures roles, responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, Council, management and the community will have assurance that risks are managed effectively to support the delivery of the strategic, corporate and operational plans.

Shire staff have reviewed Risk Management Dashboard initially prepared in 2021. The finalised and recently revised the Risk Management Dashboard to reflect them risk appetite and framework is included as **Attachment 1**.

CONSULTATION

Executive Management Team
Executive Co-ordinator

STATUTORY ENVIRONMENT

The *Local Government Act 1995*
Regulations 16 and 17 of the *Local Government (Audit) Regulations* are applicable.

STRATEGIC IMPLICATIONS

Shire of Carnamah Strategic Community Plan and Corporate Business Plan 2021-2031 (as revised in December 2022):

Outcome 4 Open, collaborative and empowered.
Strategy 4.1.2 Continuous improvement in efficient and effective service delivery.

POLICY IMPLICATIONS

Policy 2.8 Risk Management

FINANCIAL IMPLICATIONS

Many of the actions required to manage the risks identified will require resourcing and are being progressed within the current budget allocations.

VOTING REQUIREMENT

Simple Majority

ACM 20240202 OFFICER RECOMMENDATION / COUNCIL DECISION	
That, in accordance with Regulations 16 and 17 of the <i>Local Government (Audit) Regulations 1996</i> , the Audit and Risk Management Committee:	
<ol style="list-style-type: none">1. Receives the Risk Dashboard Quarterly Report – February 2024, as presented in Attachment 1 on the progress of actions to identify risks and track treatments to manage risks at the Shire of Carnamah; and2. Recommends to Council that it adopts the quarterly Risk Dashboard Quarterly Report – February 2024.	
Moved:	Cr Ogilvie
Seconded:	Cr Woollorton
CARRIED 7/0	

7.2 Compliance Audit Return

File Code	ADM0057
Author	Rachael Moore, Executive Coordinator Ian Walsh, Acting Chief Executive Officer
Senior Employee	Ian Walsh, Acting Chief Executive Officer
Disclosure of Interest	Nil
Attachments	2023 Compliance Audit Return Disposal of property flowchart

SUMMARY

A Compliance Audit Return was conducted covering the period 1 January 2023 to 31 December 2023. The completed Compliance Audit Return forms is attached.

It is a requirement that the Compliance Audit Return is presented to the Council for adoption. A copy of the Council report and a certified copy of the return are required to be endorsed by the President and Chief Executive Officer and submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2023.

BACKGROUND

There are 94 questions on the 2023 return. The Compliance Audit Return assesses compliance against the Local Government Act 1995 and associated Regulations.

COMMENT

The format of the return varies each year with the department only testing those areas considered to be high risk. the questions relate to:

Local Government Act 1995;
Local Government (Financial Management) Regulations 1996
Local Government (Function and General) Regulations 1996;
Local Government (Administration) Regulations 1996;
Local Government (Elections) Regulations 1997;
Local Government (Audit) Regulations 1996,

Regulation 14 of the Local Government (Audit) Regulations 1996 requires each local government's Audit Committee to review the Return and report the results of that review to the Council.

The areas that the Return relates to and the changes to the number of questions are below:

Area of legislation	2023 Number of Questions	Changes from 2022
Commercial Enterprises by Local Governments	5	
Delegation of Power/Duty	13	
Disclosure of Interest	21	
Disposal of Property	2	
Elections	3	

Area of legislation	2023 Number of Questions	Changes from 2021
Finance	7	
Integrated Planning and Reporting	3	
Local Government Employees	5	
Official Conduct	4	
Optional Questions	9	
Tenders for Providing Goods and Services	22	

The Return containing the questions and responses is provided as an attachment. This document is provided by the Department of Local Government, Sport and Cultural Industries in an on-line SmartHub to allow local governments to update the Return with their responses and when completed, print for certification by the President and Chief Executive Officer.

The Shire's Compliance Calendar (Attain) is used to assist management of all legislative compliance matters. The Calendar is updated regularly which enables a management response should a matter require attention.

Non Compliance

Disposal of Property

Question -Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies).

Answer – No

Findings

A lease was entered into during the reporting period for Lot 75A Forrester Avenue (Factory unit) without releasing a public notice advising of the disposal by way of lease by private treaty.

The Local Government (Functions and General) Regulations 1996 – Reg 30 does provide exemptions.

Improvement Actions

Management will develop a procedure to ensure future compliance ,WALGA have developed a flow chart (**Attachment 2**) to assist in the decision-making process.

Question – Where the local government disposed of property under section 3.58(3) of the *Local Government Act 1995*, did it provide details, as prescribed by section 3.58(4) in the required local public notice for each disposal of property?

Answer – No

Findings

A lease was entered into during the reporting period for Lot 75A Forrester Avenue (Factory unit) without releasing a public notice advising of the disposal by way of lease by private treaty.

Improvement Actions

Management will develop a procedure to ensure future compliance ,WALGA have developed a flow chart (Attachment 1) to assist in the decision-making process.

Question – Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4) in the required local public notice for each disposal of property?

Other section

Question 3 - Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?

Answer – No

Findings

The Policy Manual was reviewed en bloc in July 2023 and adopted by simple majority then published; motion will be rescinded and adopted by absolute majority at the Ordinary Meeting of Council to be held 21 February 2024

Improvement Actions

Question 3 Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?

Answer – No

Findings

The Policy Manual was reviewed en bloc in July 2023 and adopted by simple majority then published.

Improvement Actions

Management will prepare a review of the Policy Manual to provide the opportunity for Council to adopt the reviewed Policy Manual.

CONSULTATION

Executive Management team

STATUTORY IMPLICATIONS

Local Government Act 1995;
Local Government (Financial Management) Regulations 1996
Local Government (Function and General) Regulations 1996;
Local Government (Administration) Regulations 1996;
Local Government (Elections) Regulations 1997;
Local Government (Audit) Regulations 1996,

STRATEGIC IMPLICATIONS

Shire of Carnamah Strategic Community Plan and Corporate Business Plan 2021-2031
(reviewed December 2022)

Outcome 4.1 Improvement in efficient and effective service delivery

Strategy 4.1.2 Continuous improvement in efficient and effective service delivery

POLICY IMPLICATIONS

There are no known policy implications.

RISK IMPLICATIONS

Risk: The Compliance Audit Return is a statutory requirement and if the Return was not submitted, the Department of Local Government might take adverse action on the shire.		
Likelihood	Consequence	Acceptance Criteria
Possible	Low	Moderate
Action / Strategy		
Complete and submit the return to the Department of Local Government, Sport and Cultural Industries.		

FINANCIAL IMPLICATIONS

There are no financial implications for the Council associated with this compliance audit.

VOTING REQUIREMENT

Simple Majority

ACM 20240203 OFFICER RECOMMENDATION / COUNCIL DECISION	
That with respect to the Compliance Audit Return, the Audit and Risk Management Committee recommend that Council:	
1. Approves the Compliance Audit Return for the period 1 January 2023 to 31 December 2023 Compliance Audit Return 2023 and following certification the President and the Chief Executive Officer, the Compliance Audit Return 2023 be forwarded to the Department of Local Government, Sport and Cultural Industries	
Moved:	Cr Woollorton
Seconded:	Cr Chisholm
CARRIED 7/0	

8.0 CONFIDENTIAL REPORTS

8.1 Closure of the Meeting to the Public

File Code	ADM0619
Author	Robert Paull – Chief Executive Officer
Senior Employee	Robert Paull - Chief Executive Officer
Disclosure of Interest	Nil
Attachments	Nil

SUMMARY

This item seeks Audit and Risk Management Committee’s approval under s5.23 (2) of the *Local Government Act 1995* to move into camera or closed session to consider confidential matters.

BACKGROUND

Under s5.23 (2) of the *Local Government Act 1995*, Audit and Risk Management Committee must resolve to move into camera or closed session. The following Items are considered to be ‘confidential matters’ as addressed below:

- Item 8.2 Confidential Item – Internal Audit Programme – Annual Leave Accruals and Long Service Leave is presented under (s5.23 (2) (a), (b) and (c) of the *Local Government Act 1995*); and

COMMENT

Audit and Risk Management Committee is requested to close the meeting to the public under section 5.23 (2) of the *Local Government Act 1995* and the *Shire of Carnamah Meeting Procedures Local Law 2013* s 6.2 so that it can consider the reports as addressed.

CONSULTATION

Not required

STATUTORY IMPLICATIONS

Local Government Act 1995

Under section 5.23 (2) of the *Local Government Act 1995*, part of a council meeting may be closed, if the meeting deals with any of the following:

- a matter affecting an employee or employees;*
- the personal affairs of any person;*
- a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting;*
- legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting;*
- a matter that if disclosed, would reveal —*
 - a trade secret;*
 - information that has a commercial value to a person;*

- (iii) information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government;
- (f) a matter that if disclosed, could be reasonably expected to —
 - (i) impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law;
 - (ii) endanger the security of the local government's property;
 - (iii) prejudice the maintenance or enforcement of a lawful measure for protecting public safety;
- (g) information which is the subject of a direction given under section 23(1a) of the Parliamentary Commissioner Act 1971; and
- (h) such other matters as may be prescribed.

Shire of Carnamah Meeting Procedures Local Law 2013

The key parts include:

“6.2 Meetings not open to the public

- (1) The CEO may, at any time, recommend that a meeting or part of a meeting be closed to members of the public.
- (2) The council or a committee, in one or more of the circumstances dealt with in the Act, may at any time, by resolution, decide to close a meeting or part of a meeting.
- (3) If a resolution under subclause (2) is carried —
 - (a) the presiding member is to direct everyone to leave the meeting except -
 - (i) the members;
 - (ii) the CEO; and
 - (iii) any officer specified by the presiding member; and
 - (b) the meeting is to be closed to the public until, at the conclusion of the matter justifying the closure of the meeting to the public, the council or the committee, by resolution, decides otherwise.
- (4) A person who fails to comply with a direction under subclause (3)(a) may, by order of the presiding member, be removed from the meeting.
- (5) While the resolution under subclause (2) remains in force, the operation of clause 8.9 is to be suspended until the council or the committee, by resolution, decides otherwise.
- (6) A resolution under this clause may be made without notice.
- (7) Once the meeting is reopened to members of the public, the presiding member is to ensure that any resolution of the council made while the meeting was closed is to be read out including a vote of a member to be included in the minutes.”

STRATEGIC IMPLICATIONS

Shire of Carnamah Strategic Community Plan and Corporate Business Plan 2021-2031
(reviewed December 2022)

<i>Outcome 4</i>	<i>Open, collaborative and empowered</i>
<i>Priority 4.1</i>	<i>Improvement in efficient and effective service delivery</i>
<i>Strategy</i>	<i>Continuous improvement in efficient and effective service delivery</i>

POLICY IMPLICATIONS

There are no known Policy Implications

RISK IMPLICATIONS

There are no known risk management considerations.

FINANCIAL IMPLICATIONS

Any known financial implications are addressed in the report.

VOTING REQUIREMENT

Simple Majority

ACM 20240204 OFFICER RECOMMENDATION / COUNCIL DECISION	
That the Audit and Risk Management Committee closes the meeting to the public under section 5.23 (2) of the Local Government Act 1995 and the Shire of Carnamah Meeting Procedures Local Law 2013 s 6.2 (3) so that it can consider the following Item: Item 8.2 Confidential Item - Internal Audit Programme – Annual Leave Accruals and Long Service Leave presented under (s5.23 (2) (a), (b) and (c) of the Local Government Act 1995).	
Moved:	Cr Risinger
Seconded:	Cr Chisholm
CARRIED 7/0	

8.2 Internal Audit Programme – Annual Leave Accruals and Long Service Leave

File Code	ADM0742
Author	Ian Walsh – Deputy Chief Executive Officer
Senior Employee	Robert Paull - Chief Executive Officer
Disclosure of Interest	Nil
Attachments	Nil

ACM 20240205 OFFICER RECOMMENDATION / COUNCIL DECISION	
That, in relation to Internal Audit Programme – Annual Leave Accruals and Long Service Leave, the Audit and Risk Management Committee recommends Council accept the report.	
Moved:	Cr Woollorton
Seconded:	Cr Chisholm
CARRIED 7/0	

8.3 Reopening of the Meeting to the Public

ACM 20240206 OFFICER RECOMMENDATION / COUNCIL DECISION	
That Audit and Risk Management Committee reopens the meeting to the public	
Moved:	Cr Woollorton
Seconded:	Cr Ogilvie
CARRIED 7/0	

The meeting reopened to the public at 3.47pm

9.0 NEW BUSINESS OF AN URGENT NATURE

Nil

10.0 CLOSURE OF MEETING

The Presiding Person declared the meeting closed at 3.47pm