



Shire of **Ngaanyatjaraku**

ON A JOURNEY

AUDIT & RISK COMMITTEE MEETING

UNCONFIRMED MINUTES

**Tjulyuru Cultural and Civic Centre
Warburton Community**

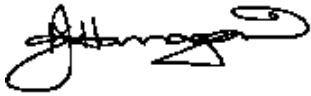
31 May 2023

at

1.00 pm

SHIRE OF NGAANYATJARRAKU
AUDIT & RISK COMMITTEE MEETING

The Chief Executive Officer recommends the endorsement of these minutes at the next Audit & Risk Committee Meeting.



Chief Executive Officer

Date: 31-5-2023

These minutes were confirmed by the Audit & Risk Committee as a true and correct record of proceedings of the Meeting of the Audit & Risk Committee held on the 31 May 2023.

Presiding Member: _____ **Date:** / / 2023

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1. **DECLARATION OF OPENING**

The Presiding Member declared the meeting open at 1.00 pm.

2. **ANNOUNCEMENT OF VISITORS**

The Presiding Member welcomed members of the public to the gallery.

3. **ATTENDANCE**

3.1 **PRESENT**

Elected Members:	President Deputy President Councilor Councilor Councilor Councilor	D McLean P Thomas (President phone approval given 24//5/23) D Frazer J Frazer (President phone approval given 24//5/23) J Porter A Jones
Staff:	CEO CFO AC OC FAC	K Hannagan (via video-conference) K Fisher (via video-conference) S Richardson S Latham G Handy
Guests:	Nil	
Members of Public:	There were no members of the public in attendance at the commencement of the meeting.	

3.2 **APOLOGIES**

D Mosel (Annual Leave)

3.3 **APPROVED LEAVE OF ABSENCE**

Cr L West

4. **PUBLIC QUESTION TIME**

4.1 **RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

4.2 **PUBLIC QUESTION TIME**

5. **APPLICATIONS FOR LEAVE OF ABSENCE**

Council Resolution

Moved: Cr J Porter Seconded: Cr D Frazer

That Council approves a leave of absence for Cr L West for any meetings held between June & July.

Carried: 6/0

6. DECLARATION BY MEMBERS

6.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA

Councillors are requested to give due consideration to all matters contained in the Agenda presently before the meeting.

6.2 DECLARATIONS OF INTEREST

Councillors to Note

A member who has an Impartiality, Proximity or Financial Interest in any matter to be discussed at a Council or Committee Meeting, that will be attended by the member, must disclose the nature of the interest:

- (a) In a written notice given to the Chief Executive Officer before the Meeting
or;
- (b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- (a) Preside at the part of the Meeting, relating to the matter or;
- (b) Participate in or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under *Section 5.68 or Section 5.69 of the Local Government Act 1995*.

NOTES ON DECLARING INTERESTS (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have an interest in a matter.

These notes are included in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the *Local Government Act 1995* but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.

5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
 - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the Local Government Act, or
 - 6.2 Where the Minister allows the Councillor to participate under s.5.69(3) of the Local Government Act, with or without conditions.

Declarations of Interest provided:

Item Number/ Name	Type of Interest	Nature/Extent of Interest

7. TERMS OF REFERENCE

Under the Local Government Act 1995, Local Governments are required to appoint an Audit Committee (section 7.1A of the Local Government Act 1995).

An Audit and Risk Committee is to provide guidance and assistance to the Local Government – as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act and as to the development of a process to be used to select and appoint a person to be an auditor and may provide guidance and assistance to the Local Government as to – matters to be audited, the scope of audits, its functions under Part 6 of the Act and the carrying out of its functions relating to other audits and other matters related to financial management (clause 16 Local Government (audit) Regulations 1996).

8. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

8.1 MINUTES OF COMMITTEE MEETING HELD

Voting Requirement

Simple Majority

Officers Recommendation and Committee Resolution

Moved: Cr D Frazer Seconded: Cr J Porter

That the Unconfirmed Minutes of the Audit & Risk Committee Meeting held on 22 February 2023 at the Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community (as distributed and published on Shire website) be confirmed as a true and accurate record.

Carried: 6/0

Unconfirmed

9. AGENDA ITEMS

9.1 COMPLIANCE CALENDAR

FILE REFERENCE:	FM.02
AUTHOR'S NAME AND POSITION:	Kevin Hannagan Chief Executive Officer
AUTHORISING OFFICER AND POSITION:	Kevin Hannagan Chief Executive Officer
DATE REPORT WRITTEN:	15 May 2023
DISCLOSURE OF INTERESTS:	The author has no financial, proximity or impartiality interests in the proposal.

Summary

To provide the Audit and Risk Committee with a quarterly progress report on action taken related to the Compliance Calendar.

Background

Local Governments are required to fulfil duties and functions prescribed in legislation and the community and State Government rightly expect that Local Governments will fulfil them. This expectation is prescribed in the *Local Government Act 1995* through the CEO duties which require the management of legislative compliance.

Due to recent changes to the Local Government Act 1995, the Auditor General is now undertaking financial and performance audits for all Local Governments. To prepare for this the Shire has reviewed its former Compliance Calendar to ensure that all operational activities and processes support legislative compliance.

The attached Compliance Calendar provides a systemic approach to managing the legislative compliance, by initiating Compliance Actions via reminders and creates auditable records for how compliance has been achieved. The aim of the Compliance Calendar process is to improve compliance outcomes and reduced risk.

Comment

The attached Compliance Calendar has been prepared, to suit the specific compliance requirements and operational timeframes of the Shire. The Compliance Actions, listed in the attached spreadsheet show when these Actions need to be completed. The spreadsheet also considers the workloads for the assigned Responsible Officer, to ensure officers workloads are spread evenly over the calendar year, thus reducing work pressures and potential for compliance failures. The Compliance Calendar will be updated and reported to the A&R Committee on a Quarterly basis.

Statutory Environment

Local Government (Audit) Regulations 1996

Sec (17) - CEO is to review the appropriateness and effectiveness of a local governments systems and procedures in relation to:

- a) *Risk management*
- b) *Internal control*
- c) *Legislative compliance*

Financial Implications

There are no known financial implications for this matter.

Strategic Implications

Plan for the Future 2021 – 2031

Goal 3, Our Leadership

Outcome 8, A well-functioning organisation

Strategy, 8.2, Maintain corporate governance, responsibility and accountability

Risk Management

This item has been evaluated against the Shire of Ngaanyatjarraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is “Low” risk and can be managed by routine procedures and is unlikely to need specific application of resources, other than contained in the Recommendation.

Policy Implications

There are no known policy implications for this matter.

Attachments

Attachment 9.1 – Compliance Calendar, QE April 2023

Voting Requirement

Simple Majority

Officers Recommendation and Committee Resolution

Moved: Cr A Jones Seconded: Cr D Frazer

That the Unconfirmed Minutes of the Audit & Risk Committee Meeting held on 22 February 2023 at the Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community (as distributed and published on Shire website) be confirmed as a true and accurate record.

Carried: 6/0

9.2 RISK REGISTER

FILE REFERENCE:	FM.02
AUTHOR'S NAME AND POSITION:	Kevin Hannagan Chief Executive Officer
AUTHORISING OFFICER AND POSITION:	Kevin Hannagan Chief Executive Officer
DATE REPORT WRITTEN:	10 May 2023
DISCLOSURE OF INTERESTS:	The author has no financial, proximity or impartiality interests in the proposal.

Summary

To provide the Audit and Risk Committee with an update of the Risk Management Activities undertaken to date.

Background

Since Moore Australia commenced in 2019/20, the Shire has adopted an updated risk management policy which aligns to *AS/NZS ISO 31000:2018 Risk Management Guidelines*. The Audit and Risk Committee also endorsed a Risk Management Strategy utilising the Principles, Framework and Process as defined within the standard. The Strategy considers the context of the Shire and conforms to the requirements of the standard by providing the necessary guidance and direction to be followed by the Shire in its risk management activities and is aligned with the risk management policy.

Comment

The Risk Management Strategy provides guidance and direction around risk management activities, including the assessment, prioritisation and communication of risk.

The risk register has been updated with applicable recommendations (including best practice initiatives) resulting from focus audits and other reports recently published by the Office of the Auditor General (OAG) relating to the local government sector.

It also included the results from the following recently completed reviews;

- Reg 5 – The Financial Management Review, of the Shire's financial management systems and procedures
- Reg 17 - A review of the appropriateness and effectiveness of the Shire's system and procedures in relation to risk management, internal control, and legislative compliance.

A risk summary report is intended to be provided bi-annually to the committee. This report enables analysis of what has changed for the organisation, and whether these changes result in new or emerging risks against each risk profile. This subsequently allows for the risk register to be updated, and for a report to the committee to be compiled summarising new risks or changes to existing risks. The risk summary report will highlight risk changes identified against each profile since the last review, including actions and treatments in place for high level risks.

Statutory Environment

Local Government (Audit) Regulations 1996

Sec (17) - CEO is to review the appropriateness and effectiveness of a local governments systems and procedures in relation to:

- a) Risk management*
- b) Internal control*
- c) Legislative compliance*

Financial Implications

There are no known financial implications for this matter.

Strategic Implications

Plan for the Future 2021 – 2031

Goal 3, Our Leadership

Outcome 8, A well-functioning organisation

Strategy, 8.2, Maintain corporate governance, responsibility and accountability

Risk Management

This item has been evaluated against the Shire of Ngaanyatjaraku's Risk Management Strategy, Risk Assessment Matrix. The perceived level of risk is high prior to treatment, the progression of risk management activities aligned with the Risk Management Strategy will reduce the risk to low.

Policy Implications

The Risk Management Policy outlines the Shire's commitment and approach to managing risks impacting on day-to-day operations and the delivery of strategic objectives.

Attachments

Attachment 9.2 – Risk Register

Voting Requirement

Simple Majority

Officers Recommendation and Committee Resolution

Moved: Cr J Porter

Seconded: Cr D Frazer

That the Audit and Risk Committee receive the above report updating risk management activities undertaken to date.

Carried: 6/0

10. NEW BUSINESS OF AN URGENT NATURE AS ADMITTED BY DECISION

11. CONFIDENTIAL MATTERS

12. NEXT MEETING

TBA at the Tjulyuru Cultural and Civic Centre, Warburton Community commencing at 1:00 pm.

13. CLOSURE OF MEETING

There being no further business to discuss the Presiding Member closed the meeting at 1.07 pm.

Unconfirmed