



**Shire of Ngaanyatjaraku**  
ON A JOURNEY

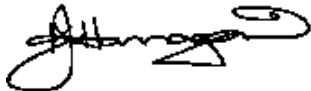
**AUDIT & RISK COMMITTEE MEETING**  
**MINUTES & ATTACHMENTS**

**Tjulyuru Cultural and Civic Centre**  
**Warburton Community**

**24 February 2021**  
**at**  
**12.35 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: 24-2-2021

These minutes were confirmed by Audit Committee as a true and correct record of proceedings of the Meeting of the Audit & Risk Committee held on the 24 February 2021.

**Presiding Member:** \_\_\_\_\_



Date: 26/5/2021

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**1. DECLARATION OF OPENING**

The Presiding Member declared the meeting open at 12.35 pm.

**2. ANNOUNCEMENT OF VISITORS**

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

**3. ATTENDANCE**

**3.1 PRESENT**

<b>Elected Members:</b>	President Deputy President Councillor Councillor	D McLean A Jones D Frazer J Frazer
<b>Staff:</b>	CEO DGC ASSCO	K Hannagan (via MS Teams on TV) C Green LF Salazar
<b>Guests:</b>	Councillor Councillor	J Porter L West
<b>Members of Public:</b>	There was one member of the public in attendance at the commencement of the meeting, Harriet Olney, Independent, NCAC.	

**3.2 APOLOGIES**

Cr. A Bates

**3.3 APPROVED LEAVE OF ABSENCE**

**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**

**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
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**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**

**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 25 November 2020 at the Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community (ATTACHMENT 8.1) be confirmed as a true and accurate record.**

**Carried: 4/0**

## 9. AGENDA REPORTS

### 9.1 COMPLIANCE MATTER

**FILE REFERENCE:** FM.02

**AUTHOR'S NAME AND POSITION:** Kevin Hannagan  
Chief Executive Officer

**DATE REPORT WRITTEN:** 13 January 2021

**DISCLOSURE OF INTERESTS:** The author has no financial, proximity or impartiality interests in the proposal.

#### **Summary**

For the Audit Committee to consider a non-compliance matter due to the failure to hold its AGM of Electors to consider the 2018/19 Annual Report within the 56 day period after Council adopted the report.

#### **Background**

Council adopted the 2018/19 Annual Report at its 18 December 2019 meeting. Therefore the 56-day period for holding the AGM of Electors expired on Wednesday 12 February 2020. The AGM of Electors was held on 26 February 2020, this is 14 days after the last day to hold the AGM.

The Shire CEO at that time, made a disclosure to the Department of Local Government seeking advice on the potential minor non-compliance and requesting an extension for the AGM date to be held. The Department advised:

*'Unfortunately, there is no ability to request an extension for the AGM. However, when you complete your Compliance Audit Return, just include your explanation next to the 'non-compliance'. This will not adversely affect the Shire.'*

#### **Comment**

The Compliance Audit Return does not allow for such a matter to be reported. The Department has previously advised in this circumstance to put an item to the Audit & Risk Committee (this report) and then track any non-compliance so elected members and officers are aware. The auditors always review audit committee minutes, therefore if they have any real issues or concerns, they will raise them as part of the annual audit process and the Audit & Risk Committee / CEO can then determine how they respond.

#### **Statutory Environment**

*Section 7.13(i) of the Local Government Act 1995*

*Regulations 13, 14 & 15 of the Local Government (Audit) Regulations 1996*

#### **Financial Implications**

There are no known financial implications for this matter.

#### **Strategic Implications**

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

Strategy: 3.2.3 Good local governance

**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**

Not applicable.

**Voting Requirement**

Simple Majority

**Officers Recommendation and Committee Resolution**

**Moved: Cr J Frazer            Seconded: Cr A Jones**

**That the Audit & Risk Committee notes a disclosure as detailed in this report, that the AGM of Electors to consider the 2018/19 Annual Report was not held within the statutory timeframe of 56 days after adoption of the report by Council.**

**Carried: 4/0**



## 9.2 COMPLIANCE AUDIT RETURN 2020

**FILE REFERENCE:** FM.02

**AUTHOR'S NAME AND POSITION:** Kevin Hannagan  
Chief Executive Officer

**DATE REPORT WRITTEN:** 4 January 2021

**DISCLOSURE OF INTERESTS:** The author has no financial, proximity or impartiality interests in the proposal.

### **Summary**

Each Local Government is to carry out a Compliance Audit annually. This Compliance Audit Return is for the period of 1 January 2020 to 31 December 2020.

The Return for the year 2020 is presented to the Audit Committee for review and approval, prior to presentation to Council for Adoption.

### **Background**

The Compliance Audit Return is to assist Council in monitoring its organisational functions.

Council is required to note any areas of non-compliance and endorse remedial action. The Audit is provided by the Department of Local Government through their secure website platform named Smart Hub. The same audit is required to be completed by every WA local government. The Department considers, from a large range of issues it can audit, which ones will be specific to the year in question (i.e. each year the audit questions can change).

### **Comment**

For 2019, there were 104 questions over 11 disciplines. For 2020, there were 102 questions over 11 disciplines. The return is compliant with the return questionnaire.

The Return is also required to be presented to Council for adoption before its submission to the Department of Local Government Sport and Community Industries.

There are no issues to make special mention of in this report.

### **Statutory Environment**

*Section 7.13(i) of the Local Government Act 1995*

*Regulations 13, 14 & 15 of the Local Government (Audit) Regulations 1996*

### **Financial Implications**

There are no known financial implications for this matter.

### **Strategic Implications**

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

Strategy: 3.2.3 Good local governance

### **Risk Management**

This item has been evaluated against the Shire of Ngaanyatjarraku's 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 9.2 – Compliance Audit Return 2020.

**Voting Requirement**

Simple Majority

**Officers Recommendation and Committee Resolution**

**Moved: Cr D Frazer      Seconded: Cr J Frazer**

**That with respect to the Local Government Compliance Audit Return for 2020 that the Audit & Risk Committee recommend to Council, that Council:**

- 1.        Accept the Compliance Audit Return 2020 (ATTACHMENT 9.2) of the Shire for the period 1 January 2020 to 31 December 2020; and**
- 2.        Request the Chief Executive Officer to submit a certified copy of the Compliance Audit Return 2020 to the Director General of the Department of Local Government Sport and Community Industries by 31 March 2021.**

**Carried: 4/0**

### 9.3 AUDIT AND RISK COMMITTEE PROGRESS REPORT

<b>FILE REFERENCE:</b>	FM.02
<b>AUTHOR'S NAME AND POSITION:</b>	Cary Green Director Governance and Corporate
<b>AUTHORISING OFFICER AND POSITION</b>	Kevin Hannagan Chief Executive Officer
<b>DATE REPORT WRITTEN:</b>	18 January 2021
<b>DISCLOSURE OF INTERESTS:</b>	The author and authorising officer have no financial, proximity or impartiality interest in the proposal.

#### Summary

To provide the Audit and Risk Committee with a bi-monthly progress report on the Audit and Risk Committee Annual Work Plan (2021-2023).

#### Background

In September 2020, the Shire engaged Moore Australia to undertake a review of the Shire's Audit and Risk Management Service offering, including financial, risk and compliance as well as internal processes and controls.

As part of the Risk Management Service offering the following documents were developed:

- (i) Audit and Risk Committee Charter
- (ii) Audit and Risk Committee induction checklist
- (iii) Internal Audit Charter
- (iv) Audit and Risk Committee Annual Work plan

The Audit and Risk Committee Annual Work Plan was formally adopted by the Shire on the 26 November 2020 and was developed to enable the committee to monitor the progress on the recommendations from the plan. Below is a copy of that resolution.

#### **Officers Recommendation and Council Resolution**

**Moved: Cr D Frazer**

**Seconded: Cr J Frazer**

That the Audit & Risk Committee:

1. Notes the following documents developed by Moore Australia
  - (i) Audit and Risk Committee Charter
  - (ii) Audit and Risk Committee induction checklist
  - (iii) Internal Audit Charter
  - (iv) Audit and Risk Committee Annual Work plan
  - (v) Moore Australia Power Point presentation
2. Request Officers to provide a report, on a bi-monthly basis, to the Audit Advisory Committee to enable the Committee to monitor the Shire's progress in addressing the recommendations.

**Carried: 3/0**

## **Comment**

See attachment.

## **Statutory Environment**

Regulation 16 of the Local Government (Audit) Regulations 1996 prescribes the functions of an Audit Committee which includes;

- (a) to guide and assist the local government in carrying out —
  - (i) its functions under Part 6 of the Act; and
  - (ii) its functions relating to other audits and other matters related to financial management;
- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;

These support documents are designed to better equip the committee to manage its roles and responsibilities, so these broader references might be more appropriate.

## **Financial Implications**

There are no known financial implications for this matter.

## **Strategic Implications**

Integrated Strategic Plan 2018 - 2028

Goal 3, Leadership

Outcome 3.2, Good Leadership

Strategy: 3.2.3 Good local governance

## **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**

The work plan will provide Councillors and staff with clearer direction to guide the Audit and Risk Committee.

## **Attachments**

Attachment 9.3 – A&RC, Annual Work Plan progress report.

## **Voting Requirement**

Simple Majority

## **Officer's Recommendation**

That Council notes the Audit and Risk Committee – Annual Work Plan progress report as per Attachment 9.3.

### **Officers Recommendation and Committee Resolution**

**Moved: Cr D Frazer      Seconded: Cr L West**

**That Council notes the Audit and Risk Committee – Annual Work Plan progress report as per Attachment 9.3.**

**Carried: 4/0**

## **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 12.40 pm.