



**Shire of Ngaanyatjaraku**  
ON A JOURNEY

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

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

**24 November 2021**  
**at**  
**1.02 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: 25-11-2021

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 November 2021.

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

Date: 15/12/2021

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## 1. **DECLARATION OF OPENING**

The Presiding Member declared the meeting open at 1.02 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 Councillor Councillor Councillor	D McLean P Thomas (via phone) D Frazer J Frazer L West J Porter A Benning
<b>Staff:</b>	CEO DCEO / DCS AC DGC DIS	K Hannagan (via video-conference) K Fisher (via video-conference) S Richardson C Green (via video-conference) L Morgan (via video-conference)
<b>Guests:</b>	Nil	
<b>Members of Public:</b>	There were no members of the public in attendance at the commencement of the meeting.	

### 3.2 **APOLOGIES**

Note; Cr Elect A Jones has been away and has not yet completed his Cr Declaration

### 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:**

<b>Item Number/ Name</b>	<b>Type of Interest</b>	<b>Nature/Extent of Interest</b>

**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 Council Resolution**

**Moved: Cr D Fraser      Seconded: Cr J Fraser**

**That the Unconfirmed Minutes of the Audit & Risk Committee Meeting held on 28 July 2021 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: 7/0**

## 9. AGENDA ITEMS

### 9.1 2021 COMPLIANCE CALENDAR

**FILE REFERENCE:** FM.02

**AUTHOR'S NAME AND POSITION:** Cary Green  
Director Governance and Strategic

**AUTHORISING OFFICER AND POSITION:** Kevin Hannagan  
Chief Executive Officer

**DATE REPORT WRITTEN:** 8 November 2021

**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 2021 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 2021 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 – 2021 Compliance Calendar.

**Voting Requirement**

Simple Majority

**Officers Recommendation and Council Resolution**

**Moved: Cr P Thomas**

**Seconded: Cr J Porter**

**That the Audit & Risk Committee notes the quarterly progress report on action taken related to the 2021 Compliance Calendar.**

**Carried: 7/0**



## 9.2 LEGISLATIVE MANAGEMENT REVIEWS

**FILE REFERENCE:** FM.00 and 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 November 2021

**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 report on the Review of the Shire's Financial Management Systems as per *Local Government (Financial Management) Regulations 1996*, regulation 5(2)(c), and a review of the Shire's Risk Management, Internal Controls and Legislative Compliance Systems as required by *Local Government (Audit) Regulations 1996* Regulation 17.

### Background

During 2019, the Shire of Ngaanyatjarraku requested tenders for Accounting and Compliance Services for select statutory compliance, accounting and risk management services. Moore Australia were awarded the tender for this service from 1 July 2019 for a three year term. One of the services included within the scope of the risk management service was a review of financial management, risk management, legislative compliance and internal controls. This review and subsequent report were finalised in early November 2021.

### Comment

The CEO is required by the *Local Government (Audit) Regulations 1996* Regulation 17 to review the appropriateness and effectiveness of the Shire's risk management, internal controls and legislative compliance systems and procedures every three years. A review of financial management systems to assess the appropriateness and effectiveness of these systems and procedures, is also required by *Local Government (Financial Management) Regulations 1996*, regulation 5(2)(c) every three years.

The results of the risk management, legislative compliance and internal controls review are to be reported by the CEO to the Audit & Risk Committee. The Audit & Risk Committee is required to review the CEO's report and on-report to the Council. The report from the Audit & Risk Committee to the Council is required to have attached a copy of the CEO's initial report to the Audit & Risk Committee.

The attached report includes details of matters noted during the review, as well as improvements to be considered by the Shire and comments from the executive team in response to some findings. A risk assessment working document, summarising the findings and improvements noted within the report has been prepared for internal use by the executive. This risk assessment working document will form future status reports for the Shire of Ngaanyatjarraku as improvements are implemented and completed by responsible officers. This document is also attached for committee information.

### Statutory Environment

Local Government (Financial Management) Regulations 1996  
Section (5)(2) – The CEO is to –

- c) *undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of the reviews.*

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**

Provision is included in the 2021/22 Adopted Budget for Moore Australia to deliver Statutory Compliance Services, including risk management, in line with the awarded tender.

### **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's Risk Management Strategy, Risk Assessment Matrix. The perceived level of risk is high prior to treatment, receipt of the report by the committee (and subsequently Council) as well as 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. The Legislative Compliance Policy and Internals Control Policy also apply.

### **Attachments**

Attachment 9.2 (a) - Shire of Ngaanyatjarraku – FMR Reg 17Review

Attachment 9.2 (b) - Ngaanyatjarraku Risk Assessment working document

### **Voting Requirement**

Simple Majority

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

**Moved: Cr J Frazer**

**Seconded: Cr D Frazer**

#### **That the Audit and Risk Committee:**

- 1. Receive the attached review by the CEO detailing the results of the Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls; and**
- 2. Report to the Council the results of the CEO's report by providing a copy of the finalised Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls.**

**Carried: 7/0**

**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 1.10pm.