



# MINUTES

Audit Committee

Meeting

23 March 2022

Shire of Victoria Plains  
Council Chambers,  
Calingiri

Commencing –  
9.47am

## **DISCLAIMER:**

The recommendations contained in this document are officers' recommendations only and should not be acted upon.

The decisions of the Committee are not considered final until the minutes of the Committee meeting are adopted by Council at a subsequent meeting or advised in writing by the CEO or authorised person.

Members of the public should also note that they act at their own risk if they enact any resolution prior to receiving official written notification.

Please note that meetings may be recorded for minute taking purposes.

UNCONFIRMED

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# MINUTES

## Shire of Victoria Plains Audit Committee Meeting

Held in the Council Chambers and via E-meeting protocol, Cavell Street, Calingiri  
on Wednesday 23 March 2022 commencing at 9.47 am

### 1. DECLARATION OF OPENING

#### 1.1 Opening

The CEO opened the meeting at 9.47 am, welcoming Elected Members and staff to the meeting.

The CEO then called for nominations for the role of Presiding Member of the Audit Committee with Cr N Clarke providing, in writing, his nomination of Cr P Bantock to the position with Cr S Woods seconding the Nomination.

With no further nominations were forthcoming, the CEO declared Cr P Bantock the Presiding Member and congratulated her on her appointment.

Cr Bantock assumed the role of Presiding Member at 9.50am.

#### 1.2 Announcements by Presiding Member

Cr P Bantock thanked the Committee for their nomination of her to the role.

### 2. RECORD OF ATTENDANCE

Members	Cr P Bantock – Presiding Member Cr N Clarke – Deputy Shire President Cr S Woods
Staff	Chief Executive Officer – Ms G Teede Governance Officer – Mr S Fletcher Minute Taker – Mrs J Klobas Finance Consultant (RSM) – Mr T Bates – via teleconference. <i>(9.47am, disconnecting at 9.52am, then re-joining the meeting at 10.17am via teleconference).</i>
Apologies	Nil
Approved leave of absence	N/A
Observers	Cr G O'Brien
Members of the public	N/A

**3. DISCLOSURES OF INTEREST**

	<i>Type</i>	<i>Item</i>	<i>Person / Details</i>
3.1	Financial		Nil
3.2	Proximity		Nil
3.3	Impartiality		Nil

**4. PUBLIC QUESTION TIME**

Not required – Committee has no delegated authority

**5. CONFIRMATION OF MINUTES****VOTING REQUIREMENTS**

Absolute Majority Required: No

**2203-01 Officer Recommendation / Committee Resolution**

**Moved: Cr N Clarke**

**Seconded: Cr S Woods**

That the Minutes of the Audit Committee Meeting held 16 August 2021 as circulated, be **CONFIRMED** as a true and correct record.

**CARRIED BY UNANIMOUS DECISION OF THE COMMITTEE**

**6. REPORTS REQUIRING DECISION****6.1 Updates on the Functions of the Audit Committee**

<b>File reference</b>			
<b>Report date</b>	21 March 2022		
<b>Applicant/proponent</b>	Audit Committee		
<b>Officer disclosure of interest</b>	Nil		
Previous meeting references			
Prepared by	Sean Fletcher, Governance Officer		
Authorised by	CEO		
<b>Attachments</b>			
Attachment 1	Page	2	Audit Committee Terms of Reference – August 2021

**PURPOSE**

To provide a copy of the current terms of reference to committee members.

**BACKGROUND**

The Audit Committee's terms of reference was last updated by Council on 2 August 2021 regarding the Committee's membership.

A copy of the Committee's terms of reference is attached for members information.

**COMMENT**

Nil

**CONSULTATION**

Nil

**STATUTORY CONTEXT**

The Shire of Victoria Plains Audit Committee, is established by Council pursuant to division 1A, section 7.1A of the *Local Government Act 1995* (the Act) and the *Local Government (Audit) Regulations 1996* (the Regulations).

**CORPORATE CONTEXT****Strategic Community Plan and Corporate Business Plan**

Civic Leadership *to better allocate scarce resources and effectively interact with the community*

5.1	Implement measures to improve relationship and communication between Council and community	<ul style="list-style-type: none"> <li>Implementation of initiatives to better connect Council with the community and associated matters.</li> </ul>
5.2	Improve elected member performance	
5.3	Develop an advocacy and lobbying capacity	
5.4	Measures to improve organisational efficiency	

- 5.4.3 Maintain controls to promote a high level of legislative compliance throughout the organisation  
The Audit Committee has a key role to play regarding assisting Council and the CEO regarding the effectiveness of the Shire's controls.

**FINANCIAL IMPLICATIONS**

Nil

**VOTING REQUIREMENTS**

Absolute majority required: No

<b>2203-02</b>	<b>Officer Recommendation / Committee Resolution</b>
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**Moved Cr S Woods**

**Seconded: Cr N Clarke**

That the Audit Committee **RECIEVES** the report on the updates to the functions of the Committee which includes a copy of the terms of reference for Committee members.

**CARRIED BY UNANIMOUS DECISION OF THE COMMITTEE**

UNCONFIRMED

## 6.2 External Audits – Annual Audit

<b>File reference</b>	
<b>Report date</b>	21 March 2022
<b>Applicant/proponent</b>	Audit Committee
<b>Officer disclosure of interest</b>	Nil
<b>Previous meeting references</b>	
<b>Prepared by</b>	Sean Fletcher, Governance Officer
<b>Authorised by</b>	CEO
<b>Attachments</b>	
Attachment 1	Page
	Nil

### PURPOSE

To update the Audit Committee on the status of the 2020-2021 Annual Audit.

### BACKGROUND

As members are aware, the 2020-2021 Annual Audit was delayed by the Office of the Auditor General.

The impact of this delay has meant that the Annual Financial Statements are not finalised. The Statements need to be finalised in order for the Annual Report to be compiled which can then be presented to the Audit Committee and then, Council. Once presented to Council, a date can be set for the Annual Meeting of Electors.

### COMMENT

Nil

### CONSULTATION

Council at the March 2022 Briefing Session  
Shire's Auditors and OAG

### STATUTORY CONTEXT

#### Local Government Audit Regulations – Regulation 16 (In Part)

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:

7.12A. Duties of local government with respect to audits:

(3) A local government must:

- (aa) examine an audit report received by the local government; and
- (a) determine if any matters raised by the audit report, require action to be taken by the local government; and
- (b) ensure that appropriate action is taken in respect of those matters.

(4) A local government must:

- (a) prepare a report addressing any matters identified as **significant** by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters

### CORPORATE CONTEXT

#### Strategic Community Plan and Corporate Business Plan

Civic Leadership *to better allocate scarce resources and effectively interact with the community*

5.1	Implement measures to improve relationship and communication between Council and community	<ul style="list-style-type: none"> <li>• Implementation of initiatives to better connect Council with the community and associated matters.</li> </ul>
5.2	Improve elected member performance	
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5.4	Measures to improve organisational efficiency	

5.4.3 Maintain controls to promote a high level of legislative compliance throughout the organisation

The Audit Committee has a key role to play regarding assisting Council and the CEO regarding the effectiveness of the Shire's controls.

**FINANCIAL IMPLICATIONS**

Nil

**VOTING REQUIREMENTS**

Absolute majority required: No

<b>2203-03</b>	<b>Officer Recommendation / Council Resolution</b>
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**Moved: Cr S Woods**

**Seconded: Cr N Clarke**

That the Audit Committee accepts the report on the update regarding the 2020-2021 Annual Audit.

**CARRIED BY UNANIMOUS DECISION OF THE COMMITTEE**

UNCONFIRMED

### 6.3 Internal Audits – Update re Financial Systems Review, Regulation 17 Review and Compliance Audit Return 2021

<b>File reference</b>			
<b>Report date</b>			
21 March 2022			
<b>Applicant/proponent</b>			
Audit Committee			
<b>Officer disclosure of interest</b>			
Nil			
<b>Previous meeting references</b>			
<b>Prepared by</b>			
Sean Fletcher, Governance Officer			
<b>Authorised by</b>			
CEO			
<b>Attachments</b>			
Attachment 1	Page	10	Butler Settineri – RFQ 2022 Financial Management Systems Review and Audit Regulation 17 Review

#### PURPOSE

To update the Audit Committee on the status of the Financial Management Systems Review, the Regulation 17 Review and the Compliance Audit Return 2021.

#### BACKGROUND

There are three key internal audits that local governments are required to conduct, as well as those internal audits the CEO and the Audit Committee consider appropriate.

#### COMMENT

##### Financial Management Systems (FMS) Review

The Financial Management Systems Review is undertaken every three financial years. Council resolved previously for an external auditor to undertake such a review. After difficulties experienced with key staff during 2019 and 2020, the review was delayed and became due for completion by 30 June 2021. However, it has been carried forward into 2021-2022. The Audit Committee previously resolved for an external party to undertake this review. RSM was engaged initially to do the review, however time constraints and legislative changes (delays to the previous audit) made it difficult to do to date.

Butler Settineri has now been engaged to undertake the FMS Review between March and April 2022. A copy of the duties and key areas to be undertaken is provided in Attachment 1 – p13).

##### Regulation 17 Review

As per the FMS Review, the Regulation 17 Review was required to be completed by 30 June 2021.

Butler Settineri has now been engaged to undertake the FMS Review between March and April 2022. A copy of the risk management processes to be reviewed, the controls to be reviewed and matters of legislative compliance are provided in Attachment 1 – pages 14 -15)

##### Compliance Audit Return (CAR) 2021

This return is required to be completed by 31 March each year. However, the author has not been able to undertake the CAR at this point due to other matters regarding the Shire taking precedence to date. It is expected that the CAR will be undertaken during the final week of March 2022.

#### CONSULTATION

CEO

Jill Brazil, Financial Consultant

Butler Settineri

**STATUTORY CONTEXT****Local Government Audit Regulations – Regulation 17**

17. CEO to review certain systems and procedures:

(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:

- (a) risk management; and
- (b) internal control; and
- (c) legislative compliance.

(2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

(3) The CEO is to report to the audit committee the results of that review.

**Local Government Audit Regulations – Regulation 5(2)(c )**

(2) The CEO is to:

- (a) ensure that the resources of the local government are effectively and efficiently managed; and
- (b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and
- (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 those reviews.

**Local Government Audit Regulation 14(3A)**

Under section 14(3A) of the Regulations, the Audit Committee:

(3A) The local government's audit committee is to review the compliance audit return (CAR) and is to report to the council the results of that review.

**CORPORATE CONTEXT****Strategic Community Plan and Corporate Business Plan**

Civic Leadership *to better allocate scarce resources and effectively interact with the community*

5.1	Implement measures to improve relationship and communication between Council and community	<ul style="list-style-type: none"> <li>• Implementation of initiatives to better connect Council with the community and associated matters.</li> </ul>
5.2	Improve elected member performance	
5.3	Develop an advocacy and lobbying capacity	
5.4	Measures to improve organisational efficiency	

5.4.3 Maintain controls to promote a high level of legislative compliance throughout the organisation

The Audit Committee has a key role to play regarding assisting Council and the CEO regarding the effectiveness of the Shire's controls.

**Risk Management**

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance	Mitigation and Outcome
<b>Compliance</b>  The Shire has struggled to undertake the FMS Review, the Reg17 Review and CAR within required	Major(4)  Non-compliance results in litigation, criminal charges or significant damages or penalties to	Likely (4)  At least once in 3 years	High (16)	CEO, SMT, Audit Committee  Risk acceptable with excellent controls, managed by senior management / executive and subject	Providing the Audit Committee assist the CEO in obtaining sufficient resources from Council to undertake the internal audits as required, the risk is reduced from

timeframes.	Shire/Officers		to monthly monitoring  The controls required are following the requirements of the LG Act, The Audit Regulations	High to Low.
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**FINANCIAL IMPLICATIONS**

The cost of the FMR Review and the Regulation 17 Review has been budgeted for. The cost to undertake both reviews is \$16,000 (ex GST).

**VOTING REQUIREMENTS**

Absolute majority required: No

<b>2203-04</b>	<b>Officer Recommendation / Committee Resolution</b>
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**Moved: Cr N Clarke**

**Seconded: Cr S Woods**

That the Audit Committee accepts the report on the update regarding the:

1. Financial Management Systems Review;
2. Regulation 17 Review;
3. Compliance Audit Return 2021.

**CARRIED BY UNANIMOUS DECISION OF THE COMMITTEE**

UNCONFIRMED

## 6.4 Financial Reporting – Departmental Update – Model Financial Statements for Local Governments

<b>File reference</b>	
<b>Report date</b>	21 March 2022
<b>Applicant/proponent</b>	Audit Committee
<b>Officer disclosure of interest</b>	Nil
<b>Previous meeting references</b>	
<b>Prepared by</b>	Sean Fletcher, Governance Officer
<b>Authorised by</b>	CEO
<b>Attachments</b>	
Attachment 1	Page
	Nil

### PURPOSE

To provide the Audit Committee with an update on the proposed improvements to the financial statements used by local governments.

### BACKGROUND

The Department of Local Government and Sporting and Cultural Industries (DLGSC) commenced work on developing the Model Financial Statements for local governments in WA.

### COMMENT

Initial statements will be developed for tier 1 and 2 local governments, and a further set with reduced reporting requirements for tier 3 and 4 local governments to follow. SoVP is a Tier 4 local government.

Model Financial Statements for local governments have been identified as a priority area for DLGSC, to streamline the way in which the sector reports financially.

The work aligns with the Ministerial reform areas of financial management and reporting, reducing red tape and increasing consistency and simplicity.

The department will also review existing prescribed financial ratios and determine potential guidance material to replace the [WA Local Government Accounting Manual](#).

Consultation will take place throughout various stages of the project with [Office of the Auditor General](#), [WALGA](#) and [Local Government Professionals WA](#).

### CONSULTATION

Nil

### STATUTORY CONTEXT

Nil

### CORPORATE CONTEXT

#### Strategic Community Plan and Corporate Business Plan

Civic Leadership *to better allocate scarce resources and effectively interact with the community*

5.1	Implement measures to improve relationship and communication between Council and community	<ul style="list-style-type: none"> <li>Implementation of initiatives to better connect Council with the community and associated matters.</li> </ul>
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5.4	Measures to improve organisational efficiency	

## 5.4.3 Maintain controls to promote a high level of legislative compliance throughout the organisation

The Audit Committee has a key role to play regarding assisting Council and the CEO regarding the effectiveness of the Shire's controls.

**Risk Management**

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance	Mitigation and Outcome
<b>Compliance Information only</b>	Insignificant (1)  No noticeable regulatory or statutory impact	Likely (4)  At least once per year	Low (4)	Operational Manager	Audit Committee continues to receive updates

**FINANCIAL IMPLICATIONS**

Nil

**VOTING REQUIREMENTS**

Absolute majority required: No

<b>2203-05</b>	<b>Officer Recommendation /Committee Resolution</b>
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**Moved: Cr N Clarke**

**Seconded: Cr S Woods**

That the Audit Committee **RECIEVES** the report on the update regarding the development of the Model Financial Statements for local governments

**CARRIED BY UNANIMOUS DECISION OF THE COMMITTEE**

## 6.5 Risk Management Issues – Quarterly Update

<b>File reference</b>			
<b>Report date</b>	21 March 2022		
<b>Applicant/proponent</b>	Audit Committee		
<b>Officer disclosure of interest</b>	Nil		
<b>Previous meeting references</b>			
<b>Prepared by</b>	Sean Fletcher, Governance Officer		
<b>Authorised by</b>	CEO		
<b>Attachments</b>			
Attachment 1	Page	36	SoVP Risk Management Procedures

### PURPOSE

That the Audit Committee accepts the report on risk management issues and recommends to Council the the cost of \$3,500 (ex GST) to update the risk management procedures is accounted for in the 2021-2022 Budget Review.

### BACKGROUND

The CEO is to report to the Audit Committee on a quarterly basis regarding the Shire's Risk Management Procedures (Attachment 1).

### March 2021

At the March 2021 ACM, the Audit Committee resolved, in part, the following:

That the Audit Committee advises the CEO the following:

2. Acknowledges that the Shire has commenced to address a key risk area regarding workplace safety and security.
3. The risk management dashboard and profiles software will need to be obtained from LGIS and it is suggested that:
  - a. A suitable staff resource (Risk Framework Owner) is allocated to this task; and
  - b. That establishment of a current risk dashboard and risk profiles are resolved with the Risk Coordinator by 30 April 2021.

### August 2021

Council adopted the Occupational Safety and Health policy on 26 May 2021.

The risk management dashboard and profiles have been located. They now need further updating by an appropriate staff resource.

### COMMENT

LGIS advised on 8 December 2021 that since it is three years since the risk management procedures were implemented, they are now due for review. The Risk Dashboard will then be updated and reported against from there.

The process can commence once the cost of \$3,500 is approved by Council, subject to the Budget Review.

### CONSULTATION

Nora McGee – Customer Service Officer (OSH)  
Glenda Teede, CEO

### STATUTORY CONTEXT

Nil

## CORPORATE CONTEXT

### Strategic Community Plan and Corporate Business Plan

Civic Leadership *to better allocate scarce resources and effectively interact with the community*

5.1	Implement measures to improve relationship and communication between Council and community	• <i>Implementation of initiatives to better connect Council with the community and associated matters.</i>
5.2	Improve elected member performance	
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5.4	Measures to improve organisational efficiency	

5.4.3 Maintain controls to promote a high level of legislative compliance throughout the organisation

The Audit Committee has a key role to play regarding assisting Council and the CEO regarding the effectiveness of the Shire's controls.

### Risk Management

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance	Mitigation and Outcome
<b>Compliance</b>	Insignificant (1)	Likely (4)	Low (4)	Operational Manager	Audit Committee continues to receive updates
<b>Information only</b>	No noticeable regulatory or statutory impact	At least once per year			

### FINANCIAL IMPLICATIONS

Review of risk management procedures by LGIS: \$3,500. Cost to be funded by the Budget Review.

### VOTING REQUIREMENTS

Absolute majority required: No

**2203-06 Officer Recommendation / Committee Resolution**

Moved: Cr S Woods

Seconded: Cr N Clarke

That the Audit Committee:

1. **ACCEPTS** the report on the update regarding the Shire's Risk Management Issues.
2. **RECOMMENDS** to Council that the cost of \$3,500 (ex GST) to update the risk management procedures is accounted for in the 2021-2022 Budget Review.

**CARRIED BY UNANIMOUS DECISION OF THE COMMITTEE**

## 6.6 Controls, Systems and Procedures – Matters of Policy

<b>File reference</b>	
<b>Report date</b>	21 March 2022
<b>Applicant/proponent</b>	Audit Committee
<b>Officer disclosure of interest</b>	Nil
<b>Previous meeting references</b>	
<b>Prepared by</b>	Sean Fletcher, Governance Officer
<b>Authorised by</b>	CEO
<b>Attachments</b>	
Attachment 1	Page
	Nil

### PURPOSE

That the Audit Committee receives the update to the major review of the Council Policy Manual

### BACKGROUND

Council was advised at the November 2021 OCM, February 2022 and the March 2022 briefing sessions on the major update to the Council Policy Manual.

### Current Policy Designations

Council's policies are divided into the following sections:

- Section 1 - Council / Governance
  - Section 2 - Administration / Organisation
  - Section 3 - Financial Management
  - Section 4 - Order / Public Safety
  - Section 5 - Fire Control
  - Section 6 - Environmental Health / Food
  - Section 7 - Community Services
  - Section 8 - Personnel
  - Section 9 - Occupational Safety & Health
  - Section 10 - Building / Development
  - Section 11 - Public Facilities
  - Section 12 - Tourism
  - Section 13 - Works & Services Section 14 - Plant / Equipment
  - Section 15 - Natural Resource Management Section 16 - Unclassified
- HISTORY Summary

The review of the Council policies encapsulates the following documents:

### **Council Policy Manual 2018:**

- Corrections, amendments, and deletions (revocations) regarding the Council Policy Manual 2018 and then insertion these changes into the new Policy Manual;
- Insertion of amended policies from Council Policy Manual 2017 into the new Policy Manual;
- Simplification of the administrative arrangements including when policies should be reviewed and resolving conflicts between council policy and delegations to the CEO.

### **Council Policy Manual 2017**

- Corrections and amendments to policies in this manual for inclusion in the new Council Policy Manual;
- Deletions (revocations) of policies that are no longer relevant, or are the direct function of the CEO as defined by the Local Government Act or other legislation.

**Shire Website – Delegations and Policies**

The policies that are listed separately to the policy manuals on the Shire's website are to be numbered and included in the new Policy Manual.

**Production of New Policy Manual**

The new Policy Manual will consist of separate sections listed on the Shire's website. Once each part of the Policy Review is adopted, the policies will then be updated accordingly.

**Timeline**

The Manual is being updated as follows:

**Part 1 of the Policy Review (Section 1) – March 2022**

- Present Part 1 To the March 2022 Briefing Session for information/questions/changes - completed;
- Part 1 will then go to the March Council Meeting

**Part 2 of the Policy Review (Sections 2 and 7) – April 2022**

- Present Parts 2 and 7 to the April 2022 Briefing Session for information/questions/changes;
- Part 2 and 7 will then go to the April Council Meeting.

**Part 3 of the Policy Review (Section 8)– May 2022**

- Present Part 8 to the May 2022 Briefing Session for information/questions/changes;
- Part 8 will then go to the May Council Meeting;

**Part 4 of the Policy Review (Remaining Sections) –June 2022**

- The remaining sections to be presented at the June 2022 Briefing Sessions;
- These sections will then go to the June council meeting.

**COMMENT**

Nil

**CONSULTATION**

Council - November 2021 OCM, February 2002 and the March 2022 briefing sessions

**STATUTORY CONTEXT**

Nil

**CORPORATE CONTEXT****Strategic Community Plan and Corporate Business Plan**

Civic Leadership *to better allocate scarce resources and effectively interact with the community*

5.1	Implement measures to improve relationship and communication between Council and community	• <i>Implementation of initiatives to better connect Council with the community and associated matters.</i>
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5.4	Measures to improve organisational efficiency	

5.4.3 Maintain controls to promote a high level of legislative compliance throughout the organisation

The Audit Committee has a key role to play regarding assisting Council and the CEO regarding the effectiveness of the Shire's controls.

**Risk Management**

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance	Mitigation and Outcome
<b>Compliance Information only</b>	Insignificant (1)  No noticeable regulatory or statutory impact	Likely (4)  At least once per year	Low (4)	Operational Manager	Audit Committee continues to receive updates

**FINANCIAL IMPLICATIONS**

Review of risk management procedures by LGIS: \$3,500. Cost to be funded by the Budget Review.

**VOTING REQUIREMENTS**

Absolute majority required: No

<b>2203-07</b>	<b>Officer Recommendation / Committee Resolution</b>
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**Moved: Cr S Woods**

**Seconded: Cr N Clarke**

That the Audit Committee **RECIEVES** the update to the major review of the Council Policy Manual.

**CARRIED BY UNANIMOUS DECISION OF THE COMMITTEE**

UNCONFIRMED

## 6.7 Matters of Compliance

<b>File reference</b>	
<b>Report date</b>	21 March 2022
<b>Applicant/proponent</b>	Audit Committee
<b>Officer disclosure of interest</b>	Nil
<b>Previous meeting references</b>	
<b>Prepared by</b>	Sean Fletcher, Governance Officer
<b>Authorised by</b>	CEO
<b>Attachments</b>	
Attachment 1	Page

### PURPOSE

That the Audit Committee accepts the update regarding the Shire's compliance calendar for the March 2022 Quarter.

### BACKGROUND

The Compliance Calendar is reset each year and updated to reflect the matters of compliance for the year.

### COMMENT

The matters of compliance for the March Quarter are set out in Attachment 1. This document gives the Audit Committee some level of appreciation regarding the compliance challenges for the CEO and staff in general. This version does not reflect matters completed year to date. However, the update to the March briefing session regarding the status of the compliance calendar is provided in the consultation section of this report.

### CONSULTATION

CEO

Jill Brazil – Financial Consultant

Council - March 2022 briefing session:

The Compliance Calendar for 2022 has been streamlined and made more user friendly. This includes the development of a user manual to assist staff undertake the appropriate level of updating. It is expected that this process will be approved in March 2022 with staff reporting against actions for the March quarter accordingly. Number of actions that require confirmation regarding progress are:

- January: 13 - 1 item is completed with 12 items in progress including the Budget Review, the Compliance Annual Return and Reg 17 Review, the Financial Management Systems Review and the Review of Primary and Annual Return Register;
- February: 5 – 4 items in progress including the EM quarterly attendance register, the review of authorisations.

**STATUTORY CONTEXT****Audit Regulations – Regulation 17**

17. CEO to review certain systems and procedures:

(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:

- (a) risk management; and
- (b) internal control; and
- (c) legislative compliance.

(2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

(3) The CEO is to report to the audit committee the results of that review.

**CORPORATE CONTEXT****Strategic Community Plan and Corporate Business Plan**

Civic Leadership *to better allocate scarce resources and effectively interact with the community*

5.1	Implement measures to improve relationship and communication between Council and community	• <i>Implementation of initiatives to better connect Council with the community and associated matters.</i>
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5.4.3 Maintain controls to promote a high level of legislative compliance throughout the organisation

The Audit Committee has a key role to play regarding assisting Council and the CEO regarding the effectiveness of the Shire's controls.

**Risk Management**

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance	Mitigation and Outcome
<b>Compliance</b>  <b>Managing compliance is a key pillar regarding the function of the Shire</b>	Major (4)  Non-compliance results in termination of services or imposed penalties to Shire/Officers	Likely (4)  At least once per year	High (16)	Currently, the risk is acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring as follows:  <b>Staff review monthly, Audit Committee advised quarterly. Is also a CEO KPI</b>	CEO (officers) & Council and Audit Committee advised monthly, quarterly, annually will ensure risk is reduced from high to low

**FINANCIAL IMPLICATIONS**

Nil

**VOTING REQUIREMENTS**

Absolute majority required:

No

<b>2203-08</b>	<b>Officer Recommendation / Committee Recommendation</b>
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**Moved: Cr N Clarke**

**Seconded: Cr S Woods**

That the Audit Committee **ACCEPTS** the update regarding the Shire's compliance calendar for the March 2022 Quarter.

**CARRIED BY UNANIMOUS DECISION OF THE COMMITTEE**

UNCONFIRMED

Mr Travis Bates of RSM re-joined the meeting at 10.17am via teleconference.

## 6.8 Integrated Planning and Reporting

<b>File reference</b>	
<b>Report date</b>	21 March 2022
<b>Applicant/proponent</b>	Audit Committee
<b>Officer disclosure of interest</b>	Nil
<b>Previous meeting references</b>	
<b>Prepared by</b>	Sean Fletcher, Governance Officer
<b>Authorised by</b>	CEO
<b>Attachments</b>	
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### PURPOSE

That the Audit Committee accepts the update regarding Integrated Planning and Reporting.

### BACKGROUND

To meet the requirements of Integrated Planning and Reporting, the Shire has the following plans in place:

Plan in Place	Date Adopted	Due	Comment
Strategic Community Plan (SCP)	18 March 2018	Next plan due June 2022	<b>Major Review Process:</b> <ul style="list-style-type: none"> <li>Develop new SCP <ul style="list-style-type: none"> <li>Community consultation by Caroline Robinson underway in Feb/Mar 2022</li> </ul> </li> <li>Develop new CBP;</li> <li>Develop new WFP</li> </ul>
Corporate Business Plan (CBP)	12 August 2019	Next Plan due August 2023	See SCP Update above
Strategic Resource Plan	12 August 2019	Contains the Long Tern Financial Plan (LTFP) and Asset Management Plan (AMP)	<ul style="list-style-type: none"> <li>This plan will become defunct with the completion of the SCP Major Review.</li> <li>RFQ's have been awarded 21/03/22 for separate LTFP and AMP.</li> </ul>
Work Force Plan (WFP)	12 August 2019	Next Plan due August 2023	To be reviewed as part of the SCP Review

### Annual Review of Corporate Business Plan (CBP)

2020/2021 – Completed.

### ICT Plan

The Department of Local Government has also set out the requirements for an ICT plan. This plan is not mandatory. A presentation was made by Nat Wallis to Council re the proposed ICT Plan on 14 June 2021. Wallis Computing will develop the ICT Plan once the new SCP has been finalised.

### CBP Quarterly Dashboard

The March Quarterly Review (Q3) will be submitted to the April 2022 OCM.

### COMMENT

For 2021/2022, the Shire is clearly moving in the right direction regarding Integrated Planning and Reporting including meeting its obligation to follow the Corporate Business Plan and report on this each quarter.

Both Council and Key Staff are working more in the strategic space. This is shown by the annual review of the CBP conducted in August 2021 and a number of workshops since this time re key funding, the development of the Community Engagement Policy and Communication Strategy along with the initial workshop in January 2022 re the new Strategic Community Plan.

Better reporting from staff is also being received on the status of strategic priorities.

### CONSULTATION

Council at briefing sessions and each quarter at the OCM

### STATUTORY CONTEXT

#### **Local Government (Administration) Regulations 1996**

19DA. Corporate business plans, requirements for (Act s. 5.56)

(4) A local government is to review the current corporate business plan for its district every year.

#### **Integrated Planning and Reporting – Framework and Guidelines**

Apart from the Annual Report providing progress towards the achievement of the four-yearly Shire priorities as established through the Corporate Business Plan (Intermediate Standard), the Departmental IPR Guidelines require that as a minimum, a quarterly review is conducted on the status of the CBP for each year.

#### **Audit Regulations – Regulation 17**

17. CEO to review certain systems and procedures:

(1) The CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to:

- (a) risk management; and
- (b) internal control; and
- (c) legislative compliance.

(2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

(3) The CEO is to report to the audit committee the results of that review.

### CORPORATE CONTEXT

#### **Strategic Community Plan and Corporate Business Plan**

Civic Leadership *to better allocate scarce resources and effectively interact with the community*

5.1	Implement measures to improve relationship and communication between Council and community	<ul style="list-style-type: none"> <li>• Implementation of initiatives to better connect Council with the community and associated matters.</li> </ul>
5.2	Improve elected member performance	
5.3	Develop an advocacy and lobbying capacity	
5.4	Measures to improve organisational efficiency	

## 5.4.3 Maintain controls to promote a high level of legislative compliance throughout the organisation

The Audit Committee has a key role to play regarding assisting Council and the CEO regarding the effectiveness of the Shire's controls.

**Risk Management**

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance	Mitigation and Outcome
<b>Reputation</b>  Not adhering to the Corporate Business Plan and hence the Strategic Community Plan	Major (4)  Substantiated, public embarrassment, widespread high impact on community trust, high media profile, third party actions	Almost Certain (5)  The event will occur at least once per year	Extreme (20)	CEO & Council  Risk only acceptable with excellent controls and treatments in place.  Adequate: Shire addressed key issues at the SEM on 3 December 2020. The Shire continues to ensure that the CBP Quarterly Review is available publicly through a report to Council each quarter.	CEO to ensure all staff undertake and follow CBP.  Elected Members have undertaken further training in IPR requirements.  The above will, over time, ensure that the risk is corrected and reduced to low that can be corrected by the appropriate manager
<b>Compliance</b>  Not adhering to the Corporate Business Plan and hence the Strategic Community Plan	Major (4)  Non-compliance results in termination of services or imposed penalties to Shire/Officers	Almost Certain (5)  The event will occur at least once per year	Extreme (20)	CEO & Council  Risk only acceptable with excellent controls and treatments in place.  Adequate: Shire is improving with following its IPR obligations re the Strategic Resources Plan (LTFP), SCP and CBP	CEO to ensure all staff undertake and follow CBP. This will, over time, ensure that the risk is corrected and reduced to low that can be corrected by the appropriate manager

**FINANCIAL IMPLICATIONS**

Nil

**VOTING REQUIREMENTS**

Absolute majority required: No

<b>2203-09</b>	<b>Officer Recommendation / Committee Resolution</b>
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Moved Cr N Clarke

Seconded Cr S Woods

That the Audit Committee **ACCEPTS** the update regarding Integrated Planning and Reporting.

**CARRIED BY UNANIMOUS DECISION OF COMMITTEE**

## 6.9 Training and Development

<b>File reference</b>			
<b>Report date</b>	21 March 2022		
<b>Applicant/proponent</b>	Audit Committee		
<b>Officer disclosure of interest</b>	Nil		
<b>Previous meeting references</b>	OCM 19 December 2019: 1912-07		
<b>Prepared by</b>	Sean Fletcher, Governance Officer		
<b>Authorised by</b>	CEO		
<b>Attachments</b>			
Attachment 1	Page	65	Councillor Training Report 2021 -2022 Current

### PURPOSE

That the Audit Committee discuss the Councillor Training Report.

### BACKGROUND

Training and development is considered an essential pillar in mitigating risks that can occur in an organisation.

Elected Members are required under the Local Government Act to undergo continuing professional development. As such this consist of two components:

- Successful completion of the Elected Members Skillset every five years; and
- Other such training and development opportunities that will help a councillor contribute to the achievement of the strategic and good governance objectives of Council (and the Shire).

The types of delivery method that can be accessed include:

- In house workshop, seminars and briefing sessions conducted by appropriate staff, trainers and guest speakers
- Attendance at workshops, seminars and conferences offer by training providers and including WALGA, LGPro, AIM, AICD and other industry providers and / or appropriate providers offering courses for members to gain new skills and knowledge and to network with other Councillors from other Local Governments.
- Printed material, including training booklets and discussions papers that may be provided for information;
- On line self-paced learning; and
- Information via CD Rom / DVD / USB / Training Portals.

The CEO budgets for staff to attend training. This training must be in accordance with the Shire's Workforce Plan. This plan sets out the requirements to upskill staff so they can meet the outcomes of the Strategic Community Plan.

### COMMENT

The status of the mandatory training that councillors are required to undertake was discussed at the March 2022 briefing session. In particular, the President asked those present who would like to attend in-house training. A copy of the current training report is provided in Attachment 1.

**The author can advise, in terms of compliance, the following:**

- Crs Bantock, Clarke and O'Brien are compliant;
- Cr Woods is in the process of undertaking her training;

- Cr Kelly is 60% complete – and so is non compliant;
- Crs Lovelock, and Penn are non-compliant in that they have not provided sufficient evidence to prove they have completed their training.

The author can advise that Cr Kelly has indicated he would like to undertake the necessary training in-house to complete the Elected member Skill Set.

The President has also discussed with WALGA the provision of in-house training on the Code of Conduct.

**CONSULTATION**

Council at briefing sessions and each quarter at the OCM

**STATUTORY CONTEXT**

**Local Government Act**

Section 5.128 requires Council to adopt a Councillor continuing Professional Development Policy. Council adopted such a policy on 18 December 2019.

**CORPORATE CONTEXT**

**Strategic Community Plan and Corporate Business Plan**

Civic Leadership *to better allocate scarce resources and effectively interact with the community*

5.1	Implement measures to improve relationship and communication between Council and community	<ul style="list-style-type: none"> <li>• Implementation of initiatives to better connect Council with the community and associated matters.</li> </ul>
5.2	Improve elected member performance	
5.3	Develop an advocacy and lobbying capacity	
5.4	Measures to improve organisational efficiency	

5.2.1: Support and facilitate ongoing relevant training and development

**Risk Management**

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance	Mitigation and Outcome
<b>Compliance</b>  Not adhering to completion of compulsory training	Extreme (5)  Non-compliance results in litigation, criminal charges or significant damages or penalties to Shire/Officers	Possible (3)  At least once in 3 years	High (15)	SMT & CEO & Council  Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring  Adequate: Shire is improving with following mandatory training for EMs	Providing Councillors accept responsibility for their own actions and undertake training and follow appropriate advice from the CEO in this matter, the risk will reduce from High to Low

**FINANCIAL IMPLICATIONS**

Councillors are allowed up to \$1,000 per financial year to pay for professional development (excluding mandatory training).

**VOTING REQUIREMENTS**

Absolute majority required: No

<b>2203-10</b>	<b>Officer Recommendation / Committee Recommendation</b>
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**Moved: Cr S Woods**

**Seconded: Cr N Clarke**

That the Audit Committee **DISCUSS** the Councillor Training Report.

And

That the Audit Committee Recommends to Council that Elected members **UNDERTAKE** in house Code of Conduct Training as a priority.

**CARRIED BY UNANIMOUS DECISION OF COUNCIL**

UNCONFIRMED

**7. MEETING CLOSED TO PUBLIC**

*Matters for which the meeting may be closed in accordance with the Local Government Act 1995 s.5.23(2).*

N/A

**8. CLOSURE OF MEETING**

There being no further business, the presiding member declared the meeting closed at 10.40 am.

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**CERTIFICATION**

These minutes were confirmed at the Audit Committee Meeting held on \_\_\_\_\_

Signed \_\_\_\_\_ Date \_\_\_\_\_  
(Presiding member at the meeting which confirmed the minutes)

**Committee –**

- **Minutes are unconfirmed until adopted at the following meeting of Committee**
- **Committee decisions may be authorised by Council, or by CEO authority**

UNCONFIRMED