



AUDIT AND RISK COMMITTEE MEETING

MINUTES

9 MARCH 2020

These minutes were confirmed by Audit and Risk Committee as a true and correct record of proceedings by the Audit and Risk Committee Meeting held on 28/7/2020

Presiding Member:  Date: 28 July 2020

Shire of Brookton
Audit and Risk Committee held 9 March 2020
Commenced at 3.00 pm

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1.03.20 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

Attendance

The Presiding Member opened the meeting at 3.05pm and welcomed Councillors and Staff.

2.03.20 RECORD OF ATTENDANCE/APPOLOGIES/APPROVED LEAVE OF ABSENCE

Elected Members (Voting)

Cr KL Crute	(Shire President)
Cr NC Walker	(Deputy Shire President)
Cr MG Macnab	

Elected Members (Non-Voting)

Nil.

Staff (Non-Voting)

Ian D'Arcy	Chief Executive Officer
Danni Chard	Executive Governance Officer
Sharyn Olsen	Process Compliance Officer
Kelly D'Arcy	Corporate Business Officer – Finance
Vicki Morris	Manager Corporate and Community (<i>entered the meeting at 2.23pm</i>)

Leave of absence

Members of the Public

Nil.

3.03.20 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

3.03.20.01 AUDIT AND RISK COMMITTEE – 9 DECEMBER 2019

ARCM 03.20-01

COMMITTEE RESOLUTION

MOVED Cr Walker SECONDED Cr Macnab

That the minutes of the Audit and Risk Committee meeting held in the Shire of Brookton Council Chambers, on Monday 9th March 2020, be confirmed as a true and correct record of the proceedings.

CARRIED BY SIMPLE MAJORITY VOTE 3-0

4.03.20 ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

5.03.20 DISCLOSURE OF INTERESTS

Members and Officers to declare Financial, Proximity or Impartiality Interests & submit forms to the Chief Executive Officer at the commencement of the meeting and also prior to the item.

Disclosure of Financial & Proximity Interests

- a. Members must disclose the nature of their interest in matters to be considered at the meeting. (Sections 5.60B and 5.65 of the *Local Government Act 1995*).
- b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the *Local Government Act 1995*).

Disclosure of Interest Affecting Impartiality

- a. Members and staff must disclose their interest in matters to be considered at the meeting in respect of which the member or employee has given or will give advice.

Financial, Proximity and Impartiality Interests

Item no.	Members/Officers	Type of Interest	Nature of Interest
Nil.			

7.03.20 STATUS REPORT

The following table provides an understanding of governance matters identified through annual audits or required by legislation and an update on the progress of addressing relative compliance.

Black – No changes from previous reports

Yellow – Updates from previous report

Blue – Additions from latest Audit & Risk Committee meetings

Date of Meeting	No	Item Title	OAG Findings or Other Statutory Requirement	Officers Status Update	Assigned to	Estimated Due Date	% of Completion
20 June 2019	1	Purchasing Polices & Procedures	No documented procedures over the authorisation & payments of accounts.	Completed – New purchasing policy adopted by Council November 2018 and amended September 2019.	MCC	Completed	100%
20 June 2019	2	Review of Risk Register	Review of the Risk Register and Risk Management Plan – report to Audit & Risk Committee December 2019	Risk Management Plan completed and endorsed. Risk Register updated and pending Departmental review.	PCO	April 2020	85%
20 June 2019	3	Asset Management Plan Review	Noted the review of the asset management plan	Asset assessment of roads completed – Buildings and Sewerage System partly assessed – Council engaged in process in Dec 2019	MIE	June 2020	50%
20 June 2019	4	Review of Financial management systems	No Regulation 5 review done – report written for Council January 2020 following review of risk Management Plan.	Regulation 5 relates to the Shire being satisfied that its financial processes are reviewed in line with its risk register.	MCC	30 Dec 2019	95%
20 June 2019	5	Unsupported Software	Unsupported IT software – new IT provider contracted in November 2019 after a tender process. Software and allied services to be rolled out over the next 3 months including server upgrade.	Tender for IT Management is out to the market for consideration. Awaiting remainder of new lap tops from Market Creations. Note – Shire Depot	SFO	March 2020	95%

				connection is a pending 2020-21 budget consideration.			
20 June 2019	7	User Access Management	No logging in process for reviews of system changes. Completed and reviewed on a monthly basis.	All reviewed except for front counter reviewed – procedure to be prepared on request and authorisation	MCC	30 Sept 2019	100%
20 June 2019	7	IT Security Policy	Lack of an IT security policy – in development with IT provider to interface.	Policy for IT security drafted and with CEO for review.	PCO/CEO	April 2020	75%
20 June 2019	8	Business Continuity management	The Shire does not have a business continuity plan. For consideration at this meeting	Business Continuity Plan created and endorsed.	PCO	Completed	100%
20 June 2019	9	Management of Third party IT services	IT requires upgrading to support Shire software. New IT provider contracted in November 2019 after a tender process. Software and allied services to be rolled out over the next 3 months.	Tender for IT Management out in the marketplace includes upgrades for software.	SFO	Completed	100%
20 June 2019	10	Management of Issued infringements	No process and no register of infringements issued by the Shire. No process to follow up on infringements in place.	Register developed – admin procedures to be updated for front desk	MCC	February 2020	75%
13 December 2018	11	Cash & Cheque Collections	Process for cash collection and checking needs review	Completed	MCC	Completed	100%
13 December 2018	12	Physical Security of Cash	Process for security of cash and cash float (Front desk)	Completed	MCC	Completed	100%
13 December 2018	13	Finance Procedures documented & updated	Major finance procedures documented and updated. Payroll and Rates process currently undergoing review.	Completed	MCC	Completed	100%
31 October 2019	14	Audit and Risk Committee Terms of Reference	Prepared draft Terms of Reference for the Audit and Risk Committee, including make of the Committee with external representation.	Endorsed by Council – Completed.	CEO	Completed	100%
31 March 2020		Audit and Risk Committee	Process for appointment of external members.	Advertising for 2 external Committee Members, with at least one holding as tertiary accounting, commerce or business	MCC	March 2020	80%

				qualification conducted Feb 2020 – pending selection by Council.			
31 March 2020	14	Annual Compliance Audit Return	Preparation of 2019 Compliance Audit Return in accordance with Reg. 13, 14 and 15 of the Local Government Audit Regulations, 1996.	Performance assessment completed for review by the Audit and Risk Committee at its March 2020 meeting and subsequent endorsement of Council.	SFO	March 2020	95%
30 April 2020		Records Management Plan	Review and update of the Records Management Plan to be completed in accordance with the <i>State Records Act, 2000</i> .	The review has commenced – pending delay with change in the MCC position	MCC	April 2020	50%
30 June 2020		Emergency Management Arrangements	Holistic review of the Emergency Management framework that includes response, recovery, animal management and regional alliances.	The respective LEMA plans are currently being reviewed under an AWARE grant funding	MIE	April 2020	75%
30 June 2020		Upgrade of Records Management System	State Records Requirement in accordance with the State Records Act 2000	Process commenced and software purchased. Software to be installed mid-March 2020.	CEO, MCC & ARO	June 2020	30%
30 June 2020	14	Caravan park Collection of money	Collection of money is taken after hours or on weekends with no authority for park bookings.	Action completed with new secure box at caravan park – Procedure for collection of moneys to be prepared	CEO	April 2020	85%
30 June 2020	15	Review of Organisational Structure	Re-alignment of Employee Roles and Responsibilities and seating arrangements to improve administrative efficiencies and performance	Organisation Structure reviewed November 2019 – Office refurbishment to accommodate improved seating arrangements and working relationships	CEO	June 2020	75%
30 June 2020	16	Review of Long Term Financial plan	Forms part of the Integrated Planning and Reporting Framework that informs the annual budget - subject to review every two years.	Moore Stephens Financial Consultant engaged to perform review of the LTFP – awaiting information from the Asset Management Plan	MCC	June 2020	20%
30 June		Review of Workforce Plan	Forms part of the Integrated Planning and Reporting	Draft Workforce Plan	CEO/ODO	June 2020	20%

2020			Framework that informs the annual budget - subject to review every two years.	template compiled – progress to be performed in the coming months following full re-alignment of officer duties.			
30 June 2020	16	Internal Auditing Process	Procedure and annual program on the conduct and reporting of internal audits to the Audit and Risk Committee	Procedure prepared in draft for review by the Audit and Risk Committee	PCO	June 2020	30%
31 July 2020		Review Strategic Community Plan and Corporate Business Plan	Desktop review Strategic Community Plan and Corporate Business Plan, including the Innovations Pathway and associated Advisory Groups.	Review yet to be commenced – pending completion of Asset Plan, LTFP and Workforce Plan	CEO/PGO	July 2020	0%
31 August 2020		Preparation of Annual Budget	Prepare the 2020-21 municipal budget in accordance with endorsed procedure for adoption by Council.	Background works commenced with budget requests from Councillors and staff to be requested in the first week of March 2020.	MCC/SFO	August 2020	10%
30 December 2020	17	Review of Local Laws	A review of the Shire of Brookton's Local Laws to be conducted	Preliminary review of the Local Laws completed at an officer level for presentation to the Audit and Risk Committee for discussion.	PCO	December 2020	15%

8.03.20	2019 COMPLIANCE AUDIT RETURN
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File No:	ADM 0333
Date of Meeting:	09 March 2020
Location/Address:	N/A
Name of Applicant:	N/A
Name of Owner:	Shire of Brookton
Author/s:	Kelly D'Arcy – Senior Finance Officer
Authorising Officer:	Vicki Morris – Manager Corporate and Community
Declaration of Interest:	The author & authorising officer have no interest in this matter.
Voting Requirements:	Simple Majority
Previous Report:	Nil

Summary of Item:

This report relates to the Audit and Risk Committee's consideration of the Shire of Brookton's annual Compliance Audit Return for 2019

Description of Proposal:

To present to the Audit and Risk Committee the annual Compliance Audit Return (CAR) 2019 for consideration prior to Council adoption. The CAR is to assist Council in monitoring its organisational functions and report to the Department of Local Government on its level of compliance.

Background:

On an annual basis respective Western Australia Local Governments are required under legislation to complete an annual CAR that largely represents a self-audit of the Shire's compliance against specific regulations and standards. These statutory obligations are listed in Regulation 13 of the Local Government (Audit) Regulations. The compliance audit review considers the business of Council for a full calendar year, in this instance being from 1 January 2019 to 31 December 2019.

Pursuant to regulation 14, each Local Government must complete a CAR against the checklist of statutory compliance issues included in the 2019 return. Once completed, the Compliance Audit Return is to be;

- (a) presented at a meeting of the Audit Committee;
- (b) presented to Council at the next available meeting;
- (c) subsequently adopted by the Council as an acceptance of the organisation's compliance; and
- (d) the adoption recorded in the minutes of the meeting at which it is adopted;

After the Compliance Audit Return has been presented to the Council at the March ordinary Council Meeting, a certified copy of the Return along with the relevant section of the minutes and any additional information explaining or qualifying the compliance audit is to be submitted to the Director General, Department of Local Government, Sport and Cultural Industries by 31 March 2020.

A copy of the Compliance Audit Return 2019 is provided at **Attachment 8.03.20A**.

Consultation:

Consultation has been undertaken in house with confirmation from various officers in regards to compliance requirements being met, or not.

Statutory Environment:

The Council is obliged to complete and submit the Brookton Compliance Audit Return 2019 in accordance with the *Local Government Act 1995* - s7.13(1)(i), and the Local Government (Audit) Regulations 1996, Regulations 13, 14 and 15.

Relevant Plans and Policy:

Nil

Financial Implications:

Nil

Risk Assessment:

There is a risk that Council will be in breach of its statutory obligations should it not complete and adopt the Brookton - Compliance Audit Return 2019. Accordingly, it has been assessed that the level of risk is high.

Consequence	Insignificant	Minor	Moderate	Major	Extreme
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

Community & Strategic Objectives:

This proposal relates to delivery of core business and services detailed in the Shire of Brookton Corporate Compendium – May 2018, duly appended to the Next Generation BROOKTON Corporate Business Plan <2021.

Specifically, the CAR aligns to the following Business Unit and Function:

- Governance*

- Maintain statutory compliance registers*

Comment

The Compliance Audit Return is seen as an internal control monitoring process and as such is a useful tool for the Chief Executive Officer to report to Council and the Department of Local Government, Sport and Cultural Industries on performance against the Shire's statutory obligations.

In general, it has been assessed that the performance of the Shire of Brookton generally accords with the statutory compliance requirements under the *Local Government Act, 1995* and subsidiary legislation.

OFFICER RECOMMENDATION

That the Audit and Risk Committee recommends to Council that:

1. Pursuant to Regulation 14(3) of the Local Government (Audit) Regulations 1996 it adopt the Brookton– Compliance Audit Return 2019 as presented in Attachment 8.03.20A of this report
2. Forward a certified copy of the Shire of Brookton– Compliance Audit Return 2019 to the 'Executive Director' of the Department of Local Government, Sport and Cultural Industries in accordance with Regulation 15(1) of the Local Government (Audit) Regulations 1996.

ARCM 03.20-02

COMMITTEE RESOLUTION

MOVED Cr Macnab SECONDED Cr Walker

That the Audit and Risk Committee recommends to Council that:

- 1. Pursuant to Regulation 14(3) of the Local Government (Audit) Regulations 1996 it adopt the Brookton– Compliance Audit Return 2019 as presented in Attachment 8.03.20A of this report***
- 2. Forward a certified copy of the Shire of Brookton– Compliance Audit Return 2019 to the 'Executive Director' of the Department of Local Government, Sport and Cultural Industries in accordance with Regulation 15(1) of the Local Government (Audit) Regulations 1996.***

CARRIED BY SIMPLE MAJORITY VOTE 3-0

Attachments

8.03.20A – 2019 Compliance Audit Return

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
Local Government, Sport
and Cultural Industries

Brookton - Compliance Audit Return 2019

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of section of relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2019?	N/A		Kelly D'Arcy
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2019?	Yes	Business Plan written for the Sale of Kalkami Agecare Facility	Kelly D'Arcy
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2019?	N/A		Kelly D'Arcy
4	s3.59(4)	Has the local government complied with public notice and publishing requirements of each proposal to commence a major trading undertaking or enter into a major land transaction for 2019?	Yes	Advertised The West Australian newspaper, local print and electronic media.	Kelly D'Arcy
5	s3.59(5)	Did the Council, during 2019, resolve to proceed with each major land transaction or trading undertaking by absolute majority?	Yes	Original minute Ref OCM11.18-11. Additional minute Ref: SCM 05.19-02	Kelly D'Arcy



Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority?	Yes	Employment Committee granted delegations	Kelly D'Arcy
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing?	Yes		Kelly D'Arcy
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17?	Yes		Kelly D'Arcy
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations?	Yes		Kelly D'Arcy
5	s5.18	Has Council reviewed delegations to its committees in the 2018/2019 financial year?	Yes	November Ordinary Council Meeting Min Ref: OCM 11.19-17	Kelly D'Arcy
6	s5.42(1), 5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act?	Yes		Kelly D'Arcy
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority?	Yes		Kelly D'Arcy
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing?	Yes	Delegation Register reviewed January 2020 Ordinary Council Meeting Min Ref: OCM 01.20-17	Kelly D'Arcy
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		Kelly D'Arcy
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority?	Yes		Kelly D'Arcy
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees?	Yes		Kelly D'Arcy
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2018/2019 financial year?	Yes		Kelly D'Arcy
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required?	Yes		Kelly D'Arcy
Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68)?	Yes		Kelly D'Arcy



No	Reference	Question	Response	Comments	Respondent
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings?	Yes	also entered on the Declaration of Interest Register	Kelly D'Arcy
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made?	Yes		Kelly D'Arcy
4	s5.73	Where the CEO had an interest relating to a gift under section 5.71A(1), was written notice given to the Council?	Yes	Nil gifts received	Kelly D'Arcy
5	s5.73	Where the CEO had an interest relating to a gift in a matter in respect of a report another employee is providing advice on under section 5.71A (3), was the nature of interest disclosed when the advice or report was provided?	Yes	Nil gifts received	Kelly D'Arcy
6	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day?	Yes		Kelly D'Arcy
7	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day?	Yes		Kelly D'Arcy
8	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2019?	Yes		Kelly D'Arcy
9	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2019?	Yes		Kelly D'Arcy
10	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return?	Yes		Kelly D'Arcy
11	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76?	Yes		Kelly D'Arcy
12	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28?	Yes		Kelly D'Arcy
13	s5.89A Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under section 5.71A, in the form prescribed in Administration Regulation 28A?	Yes		Kelly D'Arcy
14	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76?	Yes		Kelly D'Arcy



No	Reference	Question	Response	Comments	Respondent
15	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee?	Yes		Kelly D'Arcy
16	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes?	Yes		Kelly D'Arcy
17	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report?	Yes		Kelly D'Arcy
18	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee?	Yes		Kelly D'Arcy
19	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees?	Yes		Kelly D'Arcy

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5))?	Yes	advertised in the West Australian, local print media and electronic media	Kelly D'Arcy
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	Yes	advertised in the West Australian, local print media and electronic media	Kelly D'Arcy



Elections					
No	Reference	Question	Response	Comments	Respondent
1	Elect Reg 30G (1) (2)	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the candidates?	Yes	Nil gifts received	Kelly D'Arcy
2	Elect Reg 30G(3) & (4)	Did the CEO remove any 'disclosure of gifts' forms relating to an unsuccessful candidate or a successful candidate that completed the term of office from the electoral gift register, and retain those forms separately for a period of at least 2 years?	Yes	Nil gifts received	Kelly D'Arcy
Finance					
No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes	Council minute Ref: OCM 11.19-17	Kelly D'Arcy
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	N/A	Advisory only	Kelly D'Arcy
3	s7.3(1)	Was the person(s) appointed by the local government under s7.3(1) to be its auditor, a registered company auditor?	Yes	Office of the Auditor General	Kelly D'Arcy
4	s7.3(1), 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council?	N/A	Appointed by Legislation	Kelly D'Arcy
5	Audit Reg 10	Was the Auditor's report(s) for the financial year(s) ended 30 June received by the local government within 30 days of completion of the audit?	Yes		Kelly D'Arcy
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2019 received by the local government by 31 December 2019?	Yes		Kelly D'Arcy
7	S7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken, did the local government, ensure that appropriate action was undertaken in respect of those matters?	Yes		Kelly D'Arcy



No	Reference	Question	Response	Comments	Respondent
8	S7.12A (4)	Where the auditor identified matters as significant in the auditor's report (prepared under s7.9(1) of the Act), did the local government prepare a report stating what action had been taken or it intended to take with respect to each of the matters and give a copy to the Minister within 3 months after receipt of the audit report?	N/A	No significant matters identified in the auditors report.	Kelly D'Arcy
9	S7.12A (5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	N/A	No significant matters identified in the auditors report.	Kelly D'Arcy
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit?	N/A	No agreement, auditors appointed by legislation	Kelly D'Arcy
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit?	N/A	No agreement, auditors appointed by legislation	Kelly D'Arcy
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit?	N/A	No agreement, auditors appointed by legislation	Kelly D'Arcy
13	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor?	N/A	No agreement, auditors appointed by legislation	Kelly D'Arcy
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor?	N/A	No agreement, auditors appointed by legislation	Kelly D'Arcy



Integrated Planning and Reporting					
No	Reference	Question	Response	Comments	Respondent
1	s5.56 Admin Reg 19DA (6)	Has the local government adopted a Corporate Business Plan. If Yes, please provide adoption date of the most recent Plan in Comments?	Yes	CBP adopted by Council 19 April 2018 OCM 04.18-13	Kelly D'Arcy
2	s5.56 Admin Reg 19DA (4)	Has the local government reviewed the Corporate Business Plan in the 2018-2019 Financial Year. If Yes, please provide date of Council meeting the review was adopted at?	No		Kelly D'Arcy
3	s5.56 Admin Reg 19C	Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments?	Yes	SCP adopted by Council 19 April 2018 OCM 04.18-13	Kelly D'Arcy
4	s5.56 Admin Reg 19C (4)	Has the local government reviewed the current Strategic Community Plan. If Yes, please provide date of most recent review by Council in Comments. Note: If the current Strategic Community Plan was adopted after 1/1/2016, please respond N/A and provide adoption date in Comments?	No		Kelly D'Arcy
5	S5.56 Admin Reg 19DA (3)	Has the local government developed an Asset Management Plan(s) that covers all asset classes. If Yes, please provide the date of the most recent Plan adopted by Council in Comments?	Yes	The Asset Management Plan 2016 - 2027 not adopted by Council. Council is in the process of writing a new AMP	Kelly D'Arcy
6	S5.56 Admin Reg 19DA (3)	Has the local government developed a Long Term Financial Plan. If Yes, please provide the adoption date of the most recent Plan in Comments?	Yes	Plan no longer current, Council in the process of creating a new LTFP. Have engage Moore Stephen to write the LTFP.	Kelly D'Arcy
7	S5.56 Admin Reg 19DA (3)	Has the local government developed a Workforce Plan. If Yes, please provide adoption date of the most recent Plan in comments?	No		Kelly D'Arcy



Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A		Kelly D'Arcy
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A?	N/A		Kelly D'Arcy
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4)?	N/A		Kelly D'Arcy
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only)?	N/A		Kelly D'Arcy
5	s5.37(2)	Did the CEO inform Council of each proposal to employ or dismiss a designated senior employee?	N/A		Kelly D'Arcy



Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer?	N/A	CEO complaints officer	Kelly D'Arcy
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c)?	Yes		Kelly D'Arcy
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made?	Yes		Kelly D'Arcy
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint?	Yes		Kelly D'Arcy
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred?	Yes		Kelly D'Arcy
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c)?	Yes		Kelly D'Arcy



Optional Questions					
No	Reference	Question	Response	Comments	Respondent
1	Financial Management Reg 5 (2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Local Government (Financial Management) Regulation 5 (2)(c) within the 3 years prior to 31 December 2019? If yes, please provide date of Council resolution in comments?	N/A	Included in the Office of Auditor Generals annual and interim audits	Kelly D'Arcy
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulation 17 within the 3 years prior to 31 December 2019? If yes, please provide date of Council resolution in comments?	N/A	Included in the Office of Auditor Generals annual and interim audits	Kelly D'Arcy
3	Financial Management Reg 5A.	Did the local government provide AASB 124 related party information in its annual report(s) tabled at an electors meeting(s) during calendar year 2019?	Yes		Kelly D'Arcy
4	S6.4(3)	Did the local government submit to its auditor by 30 September 2019 the balanced accounts and annual financial report for the year ending 30 June 2019?	Yes		Kelly D'Arcy

Tenders for Providing Goods and Services					
No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2))?	N/A	WALGA prequalified suppliers (Equotes)	Kelly D'Arcy
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract?	N/A		Kelly D'Arcy
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice?	N/A	WALGA prequalified suppliers (Equotes system)	Kelly D'Arcy
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16?	N/A	WALGA prequalified suppliers (Equotes)	Kelly D'Arcy



No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation?	N/A	WALGA prequalified suppliers (Equotes)	Kelly D'Arcy
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16?	N/A	WALGA prequalified suppliers (Equotes)	Kelly D'Arcy
7	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender?	N/A	WALGA prequalified suppliers (Equotes)	Kelly D'Arcy
8	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria?	N/A	WALGA prequalified suppliers (Equotes)	Kelly D'Arcy
9	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection?	N/A	WALGA prequalified suppliers (Equotes)	Kelly D'Arcy
10	F&G Reg 19	Did the CEO give each tenderer written notice advising particulars of the successful tender or advising that no tender was accepted?	N/A	WALGA prequalified suppliers (Equotes)	Kelly D'Arcy
11	F&G Reg 21 & 22	Did the local governments advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22?	N/A		Kelly D'Arcy
12	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice?	N/A		Kelly D'Arcy
13	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services?	N/A		Kelly D'Arcy
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest, a notice in writing in accordance with Functions & General Regulation 24?	N/A		Kelly D'Arcy
15	F&G Reg 24AC (1) & (2)	Has the local government established a policy on procurement of goods and services from pre-qualified suppliers in accordance with the regulations?	N/A	No pre-qualified suppliers list established	Kelly D'Arcy
16	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice?	N/A	No pre-qualified suppliers list established	Kelly D'Arcy
17	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE?	N/A	No pre-qualified suppliers list established	Kelly D'Arcy



No	Reference	Question	Response	Comments	Respondent
18	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application?	N/A	No pre-qualified suppliers list established	Kelly D'Arcy
19	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, given notice of the variation?	N/A		Kelly D'Arcy
20	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications?	N/A		Kelly D'Arcy
21	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application(s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria?	N/A		Kelly D'Arcy
22	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG?	N/A		Kelly D'Arcy
23	F&G Reg 24AI	Did the CEO send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted?	N/A		Kelly D'Arcy
24	F&G Reg 24E	Where the local government gave a regional price preference, did the local government comply with the requirements of F&G Reg 24E including the preparation of a regional price preference policy?	N/A		Kelly D'Arcy
25	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy?	N/A		Kelly D'Arcy
26	F&G Reg 11A	Does the local government have a current purchasing policy that comply with F&G Reg 11A(3) in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$150,000 or less?	Yes		Kelly D'Arcy



Department of
Local Government, Sport
and Cultural Industries

No	Reference	Question	Response	Comments	Respondent
27	F&G Reg 11A	Did the local government comply with its current purchasing policy in relation to the supply of goods or services where the consideration under the contract is, or is expected to be \$150,000 or less or worth \$150,000 or less?	Yes		Kelly D'Arcy

I certify this Compliance Audit return has been adopted by Council at its meeting on _____

Signed Mayor / President, Brookton

Signed CEO, Brookton

9.03.20 AUDIT AND RISK COMMITTEE APPOINTMENT OF EXTERNAL REPRESENTATIVES

File No:	ADM 0117
Date of Meeting:	09 March 2020
Location/Address:	N/A
Name of Applicant:	N/A
Name of Owner:	Shire of Brookton
Author/s:	Danni Chard – Executive Governance Officer
Authorising Officer:	Ian D’Arcy – Chief Executive Officer
Declaration of Interest:	The Author and Authorising Officer have no interest in this item
Voting Requirements:	Simple Majority
Previous Report:	N/A

Summary of Item:

This report is to appoint external representatives to the Shire of Brookton Audit and Risk Committee to ensure the Committee is well equipped to perform its role.

Description of Proposal:

As above.

Background:

At the October 2019 Ordinary Council Meeting a Terms of Reference for the Audit and Risk Committee was endorsed by Council, with representation on the Committee to consist of three elected members and two external members, one being suitably qualified with a finance or commerce background.

With the Terms of Reference being set, the Council appointed the three Elected Members at its November 2019 Ordinary Meeting, leaving the two external representative positions yet to be filled through an Expressions of Interest (EOI) process.

Accordingly, the two vacant position were advertised with one formal submission being received and an informal enquiry being fielded by the Shire CEO.

A copy of the formal submission received is provided under separate cover as **Attachment 9.03.20A** to this report.

The Audit and Risk Committee is now required to assess the suitability of the single applicant with a recommendation of appointment (or not) to be presented to Council and is encourage to give further consideration to the other vacant external position.

Consultation:

The EOI process was advertised locally for a period of three weeks, which concluded on the 24th February 2020. As mentioned only one submission was received, although some verbal interest was expressed by at least one other prominent member of the community but did not eventuate is a formal submission being lodged.

Statutory Environment:

The Audit and Risk Committee has been established in accordance with Part 7 of the *Local Government Act, 1995* and constitutes an Advisory Committee formally appointed by and responsible to the Shire Council.

This Committee does not have any:

- Executive powers;
- Authority to implement actions in areas over which management has responsibility;
- Financial responsibility; nor
- Management functions.

It is independent of the Shire's Administration with fundamental oversight and a need to focus on matters relating to internal and external audit, and risk exposure and mitigation pertinent to the Shire of Brookton.

Relevant Plans and Policy:

The following policies broadly apply to Audit and Risk Committee:

- Policy 1.13 – Council Committees – Terms of Reference
- Policy 1.17 – Standing Orders and Meeting Protocol Local Government (Council Meetings)

Financial Implications:

At this stage there are no financial implications in relation to the appointment of Committee members as an allocation of sitting fees is already provided for in the 2019-20 budget.

Risk Assessment:

In unable to fill both external representatives to the Audit and Risk Committee, the risk is assessed as "Medium" as there is reflected in the Matrix Table below. However, it is important that at least one position be filled with a suitable candidate who is not integrally involved in the workings of the Shire to provide an independent perspective of the organisation's performance, accountability and compliance.

Consequence	Insignificant	Minor	Moderate	Major	Extreme
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

Community & Strategic Objectives:

This report relates to delivery of core business and services detailed in the Shire of Brookton Corporate Compendium – May 2018, duly appended to the Next Generation BROOKTON Corporate Business Plan <2021.

Specifically, the appointment of representatives to Committees and Advisory Groups aligns to:

Action 1.4 - Convene Council meetings, prepare agendas, minutes

Comment

In review of the formal application received from Mrs. Belinda Mitchell, it is apparent Mrs. Mitchell holds a Master of Commerce qualification and has extensive experience in corporate accounting roles as well as experience in governance and Occupational Health and Safety functions, and is therefore ideally suited to being an external member of the Audit and Risk Committee.

As to the other position an informal discussion occurred between Mr. Eric Pech and the CEO. During this discussion Mr. Pech indicated he may entertain sitting of the Audit and Risk Committee should there be insufficient applicants to fill both external positions.

The CEO is of the opinion that Mr. Pech would be ideally suited to an external position of the Committee given his extensive experience in successfully operating his own farming business, as well as his time as a Councillor with considerable knowledge and understanding of Local Government, and the way it operates as a government entity.

OFFICER RECOMMENDATION

That the Audit and Risk Committee recommends to Council that in accordance with Section 5.8 of the Local Government Act (1995), it endorses the appointment of the following external representatives to the Audit and Risk Committee until October 2021:

- Mrs Belinda Mitchell
- Mr Eric Pech (subject to his acceptance of the appointment)

ARCM 03.20-03

COMMITTEE RESOLUTION

MOVED Cr Walker SECONDED Cr Macnab

That the Audit and Risk Committee recommends to Council that in accordance with Section 5.8 of the Local Government Act (1995), it endorses the appointment of the following external representatives to the Audit and Risk Committee until October 2021:

- ***Mrs Belinda Mitchell***
- ***Mr Eric Pech (subject to his acceptance of the appointment)***

CARRIED BY SIMPLE MAJORITY VOTE 3-0

Attachments provided under separate cover

Attachment 09.03.20A – Expression of Interest Belinda Mitchell

7.03.20	ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN
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8.03.20	NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING
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19.03.20	CLOSURE OF MEETING
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There being no further business the Presiding Member meeting was closed at 3.30pm.