



AUDIT AND RISK COMMITTEE MEETING

AGENDA

THURSDAY 9 MARCH 2023

**14 White Street
Brookton, WA 6306**

4.00pm

COMMENCEMENT OF MEETING



NOTICE OF MEETING

AUDIT AND RISK COMMITTEE MEETING

9 MARCH 2023

**14 White Street
Brookton, WA 6306**

Dear Councillor, Resident or Elector,

Notice is hereby given that the Audit and Risk Committee Meeting of the Brookton Shire Council will be held on 9th March 2023 in the Council Chambers at the Shire Administration Centre commencing at 4.00pm.

The business to be transacted is shown in the Agenda.

Gary Sherry
CHIEF EXECUTIVE OFFICER
28th February 2023

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1.03.23 DECLARATION OF OPENING / ATTENDANCE

On behalf of the Council, I would like to acknowledge that this meeting is being held on the traditional lands of the Nyoongar People, and pay respect to all Elders, past, present, and emerging. I wish to acknowledge and respect local people's continuing culture, and the contribution they make to Country, and its life.

Elected Members (Voting)

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

External Committee Members (Voting)

Mr Eric Pech

Staff (Non-Voting)

Gary Sherry Chief Executive Officer
Deanne Sweeney Manager Corporate and Community

Leave of Absence

Nil.

Visitors/Residents/Electors

2.03.23 CONFIRMATION OF PREVIOUS MINUTES

That the minutes of the Audit and Risk Committee meeting held in the Shire of Brookton Council Chambers, on 18th January 2023, be confirmed as a true and correct record of the proceedings.

3.03.23 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil.

4.03.23 PUBLIC QUESTION TIME

Nil at this time.

5.03.23 ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

Nil at this time.

6.03.23 DECLARATIONS BY MEMBERS AND OFFICERS

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

7.03.23 PRESENTATIONS

Nil.

8.03.23 FINANCE**8.03.23.01 2021 COMPLIANCE AUDIT REPORT (CAR)**

File No:	GOV-026
Date of Meeting:	9 March 2023
Location/Address:	N/A
Name of Applicant:	N/A
Name of Owner:	Shire of Brookton
Author/s:	Gary Sherry – Chief Executive Officer
Authorising Officer:	Gary Sherry – Chief Executive Officer
Declaration of Interest:	The author and authorising officer has no interest in this matter.
Voting Requirements:	Simple Majority
Previous Report:	Nil

Summary of Item:

The Audit and Risk Committee are to consider the annual Shire of Brookton Compliance Audit Return for the period 1st January 2022 to 31st December 2022, with a recommendation being put forward to the Shire of Brookton Council for adoption.

Background:

The Compliance Audit Return (CAR) is a Department of Local Government, Sport, and Cultural Industries (DLGSCI) prepared check list of some of the statutory requirements for Local Governments were required to comply with in the twelve months to 31st December 2022.

Regulation 14 of the Local Government (Audit) Regulations requires that a local government's Audit Committee reviews the CAR and reports the results of that review to the Council prior to adoption by Council and submission to the DLGSCI.

The Statutory Compliance Audit Return is to be:

1. presented by staff to a meeting of the Audit & Risk Committee;
2. recommended for adoption by Council by decision of the Audit & Risk Committee;
3. presented to a meeting of Council;
4. adopted by the Council; and
5. the adoption recorded in the minutes of the meeting at which it is adopted.

After the Compliance Audit Return has been presented to Council, 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 Executive Director, Department of Local Government, Sport, and Cultural Industries, by 31st March 2023.

The 2022 CAR focuses on the following areas of compliance:

1. Commercial Enterprises by Local Governments
2. Delegation of Power/Duty
3. Disclosure of Interest
4. Disposal of Property
5. Elections
6. Finance
7. Integrated Planning and Reporting
8. Local Government Employees
9. Official Conduct

10. Optional questions
11. Tenders for Providing Goods and Services

The Audit Committee is to consider the CAR 2022 and make recommendations to the 16 March 2023 Council Meeting. The draft Compliance Audit Return 2022 is included at Attachment 8.03.23.01A.

No	Legislative Reference	Question	Answer	Response	Comment
Disclosure of Interest					
12	S5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	No	A gift register published, but this was not up to date.	The gift register was not up to date because it included reports of employees and elected members who had ceased employment/ service as a Elected Member. These have now been removed.
13	S5.89A9(6)	When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove the register of all records relating to those people?	No	The gift register included reports of employees and elected members who had ceased employment/ service as a Elected Member.	These have now been removed.
Tenders for Providing Goods and Services					
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	No		
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?	No		

The Shire of Brookton 2022 CAR includes the following matters of non-compliance:

Consultation:

Consultation has been undertaken with relevant officers in regard to compliance requirements being met, or not.

Statutory Environment:

The Council is obliged to complete and submit the Brookton Compliance Audit Return 2020 in accordance with the Local Government Act 1995 and the Local Government (Audit) Regulations 1996.

- Section 7.13(1)(i) of the Local Government Act, 1995 requires local governments to carry out, in the prescribed manner and in a form approved by the Minister an audit of compliance with statutory requirements prescribed in the Local Government (Audit) Regulations, 1996.
- Regulation 13 of the Local Government (Audit) Regulations, 1996 details the statutory requirements that must be addressed within the compliance audit.
- Regulation 14 of the Local Government (Audit) Regulations, 1996 specifies the requirement to undertake a compliance audit for the annual period 1 January to 31 December and the process by which the audit return is to be considered by Council.
- Regulation 15 of the Local Government (Audit) Regulations 1996 details the actions to be taken to certify the audit return and to submit the return by 31 March following the period to which the return relates.

Relevant Plans and Policy:

Nil at this time

Financial Implications:

There are no financial implications.

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 2022. Accordingly, it has been assessed that the level of risk is high.

Consequence Likelihood	Insignificant	Minor	Moderate	Major	Extreme
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:

1. *Governance*
 - 1.9 *Maintain statutory compliance registers*

Comment

In addition to the statutory compliance, the CAR is an internal control monitoring process and as such is a useful tool for to report the Audit & Risk Committee.

The areas of non-compliance are planned to be addressed by the Chief Executive Officer.

OFFICER'S RECOMMENDATION

"The Audit and Risk Committee recommends that Council:

1. *adopts the completed Local Government Compliance Audit Return for the period 1st January 2020 to 31st December 2020 and the President and Chief Executive Officer be authorised to sign the joint certification and return to the Director General of the Department of Local Government and Communities as required; and*
2. *notes the non-compliance matter and requests that the Chief Executive Officer ensure the areas of non-compliance are addressed."*

(Simple Majority vote required)

Attachments

Attachment 8.03.23.01A – Draft Brookton – Compliance Audit Return 2022

Compliance Audit Return 2022

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2022?	N/A	No major trading undertakings occurred	Gary Sherry
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2022?	N/A		Gary Sherry
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	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 2022?	N/A		Gary Sherry
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2022?	N/A		Gary Sherry
5	s3.59(5)	During 2022, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A		Gary Sherry
Delegation of Power/Duty					
No	Reference	Question	Response	comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	Yes	OCM 06.22-12. 16/6/2022	Gary Sherry
2	s5.16	Were all delegations to committees in writing?	Yes		Gary Sherry
3	s5.17	Were all delegations to committees within the limits specified in section 5.17 of the <i>Local Government Act 1995</i> ?	Yes		Gary Sherry
4	s5.18	Were all delegations to committees recorded in a register of delegations?	Yes		Gary Sherry
5	s5.18	Has council reviewed delegations to its committees in the 2021/2022 financial year?	Yes	OCM 06.22-12. 16/6/2022	Gary Sherry
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the <i>Local Government Act 1995</i> ?	Yes		Gary Sherry
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes	OCM 06.22-12. 16/6/2022	Gary Sherry
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes		Gary Sherry
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		Gary Sherry
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	Yes	OCM 02.22-07 - 17/6/2022 OCM 07.22-17 - 21/6/2022 OCM 06.22-13 - 16/6/2022 OCM 09.22-05 - 15/6/2022 OCM 09.22-05 - 15/6/2022 OCM 11.22-08 - 17/6/2022	Gary Sherry
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes		Gary Sherry
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2021/2022 financial year?	Yes	OCM 06.22-12. 16/6/2022	Gary Sherry
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 in accordance with Local Government (Administration) Regulations 1996, regulation 19?	Yes		Gary Sherry

Disclosure of Interest					
No	Reference	Question			
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the <i>Local Government Act 1995</i> , did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes		Gary Sherry
2	s5.68(2) & s5.69(5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required the Local	N/A	No decisions regarding participation were made	Gary Sherry
		Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?	Yes		Gary Sherry
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) of the <i>Local Government Act 1995</i> recorded in the minutes of the meeting at which the disclosures were made?	Yes		Gary Sherry
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes		Gary Sherry
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022?	Yes		Gary Sherry
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes		Gary Sherry
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the <i>Local Government Act 1995</i> ?	Yes		Gary Sherry
8	s5.88(1) & (2)(b) 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, 5.71 and 5.71A of the <i>Local Government Act 1995</i> , in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?	Yes		Gary Sherry
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the <i>Local Government Act 1995</i> , did the CEO remove from the register all returns relating to that person?	Yes		Gary Sherry
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes		Gary Sherry
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?	Yes		Gary Sherry
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	No		Gary Sherry
13	s5.89A(6)	When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove from the register all records relating to those people?	No		Gary Sherry
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A(6) Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes		Gary Sherry
15	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes		Gary Sherry

16	s5.71A & s5.71B(5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A	Council did not apply	Gary Sherry
17	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) of the Local Government Act 1995 recorded in the minutes of the council meeting at which the decision was considered?	N/A		Gary Sherry
18	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)?	Yes	OCM 04.21-15 - 15/04/2021	Gary Sherry
19	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the Local Government Act 1995?	Yes	OCM 04.21-15 - 15/04/2021	Gary Sherry
20	s5.104(7)	Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?	Yes		Gary Sherry
21	s5.51A(1) & (3)	Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government in accordance with section 5.51A(1) of the Local Government Act 1995?	Yes		Gary Sherry
Disposal of Property					
No	Reference	Question			
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?	Yes	Ordinary Council Meeting 17/06/2021 & 17/03/2022	Deanne Sweeney
2	s3.58(4)	Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4) of the Act, in the required local public notice for each disposal of property?	Yes	Ordinary Council Meeting 17/06/2021 & 17/03/2022	Deanne Sweeney
Elections					
No	Reference	Question			
1	Elect Regs 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 donors 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 forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?	Yes		Gary Sherry
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?	Yes		Gary Sherry
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?	Yes		Gary Sherry

Finance					
No	Reference	Question			
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 Local Government Act 1995?	Yes	Ordinary Council Meeting 20/10/2022	Deanne Sweeney
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the <i>Local Government Act 1995</i> , did it do so by absolute majority?	N/A	No delegation authorised	Deanne Sweeney
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2022 received by the local government by 31 December 2022?	Yes	The auditor's report for the financial year ended 30 June 2022 was received 21/12/2022	Deanne Sweeney
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the <i>Local Government Act 1995</i> required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes		Deanne Sweeney
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A	No significant matters were raised in the auditor's report for the financial year ended 30 June 2022	Deanne Sweeney
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the <i>Local Government Act 1995</i> , did the CEO publish a copy of the report on the local government's official website?	N/A		Deanne Sweeney
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June 2022 received by the local government within 30 days of completion of the audit?	Yes		Deanne Sweeney
Integrated Planning and Reporting					
No	Reference	Question			
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	OCM 11.22-13 - 17/11/22	Gary Sherry
2	Admin Reg 19DA(1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	OCM 11.22-14 - 17/11/22	Gary Sherry
3	Admin Reg 19DA(2) & (3)	Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?	Yes		Gary Sherry
Local Government Employees					
No	Reference	Question			
1	s5.36(4) & s5.37(3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?	Yes		Gary Sherry
2	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A	Applications for the position of CEO did not occur in 2022.	Gary Sherry
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 under section 5.36(4) of the <i>Local Government Act 1995</i> ?	N/A		Gary Sherry
4	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	Yes	OCM 03.22-12 - 17/3/22	Gary Sherry
5	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A	Council did not reject a recommendation	Gary Sherry

Official Conduct				
No	Reference	Question		
1	s5.120	Has the local government designated an employee to be its complaints officer?	Yes	Gary Sherry
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the <i>Local Government Act 1995</i> ?	Yes	Gary Sherry
3	S5.121(2)	Does the complaints register include all information required by section 5.121(2) of the <i>Local Government Act 1995</i> ?	Yes	Gary Sherry
4	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes	Gary Sherry
Optional Questions				
No	Reference	Question		
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 the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three years prior to 31 December 2022? If yes, please provide the date of council's resolution to accept the report.	Yes	Ordinary Council Meeting 18/06/2020 Deanne Sweeney
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) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2022? If yes, please provide date of council's resolution to accept the report.	Yes	Ongoing review. Risk register presented to Audit & risk Committee in March 2021 & July 2021 Deanne Sweeney
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B of the <i>Local Government Act 1995</i> , were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?	N/A	No disclosures were made Gary Sherry
4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?	Yes	Policy 1.24 Attendance at events (Council Members and CEO). Ordinary Council Meeting 20/08/2020 Deanne Sweeney
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the <i>Local Government Act 1995</i> ?	Yes	Deanne Sweeney
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Policy 1.6 Training Sessions Conferences Meeting Seminars - Elected Members. Ordinary Council Meeting 16/09/2021 Deanne Sweeney
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2021/2022 financial year and publish it on the local government's official website by 31 July 2022?	Yes	Deanne Sweeney
8	s6.4(3)	By 30 September 2022, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2022?	Yes	accounts and annual report submitted to auditor 29/09/2022 Deanne Sweeney
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes	Deanne Sweeney

Tenders for Providing Goods and Services					
No	Reference	Question			
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes		Deanne Sweeney
2	s3.57 F&G Reg 11	Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all 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 Regulations?	Yes		Deanne Sweeney
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 of the Local Government Functions and General) Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)?	Yes	Supply of goods or services obtained through the the western Australian Local Government Association preferred suppliers program. Policy 2.36 Procurement	Deanne Sweeney
4	F&G Reg 12	Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?	N/A		Deanne Sweeney
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		Deanne Sweeney
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?	Yes		Deanne Sweeney
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes		Deanne Sweeney
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	No		Deanne Sweeney
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes		Deanne Sweeney
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes		Deanne Sweeney
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?	No		Deanne Sweeney
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A		Deanne Sweeney

13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	N/A		Deanne Sweeney
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?	N/A		Deanne Sweeney
15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions and General) Regulations 1996, Regulations 24AD(4) and 24AE?	N/A		Deanne Sweeney
16	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 notice of the variation?	N/A		Deanne Sweeney
17	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 Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A		Deanne Sweeney
18	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 Local Government (Functions and General) Regulations 1996, Regulation 24AG?	N/A		Deanne Sweeney
19	F&G Reg 24AH(1)	Did the local government reject any 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		Deanne Sweeney
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A		Deanne Sweeney
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A		Deanne Sweeney
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?	Yes		Deanne Sweeney

8.03.23.02 INTERNAL AUDIT OF THE CORPORATE CREDIT CARD SYSTEM

File No:	N/A
Date of Meeting:	9 March 2023
Location/Address:	N/A
Name of Applicant:	N/A
Name of Owner:	N/A
Author/s:	Deanne Sweeney – Manager Corporate and Community
Authorising Officer:	Gary Sherry – Chief Executive Officer
Declaration of Interest:	The author and authorising officer do not have an interest in this item
Voting Requirements:	Simple Majority
Previous Report:	N/A

Summary of Report:

The Committee is to accept the Internal Audit of the Corporate Credit card System conducted in February 2023, completed in accordance with Policy 2.18 Use of Corporate Credit Cards.

Description of Proposal:

The full details of the Internal Audit of the Corporate Credit card System conducted in February 2023 are included at Attachment 8.03.23.2A.

Three findings of non compliance were identified by staff completing the review.

No	Description/Guidelines	Explain "No" Answers
No	Cardholders are to certify that the account details are correct. The Manager Corporate & Community, or in the case of the Manager Corporate & Community the Chief Executive Officer, will then review the expenditure before it is returned to Finance Department area for payment.	All transactions had supporting receipts and tax invoices. 29% of transactions sampled do not comply with the correct authorisation process. This non-compliance was where a staff member other than the cardholder certified the purchase. This occurred when purchases were made by junior staff using a card. The authorisation form and process have been updated to ensure clarity in comply with Council Policy.
No	New Card applications Letter to be drawn up and authorised copies kept on record.	One employee's application could not be located. Letter to be obtained from Bendigo Bank
No	Internal audits will be completed and provide a report on the control, use, viability and adherence to authorised policy and procedures to the Manager Corporate & Community	This is the first internal audit to be conducted.

These findings have been reviewed, controls implemented, and can be marked off as complete.

Background:

An internal audit of the Corporate Credit Card System has been included in Council Policy 2.18 Use of Corporate Credit Cards approved September 2022 and in accordance with the Terms and Reference of the Audit and Risk Committee. The internal audit has been completed with samples for the period 31 July to 31 December 2022.

In accordance with the above mentioned, this review was completed in February 2023.

Consultation:

Internal consultation has occurred between the Senior Finance Officer and Manager Corporate and Community.

Statutory Environment:

Under regulation 17 of the *Local Government (Audit) Regulations 1996* the Chief Executive Officer is to review certain systems and procedures including risk management, internal control and legislative compliance.

Relevant Plans and Policy:

Policy 2.18 Use of Corporate credit Cards.

Financial Implications:

There are no known financial implications relating to this report.

Risk Assessment:

Completion of the internal audit provides a disciplined approach to evaluate and improve Councils internal controls, including its corporate governance and accounting processes.

Consequence Likelihood	Insignificant	Minor	Moderate	Major	Extreme
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 item relates to the delivery of core business and services detailed in the Shire of Brookton Corporate Compendium – October 2020, duly appended to the Next Generation BROOKTON Corporate Business Plan <2021.

Specifically, the internal audit aligns to the following Business unit Function:

18. *Financial Control*

18.2.1 *Conduct external/internal audits and reporting*

Comment:

Credit Card purchasing remains a focus of staff compliance review.

OFFICER'S RECOMMENDATION

That the Committee recommends that Council accept the Internal Audit of the Corporate Credit card System conducted February 2023.

Attachments

Attachment 8.03.23.02A – Internal Audit Findings



SHIRE OF BROOKTON

Annual Internal Audit as per policy 2.18 use of Corporate Credit Cards

The focus of this internal audit is to determine if the Shire of Brookton has effective controls over the use of corporate credit cards

Date completed - 03 February 2023

Corporate Credit Card				Comment
Yes	No	N/A	Description/Guidelines	Explain "No" Answers
Yes			Council's aim, is to review policies at least once per annum - although not a statutory requirement - Last Review Sept 2022	
Yes			Confirm credit card limits as per Policy 2.18 Use of Corporate Credit Cards and Delegation Register 1.45 Issue of Corporate Credit Cards	
Yes			An Agreement (Annexure A) signed by all cardholders which sets out the cardholders responsibilities and legal obligations	
Yes			CESM only to utilise Corporate Credit Card for declared emergency requirements and for the purpose of fuel reimbursements	
Yes			The Shire of Brookton's Corporate Credit Cards are to be issued by its transactional banker	
Yes			The Shire's Corporate Credit Cards shall only be used for purchases of goods and services in the performance of official duties for which there is a budget provision	
Yes			A tax invoice should be provided to support the purchase along with completion of the Corporate Credit Card Authorisation Form. If no invoice or receipt is available, as much detail about the transaction should be recorded and used to support the payment when required. (Date, Company, Address, ABN, amount, any GST included)	
		NA	Where a payment is made for entertainment, it is important to note on the invoice/receipt the number of persons entertained and the names of any Shire of Brookton's employees in that number.	

Yes			Monthly statement of account of the corporate credit card will be forwarded to each cardholder for certification and for the supply of receipts and tax invoices to support the Shire's claim for the GST component of purchases and services obtained	
	No		Cardholders are to certify that the account details are correct. The Manager Corporate & Community, or in the case of the Manager Corporate & Community the Chief Executive Officer, will then review the expenditure before it is returned to Finance Department area for payment.	See Authorisation samples -29% of transactions sampled do not comply. Form has been updated to comply with Policy.
	No		New Card applications - Letter to be drawn up and authorised copies kept on record.	Cannot locate for CESM - Letter to be obtained from Bendigo Bank
Yes			The cardholder's certification must be provided within 7 days of receipt and prior to the end of the credit cards settlement period.	
		NA	Cards that are lost or stolen must be reported immediately by the cardholder to the issuing banker by telephone. At the earliest opportunity, written notification must also be given to the Manager Corporate & Community.	
		NA	Unauthorised expenditure or expenditure of a private nature that is proved to be inappropriate will be recovered by deductions from the officer's salary	
	No		Internal audits will be completed and provide a report on the control, use, viability and adherence to authorised policy and procedures to the Manager Corporate & Community	No prior audits taken place - To be completed going forward.
		NA	Where the Corporate Cards carry rewards or bonus points, usually to encourage the use of the card by the issuing institution, these rewards or points will be accumulated in the name of the Shire of Brookton. The Shire's management (CEO) will decide how these points are to be utilised. Under no circumstances are rewards or bonus points to be redeemed for any officer's private benefit.	

Yes			<p>CEO or other Officer cease to occupy a position that is authorised to be issued with a corporate credit card (either through internal transfer, retirement, resignation or conclusion of service contract) they must return the card to the MCC (or in the case of the MCC to the CEO) at least one week prior to vacating the position so that the card may be cancelled and the account settled.</p>	
Yes			<p>Maintaining a Card Register of all cardholders including the card number, expiry date of the credit card, credit limit and details of any limits on the goods and services the cardholder has authority to purchase</p>	<p>G:\FINANCE\Bank\Signatories\Credit card register.xlsx</p>

9.03.23 STATUS TABLE – REGULATION 17

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. The status is presented to satisfy the requirements of Regulation 17 of the Local Government (Audit) Regulations, 1996.

Black – No changes from previous reports

Blue – Additions from last Audit & Risk Committee meeting

Item #	Date Initiated	Item Title	OAG Findings or other Statutory Requirements	Risk Factor	Officer Status Update	Assigned to	Estimated Due Date	% Completed
11	9-Jul-20	Review of Workforce Plan	Forms part of the Integrated Planning and Reporting Framework that informs the annual budget - subject to review every two years.	Moderate	Draft Workforce Plan template compiled – progress to be performed in the coming months following full re-alignment of officer duties and transfer of a number of service delivery functions in-house (ie swimming pool management, cleaning, bushfire management). 12.07.2021 – commencement with Moore Australia for the suite of plans IPR.	CEO/ODO	May-21 Dec-21	20%
15	9-Jul-20	Review of Local Laws	A review of the Shire of Brookton’s Local Laws to be conducted.	Moderate	12.07.2021 – Draft Meeting Procedures Local Law and revocation of Extractive Industry Local Law endorsed by Council in April 2021 – presently awaiting gazettal.	PCO	Ongoing	20%

10.03.23	NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING
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11.03.23	CLOSURE OF MEETING
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The presiding member declared the meeting closed.