



**Shire of Wyalkatchem Audit and Risk Committee (ARC)**

**Minutes of Meeting.**

**Held on Thursday 18 March 2021,**

**commenced 3.00pm in the Council Chambers,**

**Honour Avenue, Wyalkatchem**

*Regulation 16 of the Local Government (Audit) Regulations 1996 states that:*

*“An audit committee —*

- a)** is to provide guidance and assistance to the local government —
  - i.** as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
  - ii.** as to the development of a process to be used to select and appoint a person to be an auditor; and**
  
- b)** may provide guidance and assistance to the local government as to —
  - i.** matters to be audited; and*
  - ii.** the scope of audits; and*
  - iii.** its functions under Part 6 of the Act; and*
  - iv.** the carrying out of its functions relating to other audits and other matters related to financial management; and**
  
- c)** is to review a report given to it by the CEO under regulation 17(3) (the CEO’s report) and is to —
  - i.** report to the council the results of that review; and*
  - ii.** give a copy of the CEO’s report to the council.”**

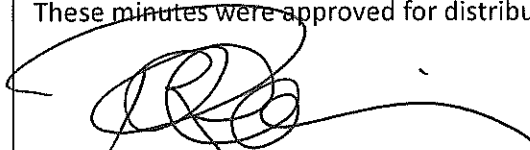
**Preface**

When the Chief Executive Officer approved these Minutes for distribution they are in essence "Unconfirmed" until the following Audit and Risk Management Meeting where the minutes will be confirmed subject to any amendments.

The "Confirmed" Minutes are then signed off by the Presiding Member

**Unconfirmed Minutes**

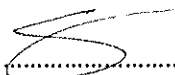
These minutes were approved for distribution on 18 March 2021.



Peter Klein  
**Chief Executive Officer**  
**Shire of Wyalkatchem**

**Confirmed Minutes**

These minutes were confirmed at the Audit and Risk Committee Management Meeting on 18 March 2021

Signed:  .....

**Cr Holdsworth, Chairperson**  
**Shire of Wyalkatchem**

*Note: The Presiding Member at the meeting at which the minutes were confirmed is the person who signs above*

**Disclaimer**

*No responsibility whatsoever is implied or accepted by the Shire of Wyalkatchem for any act, omission or statement or intimation occurring during this meeting. It is strongly advised that persons do not act on what is heard at this meeting and should only rely on written confirmation of Council's decisions, which will be provided within ten days of this meeting*

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**1. DECLARATION OF OPENING**

The Deputy Presiding Member, Cr Emma Holdsworth, declared the meeting open at: 3:00pm.

**2. PUBLIC QUESTION TIME**

**2.1. Response to Public Questions Previously Taken on Notice**

Nil

**2.2. Declaration of Public Question Time opened**

Public Question time opened at 3pm

There were no members of the public.

**2.3. Declaration of Public Question Time closed**

Public question time closed at 3pm

**3. ATTENDANCE /APOLOGIES / LEAVE OF ABSENCE**

**3.1. Attendance**

Members:	Cr. Emma Holdsworth	(Deputy and Chairperson)
	Cr. Owen Garner	(Presiding Member), Arrived 3:16pm
	Cr. Quentin Davies	
	Cr. Stephen Gamble	
	Cr. Mischa Stratford	
	Cr. Rachel Nightingale	

Staff:	Peter Klein	Chief Executive Officer
	Ally Bryant	Manager of Corporate Services
	Stephanie Elvidge	Governance Executive Officer

**3.2. Apologies**

Cr Garner is delayed.

**3.3. Approved Leave of Absence**

Keith Mills      Manager of Works

**3.4. Applications for Leave of Absence**

Nil

**4. PETITIONS, DEPUTATIONS, PRESENTATIONS**

Nil

**5. DECLARATIONS OF INTEREST**

Nil

**6. CONFIRMATION AND RECEIPT OF MINUTES**

**6.1. AUDIT AND RISK COMMITTEE MEETING – 17 December 2020**

Minutes of the Shire of Wyalkatchem's Audit and Risk Committee Meeting held on the 17 December 2020 (Attachment 6.1)

**OFFICERS RECOMMENDATION**

*That the minutes of the Wyalkatchem Audit and Risk Committee Meeting held on the 17 December 2020 (Attachment 6.1); be confirmed as a true and correct record.*

**COUNCIL RESOLUTION**

**(01/2021) Moved: Cr Stratford**

**Seconded: Cr Gamble**

***That the minutes of the Wyalkatchem Audit and Risk Committee Meeting held on the 17 December 2020 (Attachment 6.1); be confirmed as a true and correct record.***

***CARRIED 5/0***

**7. MATTERS ARISING FROM THE MINUTES**

Nil

**8. ANNOUNCEMENT BY THE PRESIDING PERSON WITHOUT DISCUSSIONS**

Nil

**9. MATTERS FOR WHICH THE MEETING MAY BE CLOSED**

Nil

## 10. MATTERS REQUIRING A COMMITTEE DECISION

### 10.1. CORPORATE SERVICES REPORTS

#### 10.1.1. AUDIT AND RISK COMMITTEE STATUS REPORT

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	9 <sup>th</sup> March 2021
Reporting Officer:	Ally Bryant, Manager of Corporate services
Disclosure of Interest:	No interests to disclose
File Number:	12.02.02
Attachment Reference:	Attachment 10.1.1 - Status Report

#### OFFICER'S RECOMMENDATION

*That the Audit and Risk Committee receives the Audit and Risk Committee Status Report, as per attachment 10.1.1.*

#### BACKGROUND

The committee meets every quarter to fulfil its functions and objectives as outlined in its Terms of Reference.

#### COMMENT

Please refer to attachment 10.1.1 which shows actions since the last report.

#### STATUTORY ENVIRONMENT

*Local Government (Financial Management) Regulations 1996 s.5 (2)(c)*

*Local Government (Audit) Regulations 1996 s.17*

*Local Government Act 1995*

#### POLICY IMPLICATIONS

There are no direct policy implications in relation to this item.

#### FINANCIAL IMPLICATIONS

There are no direct financial implications in relation to this item.

#### COMMUNITY & STRATEGIC OBJECTIVES

This matter promotes the following Strategic Community Plan goal.

#### GOAL: 10

Outcome No.	Outcome
<b>Transparent, accountable and effective governance</b>	Ensuring a well-informed Council makes good decisions for the community Ensuring sound financial management and plans for the Shire's long term financial sustainability High quality corporate governance, accountability and compliance Maintaining Integrated Strategic and Operational plans

**VOTING REQUIREMENT**

Simple Majority

**COMMITTEE RESOLUTION:**

*(02 /2021) Moved: Cr Stratford                      Seconded: Cr Gamble*

*That the Audit and Risk Management Committee:*

- 1. Receives the Audit and Risk Committee Status Report, as per attachment 10.1.1.*

**CARRIED 5/0**

## 10.2. RISK MANAGEMENT

### 10.2.1. COMPLIANCE STATUS REPORTS

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	10 <sup>th</sup> March 2021
Reporting Officer:	Ally Bryant, Manager of Corporate Services
Disclosure of Interest:	No interests to disclose
File Number:	12.02.02, 13.11, 12.19.01
Attachment Reference:	Attachment 10.2.1.1 – Audit Regulation 17 & Financial Management Review action Plan Attachment 10.2.1.2 – Statutory Compliance Calendar Status Report

### OFFICER'S RECOMMENDATION

*That the Audit and Risk Committee;*

1. *Notes the Audit Regulation 17 and Financial Management Review Action Plan*
2. *Notes the Statutory Compliance Calendar Status Report*

### BACKGROUND

#### Audit Regulation 17 and Financial Management Systems Review.

The Regulation 17 Review Audit and the Financial Management Systems Review was commissioned by Council and conducted in 2018 by AMD Chartered Accountants who produced a list of recommendations in the following areas

- Risk Management
- Legislative Compliance
- Internal Controls

#### Audit Regulation 17

A total of 16 framework components were identified to increase effectiveness. Refer *attachment 10.2.1.1.*

#### Progress made this quarter –

- **2.2.1 Risk Management Plan Reviewed**
- **2.2.1 Risk framework Reviewed**
- **2.2.2 Contract Management – Induction Register Updated**

#### Financial Management Review

A total of 18 recommendations were identified to improve the effectiveness of the Shire's financial management systems and procedures. *Again refer to attachment 10.2.1.1.*

#### Progress made this quarter –

**Deadlines have been reset for delivery of the following actions**

- **4.2.2 FBT procedure development**
- **5.2.2 Changes to Creditor Master File procedure**
- **5.2.2 Changes to Creditor Master File cover sheet**



Statutory Compliance Calendar

The Statutory Compliance Calendar identifies annual compliance obligations. Please refer to attachment 10.2.1.2.

For Council review and discussion.

**STATUTORY ENVIRONMENT**

*Local Government (Financial Management) Regulations 1996 s.5 (2)(c)*

*Local Government (Audit) Regulations 1996 s.17*

*Local Government Act 1995*

**POLICY IMPLICATIONS**

There are no direct policy implications in relation to this item.

**FINANCIAL IMPLICATIONS**

There are no direct financial implications in relation to this item.

**COMMUNITY & STRATEGIC OBJECTIVES**

This matter promotes the following Strategic Community Plan goal.

**GOAL 10**

Outcome No.	Outcome
Transparent, accountable and effective governance	<ul style="list-style-type: none"><li>• Ensuring a well-informed Council makes good decisions for the community</li><li>• Ensuring sound financial management and plans for the Shire's long term financial sustainability</li><li>• High quality corporate governance, accountability and compliance</li></ul> Maintaining Integrated Strategic and Operational plans

**VOTING REQUIREMENT**

Simple Majority

**COMMITTEE RESOLUTION:**

*(03 /2021) Moved: Cr Davies*

*Seconded: Cr Stratford*

*That the Audit and Risk Committee;*

- 1. Notes the Audit Regulation 17 and Financial Management Review Action Plan*
- 2. Notes the Statutory Compliance Calendar Status Report*

**CARRIED 5/0**

### 10.3. COMPLIANCE AUDIT RETURN 2020

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	18 <sup>th</sup> March 2021
Reporting Officer:	Ally Bryant, Manager of Corporate Services
Disclosure of Interest:	No interests to disclose
File Number:	12.19.01
Attachment Reference:	Attachment 10.3.1 – 2020 Compliance Audit Return

#### OFFICER'S RECOMMENDATION

*That the Audit and Risk Committee:*

1. *Receives the 2020 Compliance Audit Return for the period 1 January 2020 to 31 December 2020 as per attachment 10.3.1.*
2. *Notes the areas of non-compliance within the 2020 Compliance Audit Return.*

*That the Audit and Risk Committee recommends that Council:*

1. *Accepts and endorses the 2020 Compliance Audit Return for the period 1 January 2020 to 31 December 2020.*
2. *Notes the areas of non-compliance within the 2020 Compliance Audit Return.*
3. *Submits a certified copy of the 2020 Compliance Audit Return to the Director General of the Department of Local Government, Sport and Cultural Industries by 31 March 2021.*

#### BACKGROUND

WA local governments are required to complete an annual Compliance Audit Return (CAR) in accordance with Regulation 13 of the *Local Government (Audit) Regulations 1996* (Regulations). The CAR must be submitted to the Department of Local Government, Sport and Cultural Industries (Department) by 31 March 2021.

The period examined by this audit is 1 January to 31 December 2020 and a copy of the draft return is provided in attachment 10.3.1.

The draft Compliance Audit Return has been compiled by the Manager of Corporate Services and addresses the following matters:

- Commercial Enterprises by Local Governments
- Delegation of Power / Duty
- Disclosure of Interest
- Disposal of Property
- Elections
- Finance
- Integrated Planning and Reporting
- Local Government Employees
- Official Conduct
- Optional Questions
- Tenders for Providing Goods and Service

The return is required to be:

- Reviewed by the Audit and Risk Management Committee
- Considered and adopted by Council
- Certified by the President and CEO following Council adoption
- Submitted together with a copy of the Council Minutes to the Department by 31 March 2021.

#### STATUTORY ENVIRONMENT

*Local Government (Audit) Regulations 1996 section 14 – Compliance Audits by Local Governments.*

#### POLICY IMPLICATIONS

There are no direct policy implications in relation to this item.

#### FINANCIAL IMPLICATIONS

There are no direct financial implications in relation to this item.

#### COMMUNITY & STRATEGIC OBJECTIVES

This matter promotes the following Strategic Community Plan goal.

#### Goal 10

Outcome No.	Outcome
Transparent, accountable and effective governance	<ul style="list-style-type: none"><li>• Ensuring a well-informed Council makes good decisions for the community</li><li>• Ensuring sound financial management and plans for the Shire's long term financial sustainability</li><li>• High quality corporate governance, accountability and compliance</li></ul> Maintaining Integrated Strategic and Operational plans

#### VOTING REQUIREMENT

Simple Majority

#### COMMITTEE RESOLUTION:

*(04 /2021) Moved: Cr Nightingale*

*Seconded: Cr Davies*

*That the Audit and Risk Committee:*

- 1. Receives the 2020 Compliance Audit Return for the period 1 January 2020 to 31 December 2020 as per attachment 10.3.1.*
- 2. Notes the areas of non-compliance within the 2020 Compliance Audit Return.*

*That the Audit and Risk Committee recommends that Council:*

- 1. Accepts and endorses the 2020 Compliance Audit Return for the period 1 January 2020 to 31 December 2020.*
- 2. Notes the areas of non-compliance within the 2020 Compliance Audit Return.*
- 3. Submits a certified copy of the 2020 Compliance Audit Return to the Director General of the Department of Local Government, Sport and Cultural Industries by 31 March 2021.*

**CARRIED 6/0**

*Cr Garner entered the meeting at 3:16pm*

*Peter Klein left the meeting at 3:16pm*

*Peter Klein re-joined the meeting at 3:20pm*

**11. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**12. QUESTIONS BY MEMBER OF WHICH DUE NOTICE HAS BEEN GIVEN**

Nil

**13. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION**

Nil

**14. MATTERS BEHIND CLOSED DOORS**

Nil

**15. CLOSURE OF THE MEETING**

There being no further business to discuss, the Chairperson thanked everyone for their attendance and closed the meeting at 3:24pm.