



MINUTES

Audit, Risk & Governance Committee Meeting Tuesday, 17 December 2024

Date: Tuesday, 17 December 2024

Time: 3:30pm

**Location: Council Chamber
110 Massingham Street
Kellerberrin WA 6410**

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**MINUTES OF SHIRE OF KELLERBERRIN
AUDIT COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, 110 MASSINGHAM STREET, KELLERBERRIN WA 6410
ON TUESDAY, 17 DECEMBER 2024 AT 3:30PM**

1 DECLARATION OF OPENING

The Chairperson opened the meeting at 3:37pm.

2 RECORD OF ATTENDANCE / APOLOGIES

PRESENT:

Cr Matt Steber (President),
Cr Emily Ryan (Deputy President),
Cr David Leake,
Cr Dennis Reid,
Cr Monica Gardiner,
Cr Paul Brown,

IN ATTENDANCE:

Raymond Griffiths (Chief Executive Officer),
Morgan Ware (Manager of Governance)

APOLOGIES

Independent Member Annett Gibson
Cr Kelsey Pryer,

3 DISCLOSURE OF INTEREST

Note: Under Section 5.60 – 5.62 of the Local Government Act 1995, care should be exercised by all Councillors to ensure that a “financial interest” is declared and that they refrain from voting on any matters which are considered may come within the ambit of the Act.

A Member declaring a financial interest must leave the meeting prior to the matter being discussed or voted on (unless the members entitled to vote resolved to allow the member to be present). The member is not to take part whatsoever in the proceedings if allowed to stay.

4 PUBLIC QUESTION TIME

Council conducts open Council meetings. Members of the public are asked that if they wish to address the Council that they state their name and put the question as precisely as possible. A maximum of 15 minutes is allocated for public question time. The length of time an individual can speak will be determined at the President’s discretion.

5 CONFIRMATION OF PREVIOUS MEETING MINUTES**5.1 MINUTES OF THE AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING HELD ON 18 JUNE 2024**

File Ref: MIN
Author: Morgan Ware, Manager of Governance
Authoriser: Raymond Griffiths, Chief Executive Officer
Attachments: 1. Minutes of the Audit, Risk and Governance Committee Meeting held on 18 June 2024

STAFF RECOMMENDATION

That the Minutes of the Audit, Risk and Governance Committee Meeting held on 18 June 2024 be received as a true and correct record.

COMMITTEE RESOLUTION

MIN 009/24 MOTION - Moved Cr. Leake Seconded Cr. Gardiner

That the Minutes of the Audit, Risk and Governance Committee Meeting held on 18 June 2024 be received as a true and correct record.

In Favour: Crs David Leake, Dennis Reid, Matt Steber, Emily Ryan, Monica Gardiner and Paul Brown

Against: Nil

CARRIED 6/0

6 REPORTS

6.1 STATUS REPORT OF ACTION SHEET

File Number: Various
Author: Morgan Ware, Manager of Governance
Authoriser: Raymond Griffiths, Chief Executive Officer
Attachments: Nil

BACKGROUND

Council as part of its compliance is required to complete a Status Report for items presented to the Audit Committee.

STAFF COMMENT

Attached is the updated Status Report for items that have been presented to the audit committee for consideration.

TEN YEAR FINANCIAL PLAN

There is no direct impact on the long term financial plan.

FINANCIAL IMPLICATIONS

Financial Implications will be applicable depending on the decision of Council. However this will be duly noted in the Agenda Item prepared for this specific action.

STATUTORY IMPLICATIONS

Local Government Act 1995 (as amended)

Section 2.7. The role of the council

- (1) The council —
 - (a) Directs and controls the local government's affairs; and
 - (b) is responsible for the performance of the local government's functions.
- (2) Without limiting subsection (1), the council is to —
 - (a) oversee the allocation of the local government's finances and resources; and
 - (b) determine the local government's policies.

Section 2.8. The role of the mayor or president

- (1) The mayor or president —
 - (a) presides at meetings in accordance with this Act;
 - (b) provides leadership and guidance to the community in the district;
 - (c) carries out civic and ceremonial duties on behalf of the local government;
 - (d) speaks on behalf of the local government;
 - (e) performs such other functions as are given to the mayor or president by this Act or any other written law; and
 - (f) liaises with the CEO on the local government's affairs and the performance of its functions.
- (2) Section 2.10 applies to a councillor who is also the mayor or president and extends to a mayor or president who is not a councillor.

Section 2.9. The role of the deputy mayor or deputy president

The deputy mayor or deputy president performs the functions of the mayor or president when authorised to do so under section 5.34.

Section 2.10. The role of councillors

A councillor —

- (a) represents the interests of electors, ratepayers and residents of the district;
- (b) provides leadership and guidance to the community in the district;
- (c) facilitates communication between the community and the council;
- (d) participates in the local government's decision-making processes at council and committee meetings; and
- (e) performs such other functions as are given to a councillor by this Act or any other written law.

5.60. When person has an interest

For the purposes of this Subdivision, a relevant person has an interest in a matter if either —

- (a) the relevant person; or
- (b) a person with whom the relevant person is closely associated,

has —

- (c) a direct or indirect financial interest in the matter; or
- (d) a proximity interest in the matter.

[Section 5.60 inserted by No. 64 of 1998 s. 30.]

5.60A. Financial interest

For the purposes of this Subdivision, a person has a financial interest in a matter if it is reasonable to expect that the matter will, if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person.

[Section 5.60A inserted by No. 64 of 1998 s. 30; amended by No. 49 of 2004 s. 50.]

5.60B. Proximity interest

- (1) For the purposes of this Subdivision, a person has a proximity interest in a matter if the matter concerns —
 - (a) a proposed change to a planning scheme affecting land that adjoins the person's land;
 - (b) a proposed change to the zoning or use of land that adjoins the person's land; or
 - (c) a proposed development (as defined in section 5.63(5)) of land that adjoins the person's land.
- (2) In this section, land (**the proposal land**) adjoins a person's land if —
 - (a) the proposal land, not being a thoroughfare, has a common boundary with the person's land;
 - (b) the proposal land, or any part of it, is directly across a thoroughfare from, the person's land; or
 - (c) the proposal land is that part of a thoroughfare that has a common boundary with the person's land.

- (3) In this section a reference to a person's land is a reference to any land owned by the person or in which the person has any estate or interest.

[Section 5.60B inserted by No. 64 of 1998 s. 30.]

5.61. Indirect financial interests

A reference in this Subdivision to an indirect financial interest of a person in a matter includes a reference to a financial relationship between that person and another person who requires a local government decision in relation to the matter.

5.62. Closely associated persons

- (1) For the purposes of this Subdivision a person is to be treated as being closely associated with a relevant person if —
- (a) the person is in partnership with the relevant person; or
 - (b) the person is an employer of the relevant person; or
 - (c) the person is a beneficiary under a trust, or an object of a discretionary trust, of which the relevant person is a trustee; or
 - (ca) the person belongs to a class of persons that is prescribed; or
 - (d) the person is a body corporate —
 - (i) of which the relevant person is a director, secretary or executive officer; or
 - (ii) in which the relevant person holds shares having a total value exceeding —
 - (I) the prescribed amount; or
 - (II) the prescribed percentage of the total value of the issued share capital of the company,
- whichever is less;
- or
- (e) the person is the spouse, de facto partner or child of the relevant person and is living with the relevant person; or
- (ea) the relevant person is a council member and the person —
 - (i) gave a notifiable gift to the relevant person in relation to the election at which the relevant person was last elected; or
 - (ii) has given a notifiable gift to the relevant person since the relevant person was last elected;
- or
- (eb) the relevant person is a council member and since the relevant person was last elected the person —
 - (i) gave to the relevant person a gift that section 5.82 requires the relevant person to disclose; or
 - (ii) made a contribution to travel undertaken by the relevant person that section 5.83 requires the relevant person to disclose;
- or
- (f) the person has a relationship specified in any of paragraphs (a) to (d) in respect of the relevant person's spouse or de facto partner if the spouse or de facto partner is living with the relevant person.

- (2) In subsection (1) —

notifiable gift means a gift about which the relevant person was or is required by regulations under section 4.59(a) to provide information in relation to an election;

value, in relation to shares, means the value of the shares calculated in the prescribed manner or using the prescribed method.

[Section 5.62 amended by No. 64 of 1998 s. 31; No. 28 of 2003 s. 110; No. 49 of 2004 s. 51; No. 17 of 2009 s. 26.]

5.63. Some interests need not be disclosed

- (1) Sections 5.65, 5.70 and 5.71 do not apply to a relevant person who has any of the following interests in a matter —
 - (a) an interest common to a significant number of electors or ratepayers;
 - (b) an interest in the imposition of any rate, charge or fee by the local government;
 - (c) an interest relating to a fee, reimbursement of an expense or an allowance to which section 5.98, 5.98A, 5.99, 5.99A, 5.100 or 5.101(2) refers;
 - (d) an interest relating to the pay, terms or conditions of an employee unless —
 - (i) the relevant person is the employee; or
 - (ii) either the relevant person's spouse, de facto partner or child is the employee if the spouse, de facto partner or child is living with the relevant person;
 - [(e) deleted]*
 - (f) an interest arising only because the relevant person is, or intends to become, a member or office bearer of a body with non-profit making objects;
 - (g) an interest arising only because the relevant person is, or intends to become, a member, office bearer, officer or employee of a department of the Public Service of the State or Commonwealth or a body established under this Act or any other written law; or
 - (h) a prescribed interest.
- (2) If a relevant person has a financial interest because the valuation of land in which the person has an interest may be affected by —
 - (a) any proposed change to a planning scheme for any area in the district;
 - (b) any proposed change to the zoning or use of land in the district; or
 - (c) the proposed development of land in the district,

then, subject to subsection (3) and (4), the person is not to be treated as having an interest in a matter for the purposes of sections 5.65, 5.70 and 5.71.

- (3) If a relevant person has a financial interest because the valuation of land in which the person has an interest may be affected by —
 - (a) any proposed change to a planning scheme for that land or any land adjacent to that land;
 - (b) any proposed change to the zoning or use of that land or any land adjacent to that land; or
 - (c) the proposed development of that land or any land adjacent to that land,

then nothing in this section prevents sections 5.65, 5.70 and 5.71 from applying to the relevant person.

- (4) If a relevant person has a financial interest because any land in which the person has any interest other than an interest relating to the valuation of that land or any land adjacent to that land may be affected by —
 - (a) any proposed change to a planning scheme for any area in the district;
 - (b) any proposed change to the zoning or use of land in the district; or
 - (c) the proposed development of land in the district,

then nothing in this section prevents sections 5.65, 5.70 and 5.71 from applying to the relevant person.

- (5) A reference in subsection (2), (3) or (4) to the development of land is a reference to the development, maintenance or management of the land or of services or facilities on the land.

[Section 5.63 amended by No. 1 of 1998 s. 15; No. 64 of 1998 s. 32; No. 28 of 2003 s. 111; No. 49 of 2004 s. 52; No. 17 of 2009 s. 27.]

[5.64. Deleted by No. 28 of 2003 s. 112.]

5.65. Members' interests in matters to be discussed at meetings to be disclosed

- (1) A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest —
- (a) in a written notice given to the CEO before the meeting; or
 - (b) at the meeting immediately before the matter is discussed.

Penalty: \$10 000 or imprisonment for 2 years.

- (2) It is a defence to a prosecution under this section if the member proves that he or she did not know —
- (a) that he or she had an interest in the matter; or
 - (b) that the matter in which he or she had an interest would be discussed at the meeting.
- (3) This section does not apply to a person who is a member of a committee referred to in section 5.9(2)(f).

5.66. Meeting to be informed of disclosures

If a member has disclosed an interest in a written notice given to the CEO before a meeting then —

- (a) before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; and
- (b) at the meeting the person presiding is to bring the notice and its contents to the attention of the persons present immediately before the matters to which the disclosure relates are discussed.

[Section 5.66 amended by No. 1 of 1998 s. 16; No. 64 of 1998 s. 33.]

5.67. Disclosing members not to participate in meetings

A member who makes a disclosure under section 5.65 must not —

- (a) preside at the part of the meeting relating to the matter; or
- (b) participate in, or be present during, any discussion or decision making procedure relating to the matter,

unless, and to the extent that, the disclosing member is allowed to do so under section 5.68 or 5.69.

Penalty: \$10 000 or imprisonment for 2 years.

5.68. Councils and committees may allow members disclosing interests to participate etc. in meetings

- (1) If a member has disclosed, under section 5.65, an interest in a matter, the members present at the meeting who are entitled to vote on the matter —
- (a) may allow the disclosing member to be present during any discussion or decision making procedure relating to the matter; and
 - (b) may allow, to the extent decided by those members, the disclosing member to preside at the meeting (if otherwise qualified to preside) or to participate in discussions and the decision making procedures relating to the matter if —
 - (i) the disclosing member also discloses the extent of the interest; and
 - (ii) those members decide that the interest —

- (I) is so trivial or insignificant as to be unlikely to influence the disclosing member's conduct in relation to the matter; or
 - (II) is common to a significant number of electors or ratepayers.
- (2) A decision under this section is to be recorded in the minutes of the meeting relating to the matter together with the extent of any participation allowed by the council or committee.
- (3) This section does not prevent the disclosing member from discussing, or participating in the decision making process on, the question of whether an application should be made to the Minister under section 5.69.

5.69. Minister may allow members disclosing interests to participate etc. in meetings

- (1) If a member has disclosed, under section 5.65, an interest in a matter, the council or the CEO may apply to the Minister to allow the disclosing member to participate in the part of the meeting, and any subsequent meeting, relating to the matter.
- (2) An application made under subsection (1) is to include —
 - (a) details of the nature of the interest disclosed and the extent of the interest; and
 - (b) any other information required by the Minister for the purposes of the application.
- (3) On an application under this section the Minister may allow, on any condition determined by the Minister, the disclosing member to preside at the meeting, and at any subsequent meeting, (if otherwise qualified to preside) or to participate in discussions or the decision making procedures relating to the matter if —
 - (a) there would not otherwise be a sufficient number of members to deal with the matter; or
 - (b) the Minister is of the opinion that it is in the interests of the electors or ratepayers to do so.
- (4) A person must not contravene a condition imposed by the Minister under this section.
Penalty: \$10 000 or imprisonment for 2 years.

[Section 5.69 amended by No. 49 of 2004 s. 53.]

5.69A. Minister may exempt committee members from disclosure requirements

- (1) A council or a CEO may apply to the Minister to exempt the members of a committee from some or all of the provisions of this Subdivision relating to the disclosure of interests by committee members.
- (2) An application under subsection (1) is to include —
 - (a) the name of the committee, details of the function of the committee and the reasons why the exemption is sought; and
 - (b) any other information required by the Minister for the purposes of the application.
- (3) On an application under this section the Minister may grant the exemption, on any conditions determined by the Minister, if the Minister is of the opinion that it is in the interests of the electors or ratepayers to do so.
- (4) A person must not contravene a condition imposed by the Minister under this section.
Penalty: \$10 000 or imprisonment for 2 years.

[Section 5.69A inserted by No. 64 of 1998 s. 34(1).]

5.70. Employees to disclose interests relating to advice or reports

- (1) In this section —

employee includes a person who, under a contract for services with the local government, provides advice or a report on a matter.

- (2) An employee who has an interest in any matter in respect of which the employee is providing advice or a report directly to the council or a committee must disclose the nature of the interest when giving the advice or report.
- (3) An employee who discloses an interest under this section must, if required to do so by the council or committee, as the case may be, disclose the extent of the interest.

Penalty: \$10 000 or imprisonment for 2 years.

5.71. Employees to disclose interests relating to delegated functions

If, under Division 4, an employee has been delegated a power or duty relating to a matter and the employee has an interest in the matter, the employee must not exercise the power or discharge the duty and —

- (a) in the case of the CEO, must disclose to the mayor or president the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter; and
- (b) in the case of any other employee, must disclose to the CEO the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter.

Penalty: \$10 000 or imprisonment for 2 years.

STRATEGIC COMMUNITY PLAN

Core drivers identify what Council will be concentrating on as it works towards achieving Councils vision. The core drivers developed by Council are:

1. Relationships that bring us tangible benefits (to the Shire and our community)
2. Our lifestyle and strong sense of community
3. We are prepared for opportunities and we are innovative to ensure our relevancy and destiny

COMMUNITY CONSULTATION

The following consultation took place;

- Chief Executive Officer
- Manager of Governance
- Manager Works and Services
- Council Staff
- Council
- Community Members

STAFF RECOMMENDATION

That the Audit Committee receive the Status Report.

COMMITTEE RESOLUTION

MIN 010/24 MOTION - Moved Cr. Brown Seconded Cr. Leake

That the Audit Committee receive the Status Report.

In Favour: Crs David Leake, Dennis Reid, Matt Steber, Emily Ryan, Monica Gardiner and Paul Brown

Against: Nil

	CARRIED 6/0
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6.2 RISK REGISTER REVIEW

File Ref: ADM 60
Author: Morgan Ware, Manager of Governance
Authoriser: Raymond Griffiths, Chief Executive Officer
Attachments: Nil

BACKGROUND

Council's June Audit Committee Meeting – 18th June 2024

MIN 001/24 MOTION - Moved Cr. Pryer Seconded Cr. Brown

That the Audit Committee recommends that Council;

- 1. Receives the updated Risk Review spreadsheet as presented;*
- 2. Notes the Actions required and proposed timeframes; and*
- 3. Removes the completed actions from the Register and transfers them to the Completed items spreadsheet.*

Council's March Audit Committee Meeting – 18th March 2024

MIN 004/24 MOTION - Moved Cr. Ryan Seconded Cr. Brown

That the Audit Committee recommends to Council that Council;

- 1. Receives the updated Risk Review spreadsheet as presented;*
- 2. Notes the Actions required and proposed timeframes; and*
- 3. Removes the completed actions from the Register into Completed items spreadsheet.*

CARRIED 8/0

Council's December Audit Committee Meeting – 19th December 2023

MIN 007/23 MOTION - Moved Cr. Reid Seconded Cr. Pryer

That the Audit Committee recommends to Council that Council;

- 1. Receives the updated Risk Review spreadsheet as presented;*
- 2. Notes the Actions required and proposed timeframes; and*
- 3. Removes the completed actions from the Register into Completed items spreadsheet.*

CARRIED 6/0

The CEO is required to undertake a review of the appropriateness and effectiveness of financial systems and risk management, internal control and legislative compliance every three years as part of this review an external consultant to review the operations of Council as per Regulation 17.

STAFF COMMENT

Please note below the commentary on actions completed on the Risk Register.

Please note the following items remain on the Risk Register:

Review of Financial Management & Legislative Compliance

Item Number	Source Document	Risk Assessment Category	Risk Issue and Failure Modes	Risk Identified	Risk Category	Timeframe
1	Reg 17 Review (2023)	Risk Management Framework	We acknowledge that a Strategic Risk Report and Operating Risk Report for the period ended 31st March 2017 (the "reports") was prepared indicating that a risk assessment had been previously conducted, however perusal of the reports identified that risks had not been re-assessed on a periodic basis with completion dates noted as 2018 and risks were generic in nature.	Failure to identify risks or adequately treat identified risks	Medium	30/06/2025
2	Reg 17 Review (2023)	Risk Register	The current Risk Register can be further improved by incorporating not only audit related findings but also management identified and determined operational risk areas which would impact on the Shire's ability to provide its core services efficiently and effectively. Also, the Shire does not have a strategic risk register which would identify high level strategic type risks that would impact on the Shire's ability to continually provide services to its community.	Failure to identify risks or adequately treat identified risks	Medium	Ongoing
4	Reg 17 Review (2021)	Tendering and Project Management	No tender checklist is utilised;	<ul style="list-style-type: none"> •Lack of evidence in respect to risk assessment completed prior to tendering process; •Potential improvements to the tender process are not realised; •Contractual obligations may not be adequately documented and therefore not legally enforceable; •Risk of non-compliance with Regulation 19 of the Local Government (Functions and General) Regulations 1996; and • Lack of documentation to support tender evaluation outcomes. 	Medium	30/06/2025
5	Reg 17 Review (2021)	Outdated Plans and Reports	Local Emergency Management Arrangements Plan dated 9 May 2018 of more than 2.5 years old;	Risk of long term strategic objectives of Council not being met. Risk of non-compliance with statutory requirements.	Low	30/06/2025
6	Reg 17 Review (2021)	Outdated Plans and Reports	Corporate Business Plan dated 2016 of more than 4 years old; and	Risk of long term strategic objectives of Council not being met. Risk of non-compliance with statutory requirements.	Medium	1/02/2025
6	Admin	Outdated Plans and Reports	Wokrforce Plan Outdated	Risk of long term strategic objectives of Council not being met. Risk of non-compliance	Medium	30/06/2025

				with statutory requirements.		
7	Reg 17 Review (2023)	Policy	There is no internal control policy. The Shire should consider developing an Internal Control Policy.	Risk of misconduct and fraudulent activity.	Low	
8	Reg 17 Review (2023)	Policy	<p>There does not appear to be a Legislative Compliance policy in place to oversee that all required legislative matters are being continually complied with.</p> <p>The Shire currently use ATAIN to monitor Council related legislative matters and although has a Compliance Calendar set up, the Compliance Calendar is not being effectively utilised and as a result relies on the annual Compliance Audit Return (CAR) to gauge its compliance level against legislative requirement.</p> <p>As the Shire does not currently have an operational Internal Audit activity function or any other similar regular checking function to periodically assess all of the required legislative compliance matters, it is difficult for the Shire to assure itself that all legislative compliance matters are being consistently complied with.</p>	Risk of non compliance	Low	Ongoing
14	Interim Audit 2023/24	Operational	Business Continuity and Disaster Recovery Plan Shire's Business Continuity and Disaster Recovery Plan has not been reviewed and updated since financial year 2019-20.	Absence of an up to date Business Continuity and Disaster Recovery Plan may result in the Shire not having the required procedures in place to enable the effective restoration of key IT systems in the event of a major incident or disruption. This may impact business operations and the delivery of key services.	Medium	With IT Contractor
16	Interim Audit 2023/24	Operational	Cyber Security Risks We could not be provided with documentary evidence demonstrating the existence of a Cyber-security Plan documenting the Shire's preparedness against the ever present and evolving nature of cyber security threats.	In the absence of a clear cyber security plan and related policies, the Shire may not be able to identify and mitigate the risks posed by cyber security threats and protect sensitive information and key systems against inappropriate disclosure, loss or misuse.	Medium	With IT Contractor
17	Interim Audit 2023/24	Operational	User Access Rights We noted that there was no formal process to review user access rights and privileges in the system to ensure they are in line with the responsibilities of individual staff member's roles/positions.	The lack of a formal process to review user access rights and privileges to the system increases the risk of unauthorised access to the system which could compromise data integrity.	Medium	With IT Contractor
18	Interim Audit	Operational	Network Use and Unsuccessful Log in Attempts We noted that there was no	Early detection of unauthorised access, data breaches and the	Medium	With IT Contractor

	2023/24		formal process to monitor network use and unsuccessful log in attempts.	compromise of sensitive information by external parties or staff within the Shire may not be possible in the absence of regular monitoring of network use and unsuccessful log in attempts.		
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Review of Internal Controls

Item Number	Source Document	Risk Assessment Category	Risk Issue and Failure Modes	Risk Category	Action Required	Completed Date
3	SCP Community Consultation Results	Education and Welfare	Transport for elderly residents	Medium	Ongoing consultation with external stakeholders and community members on a needs basis to see when this service can be provided.	Ongoing
5	SCP Community Consultation Results	Community Amenities - Landscape	Community complaints about the trees along the Town streets being removed	Medium	On completion of the Corporate Business Plan the Townscape Plan will be reviewed	01/02/2025
6	SCP Community Consultation Results	Community Amenities - Main Street	It was suggested that the main street be renewed/renovated ie veranda's, shop fronts	Medium	Assist businesses in updating their main street facades to modernise and create a more visually appealing and inviting view	In progress
7	SCP Community Consultation Results	Community Amenities - Annual Rubbish Collection	Request for annual kerbside rubbish collection be reinstated	Medium	Further costings need to be completed on this. The greenwaste wouldn't be an issue as long as it was only greenwaste.	
8	SCP Community Consultation Results	Community Amenities - Rubbish	No provision of recycling bins for residents in town	Medium	Council needs to receive a quote from Avon Waste for this option and present to the ratepayers as an option through a survey. This is to ensure all ratepayers are happy to pay the additional funds for kerbside recycling.	2025
9	SCP Community Consultation Results	Recreation & Culture - Senior Centre	Suggestion that the Senior Centre needs to be moved to a more central facility	Medium	Possibility of an alternative location to be considered and assessed on viability	
10	SCP Community Consultation Results	Other Property and Services - Access	Disabled and aged care access to premises around town	Medium	Disability Access and Inclusion Plan review?	2024
11	FMR Audit 2023	Administration - Information Technology (IT) Control	IT Strategy Plan, IT Disaster Recovery Plan, IT Policy	Low	We recommend that the CEO discuss the above matters with IT Contractors and ensure that an IT strategy Plan, IT Disaster Recovery Plan and formal IT policy and procedure document are updated and completed as a matter of priority. We also recommend that the CEO put in place a process by which all staff logon profiles are continually reviewed (say once every 3 months) and where a staff no longer requires their level(s) of	In consult with IT Contractor

					system access that the level of access are updated/amended as soon as possible.	
12	FMR Audit 2023	Administration - Asset Management	Asset Management Policy/Strategy	Low	<p>We recommend that the CEO give consideration to the following:</p> <ul style="list-style-type: none"> • Review and update the asset management (strategy) policy and have the policy endorsed by Council. • Undertake a process by which all individual plant and equipment (preferably those that are considered to be mobile) which is on the depreciable asset register is regularly checked to ensure that the asset still exists. This can be done on an annual basis or routinely over a number of periods and should be documented and signed off by at least 2 staff as evidence that the checks were carried out. • undertake at least annual stocktakes of all minor plant and equipment which may be termed as portable and attractive assets (those that may be stolen without prompt detection) to ensure they are still in existence. Evidence of this should also be kept. 	
13	FMR Audit 2023	Administration - Asset Management	Asset Management Policy/Strategy	Low	<p>We recommend that the CEO give consideration to the following:</p> <ul style="list-style-type: none"> • Review and update the asset management (strategy) policy and have the policy endorsed by Council. • Undertake a process by which all individual plant and equipment (preferably those that are considered to be mobile) which is on the depreciable asset register is regularly checked to ensure that the asset still exists. This can be done on an annual basis or routinely over a number of periods and should be documented and signed off by at least 2 staff as evidence that the checks were carried out. • undertake at least annual stocktakes of all minor plant and equipment which may be termed as portable and attractive assets (those that may be stolen without prompt detection) to ensure they are still in existence. Evidence of this should also be kept. 	

FINANCIAL IMPLICATIONS

Nil known at this time.

STATUTORY IMPLICATIONS

Regulation 17 of the Local Government (Audit) Regulations 1996 directs the Chief Executive Officer (CEO) to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management; internal control and legislative compliance once every 3 financial years and to report the results of the review to the Audit Committee.

Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 directs the CEO undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

STRATEGIC COMMUNITY PLAN

Core drivers identify what Council will be concentrating on as it works towards achieving Councils vision. The core drivers developed by Council are:

1. Relationships that bring us tangible benefits (to the Shire and our community)
2. Our lifestyle and strong sense of community
3. We are prepared for opportunities and we are innovative to ensure our relevancy and destiny

COMMUNITY CONSULTATION

The following consultation took place;

- Chief Executive Officer
- Manager of Governance
- Internal Staff.

STAFF RECOMMENDATION

That the Audit Committee recommends to Council that;

1. *Receives the updated Risk Review spreadsheet as presented;*
2. *Notes the Actions required and proposed timeframes; and*
3. *Removes the completed actions from the Register into Completed items spreadsheet.*

COMMITTEE RESOLUTION

MIN 011/24 MOTION - Moved Cr. Reid Seconded Cr. Brown

That the Audit Committee recommends to Council that;

1. ***Receives the updated Risk Review spreadsheet as presented;***
2. ***Notes the Actions required and proposed timeframes; and***
3. ***Removes the completed actions from the Register into Completed items spreadsheet.***

In Favour: Crs David Leake, Dennis Reid, Matt Steber, Emily Ryan, Monica Gardiner and Paul Brown

Against: Nil

CARRIED 6/0

6.3 ANNUAL REPORT/ANNUAL FINANCIAL REPORT AUDIT RESULTS FOR THE YEAR ENDING 30 JUNE 2024

File Ref: FIN21
Author: Morgan Ware, Manager of Governance
Authoriser: Raymond Griffiths, Chief Executive Officer
Attachments: Nil

BACKGROUND

Councils June 2024 Ordinary Council Meeting – 18th June 2024

MIN 001/24 MOTION - Moved Cr. Gardiner Seconded Cr. Pryer

That the Minutes of the Audit, Risk and Governance Committee Meeting held on 18th June 2024 be received and the recommendations therein be adopted.

In Favour: Crs David Leake, Matt Steber, Dennis Reid, Emily Ryan, Monica Gardiner, Kelsey Pryer and Paul Brown

Against: Nil

CARRIED 7/0

STAFF COMMENT

Pursuant to *Section 5.54(1) of the Local Government Act 1995*, this report presents the Shire of Kellerberrin 2023-24 Annual Report for adoption by the Audit, Risk & Governance Committee. The Shire produces an annual report consisting of the Annual Financial Statement and Audit report at the conclusion of each financial year, in accordance with requirements of the Act.

On Friday 29th November 2024 the following members attended via teams the Final Audit Exit Meeting with the Office of the Auditor General (OAG) & MACRI Partners;

- Chief Executive Officer Raymond Griffiths
- Manager of Governance Morgan Ware
- President Matthew Steber
- Deputy President Emily Ryan
- Cr Paul Brown
- Cr Monica Gardiner
- Cr Dennis Reid
- Cr Kelsey Pryer
- Cr David Leake

The OAG provided their audit report, opinion and signed Annual Financial Statement as attached to this report.

Below lists the findings as per the management letter issued on completion of the 2023-24 audit.

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Segregation of Duties over Procurement	No			✓	
2. Superannuation Guarantee Contributions	No	✓			
3. Purchase Orders dated after Invoice dates	No		✓		
4. Cancelled Receipts	No		✓		
5. Payroll Reconciliations	No		✓		
6. Business Continuity and Disaster Recovery Plan	No		✓		
7. Purchases Quotations	No		✓		✓
8. Cyber Security Risks	No		✓		✓
9. User Access Rights	No		✓		✓
10. Network Use and Unauthorised Log in Attempts	No		✓		

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

Management comments provided to the OAG and MACRI Partners in response to the audit findings are noted below;

1. Superannuation Guarantee (SG) Contributions

This has been rectified through the payroll system.

2. Purchase Orders dated after invoice dates

Noted, officer error and process will be followed.

3. Cancelled Receipts

Process implemented for counter signing of cancelled receipts.

4. Payroll Reconciliations

Officer oversight, process implemented and followed.

5. Business Continuity and Disaster Recovery Plan

Plan in development with the assistance of IT Contractor.

6. Purchases Quotations

Although the quotations were not noted on the Purchase Order, the quotes and evidence were available on request. Further notations will be made going forward for clarity, although the organisation has followed procurement policy and procedure.

7. Cyber Security Risks

In development with IT Contractor.

8. User Access Rights

Formal review process to be established alongside IT Contractor

9. Network Use and Unsuccessful Log in Attempts

Further capability to be investigated by IT Contractor.

10. Receipting of Goods & Services

A procedure to document this control have been created subsequently to the finding.

TEN YEAR FINANCIAL PLAN

Nil

FINANCIAL IMPLICATIONS

Nil

STATUTORY IMPLICATIONS**Local Government Act 1995 (As Amended)****5.27. Electors' general meetings**

- (1) A general meeting of the electors of a district is to be held once every financial year.
- (2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.
- (3) The matters to be discussed at general electors' meetings are to be those prescribed.

5.54. Acceptance of annual reports

- (1) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.

** Absolute majority required.*

- (2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

[Section 5.54 amended by No. 49 of 2004 s. 49.]

5.55. Notice of annual reports

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

Division 4 — General

7.12A. Duties of local government with respect to audits

- (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out his or her other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to —
 - (a) determine if any matters raised by the report, or reports, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those matters.
- (4) A local government is to —
 - (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and
 - (b) forward a copy of that report to the Minister,

by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.

[Section 7.12A inserted by No. 49 of 2004 s. 8.]

Local Government (Financial Management) Regulations 1996

51. Completion of financial report

- (1) After the annual financial report has been audited in accordance with the Act the CEO is to sign and append to the report a declaration in the form of Form 1.
- (2) A copy of the annual financial report of a local government is to be submitted to the Departmental CEO within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report.

[Regulation 51 amended in Gazette 18 Jun 1999 p. 2639; 20 Jun 2008 p. 2726.]

STRATEGIC COMMUNITY PLAN

Core drivers identify what Council will be concentrating on as it works towards achieving Councils vision. The core drivers developed by Council are:

1. Relationships that bring us tangible benefits (to the Shire and our community)
2. Our lifestyle and strong sense of community
3. We are prepared for opportunities and we are innovative to ensure our relevancy and destiny

COMMUNITY CONSULTATION

The following consultation took place;

- Chief Executive Officer
- Manager of Governance
- Office of Auditor General
- MACRI Partners
- Council
- Independent Member

STAFF RECOMMENDATION

That the Audit Committee recommends to Council that it;

1. *Pursuant to Section 5.54(1) of the Local Government Act 1995, ACCEPTS BY AN ABSOLUTE MAJORITY the Shire of Kellerberrin Annual Report for the 2023/24 Financial Year, included as Attachment 1;*
2. *Pursuant to Section 5.27 of the Local Government Act 1995, CONVENES an Annual Meeting of Electors of the Shire of Kellerberrin to be held on Thursday 6th February 2025 at 6.00pm at the Kellerberrin Recreation Centre Cuolahan/Cottle Room, to present the Shire of Kellerberrin Annual Report for the 2023/24 Financial Year; and*

NOTES that:

- a. *the Shire of Kellerberrin Annual Report may be subject to further formatting and styling, to be determined by the Chief Executive Officer prior to publication;*
 - b. *pursuant to Sections 5.29 and 5.55 of the Local Government Act 1995, the Chief Executive Officer will give local public notice of the General Meeting of Electors to be held on Thursday 6th February 2025, and of the availability of the Shire of Kellerberrin Annual Report for the 2023/24 Financial Year, and will make the report available on the Shire of Kellerberrin website within fourteen days; and*
 - c. *pursuant to Regulation 51 of the Local Government (Financial Management) Regulations 1996, the Director General of the Department of Local Government, Sports and Cultural Industries will be provided with a copy of the Shire of Kellerberrin Annual Report for the 2023/24 Financial Year, inclusive of the Annual Financial Report for the same period, and the associated Auditor's Report.*
3. *Acknowledges it has met the requirements of section 7.12A(2) of the Local Government Act with the Audit Committee, on behalf of Council, having met with a representative of the Office of the Auditor General;*

COMMITTEE RESOLUTION

MIN 012/24 MOTION - Moved Cr. Ryan Seconded Cr. Gardiner

That the Audit Committee recommends to Council that it;

1. *Pursuant to Section 5.54(1) of the Local Government Act 1995, ACCEPTS BY AN ABSOLUTE MAJORITY the Shire of Kellerberrin Annual Report for the 2023/24 Financial Year, included as Attachment 1;*
2. *Pursuant to Section 5.27 of the Local Government Act 1995, CONVENES an Annual Meeting of Electors of the Shire of Kellerberrin to be held on Thursday 6th February 2025 at 6.00pm at the Kellerberrin Recreation Centre Cuolahan/Cottle Room, to present the Shire of Kellerberrin Annual Report for the 2023/24 Financial Year; and*

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- c. *pursuant to Regulation 51 of the Local Government (Financial Management) Regulations 1996, the Director General of the Department of Local Government, Sports and Cultural Industries will be provided with a copy of the Shire of Kellerberrin Annual Report for the 2023/24 Financial Year, inclusive of the Annual Financial Report for the same period, and the associated Auditor's Report.*
3. *Acknowledges it has met the requirements of section 7.12A(2) of the Local Government Act with the Audit Committee, on behalf of Council, having met with a representative of the Office of the Auditor General;*

In Favour: Crs David Leake, Dennis Reid, Matt Steber, Emily Ryan, Monica Gardiner and Paul Brown

Against: Nil

**CARRIED 6/0
BY ABSOLUTE MAJORITY**

7 CLOSURE OF MEETING

The Meeting closed at 3:40pm.

The minutes of this meeting were confirmed at the Audit, Risk and Governance Committee held on .

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CHAIRPERSON