



SHIRE OF CARNARVON

MINUTES

AUDIT AND RISK MANAGEMENT COMMITTEE MEETING

TUESDAY 13 FEBRUARY 2024

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Carnarvon for any act, omission or statement or intimation occurring during Council/Committee Meetings or during formal/informal conversations with Staff or Councillors. The Shire of Carnarvon disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council/Committee Meetings or discussions. Any person or legal entity who acts or fails to act in reliance upon any statement does so at that person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of Carnarvon during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Carnarvon. The Shire of Carnarvon warns that anyone who has an application lodged with the Shire of Carnarvon must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the Shire of Carnarvon in respect of the application.

To be noted that, in accordance with Regulation 11 of the Local Government (Administration) Regulations 1996, the minutes of the Council Meeting are a record of the decisions of the Council, any additional officers' advice, and explanatory notes as required. The minutes contain a summary of questions asked by members of the public and the answers given. The minutes **are not** a transcript of the proceedings of the meetings.

INFORMATION ON PUBLIC QUESTION TIME

The following information is provided should you wish to ask a question of Council at the Ordinary Meetings held on a monthly basis.

Please note that questions that have not been filled out on the Submission Form will not be accepted.

- The Local Government Act 1995 allows members of the public to ask questions in regard to any issue relating to the Shire.
- A maximum of 15 minutes will be allowed for public question time and the Presiding Member will allow a maximum of three (3) verbal/written questions per person.
- Prior to asking a question, the speaker must state his/her name and address.
- Members of the public are discouraged from asking questions which contain defamatory remarks, offensive language or questioning the competency of staff or Council members.
- The Presiding Member may nominate a member or officer to answer the question and may also determine that any complex questions requiring research be taken on notice and answered in writing.
- No debate or discussion is allowed to take place on any question or answer.
- A summary of each question asked and the response given will be included in the minutes of the meeting –

Local Government (Administration) Regulations 1996 – Pt 2, r.11 – (in part reads -)

11. Minutes, content of (Act s.5.25(1)(f))

The content of minutes of a meeting of a council or a committee is to include –

(e) a summary of each question raised by members of the public at the meeting and a summary of the response to the question.

Responses to questions that are taken on notice will be responded to as soon as possible.

- If you wish to ask a question, please complete the Public Question Time Submission Form at the back of this information sheet. Alternatively, questions can be submitted in writing to the Shire of Carnarvon 3 days prior to the meeting.

SPECIAL MEETINGS OF COUNCIL

Members of the public are welcome to attend a Special Meeting of Council if open, and ask questions of the Council within the allotted public question time **subject to the questions being asked only relating to the purpose of the Special Meeting** (s5.23 of the Act and regulation 12 (4) of the Local Government (Administration) Regulations 1996, the Department of Local Government and Communities Guide to Meetings and Governance Bulletin April 2014 and Guideline No. 3 Managing Public Question Time.)

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1 ATTENDANCES AND APOLOGIES

The meeting was declared open at 12.18pm by the President Member

Mr Eddie Smith Presiding Member/Shire President
 Cr Burke Maslen Councillor, Gascoyne/Minilya Ward
 Cr Luke VandeleurCouncillor, Town Ward
 Cr Paul Kelly Councillor, Town Ward(by instantaneous communication)

Mrs Andrea Selvey..... Chief Executive Officer
 Mr Alan Thornton Deputy Chief Executive Officer
 Mrs Dannielle Hill Senior Executive Officer

Apologies

Nil

Leave of Absence

Nil

Press Nil

Observers Nil

2 PUBLIC QUESTION TIME

(In accordance with Section 5.24 of the Local Government Act 1995, a 15 minute public question time is made available to allow members of the public the opportunity of questioning Council on matters concerning them. All questions are to be provided on the Public Question Time Submission Form.)

No public members in attendance.

3 DECLARATIONS OF INTEREST

(Elected Members and Officers are reminded of the requirements of Section 5.65 of the Local Government Act 1995, to disclose any interest during the meeting or when the matter is to be discussed.)

Nil

4 CONFIRMATION OF MINUTES

4.1 Minutes of the Audit and Risk Management Committee Meeting - 16 January 2024

COMMITTEE RESOLUTION ARMC 01/02/24

Moved: Cr Burke Maslen

Seconded: Cr Luke Vandeleur

That the minutes of Audit and Risk Management Committee Meeting held on 16 January 2024 be confirmed as a true record of proceedings.

FOR: Crs Eddie Smith, Burke Maslen, Luke Vandeleur and Paul Kelly

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 4/0

5 REPORTS

5.1 COMPLIANCE AUDIT RETURN 2023

File No:	ADM0011
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Caroline Ballard, Governance & Information Coordinator
Authoriser:	Andrea Selvey, Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	N/A
Schedules:	1. Compliance Audit Return 2023

Authority/Discretion:

<input type="checkbox"/>	Advocacy	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
<input checked="" type="checkbox"/>	Executive	The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
<input type="checkbox"/>	Legislative	Includes adopting local laws, town planning schemes and policies.
<input type="checkbox"/>	Information	Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
<input type="checkbox"/>	Quasi-judicial	When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

The purpose of this report is to present to the Audit and Risk Committee (ARC) the 2023 Compliance Audit Return (CAR) for review and to request that the ARC recommend that Council adopt the 2023 CAR as presented in **Schedule 1** for submission to the Department of Local Government, Sport and Cultural Industries (DLGSC) by 31 March 2024. The 2023 CAR comprises of 94 questions over 11 categories, these questions require a response of YES, NO or N/A.

Yes – indicates compliance

NO – indicates non-compliance

N/A – indicates that this function was not required to be performed this year or is not a requirement for this Local Government.

Background

Local Governments are required to complete a Compliance Audit for the previous calendar year by the 31 March. The Compliance Audit is an in-house audit that is undertaken by the appropriate Responsible Officer using questions provided by DLGSC. In accordance with Regulation 14 of the Local Government (Audit) Regulations 1996 the ARC is to review the CAR and is to report to Council the results of that review.

The CAR is to be:

1. Presented to an Ordinary Meeting of Council

2. Adopted by Council; and
3. Recorded in the minutes of the meeting at which it is adopted.

Following the adoption of the CAR by Council a certified copy of the return, along with the relevant section of the minutes and any additional information detailing the contents of the return are to be submitted to the DLGSC by 31 March 2024. The return requires the Shire President and the Chief Executive Officer to certify that the statutory obligations of the Shire of Carnarvon are compliant.

Stakeholder and Public Consultation

Nil

Statutory Environment

Regulation 14, *Local Government (Audit) Regulations 1996*

Relevant Plans and Policy

Nil

Financial Implications

Nil

Risk Assessment

STEP 3 – Risk Tolerance Chart Used to Determine Risk						
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	N/A		
Health & Safety	N/A		
Reputation	There is a reputational risk should the CAR not be completed on time or if significant non-compliance are reported	D-2 Low	Pending the ARC decision, this item can be presented to Council in time to meet the deadline. The compliance % rate and comparison table demonstrate improvements have been made
Service disruption	N/A		
Compliance	Non-compliance should the CAR not be completed on time		Pending the ARC decision, this item can be presented to Council in time to meet the deadline.
Property	N/A		
Environment	N/A		
Fraud	The CAR response are fraudulent	D-3 Moderate	The responses are validated by the Governance & Information Coordinator

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our community is engaged, inclusive and supportive*

ADDITIONAL FOCUS AREAS:

- *N/A*

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- *N/A*

Comments

The process for completing the 2023 CAR involved Officers from each area being delegated the relevant questions to answer. When the responses were received, they were checked and validated by the Governance & Information Coordinator for accuracy and to ensure a high quality, verified CAR was completed.

When comparing the 2023 CAR against the 2022 CAR the Shire of Carnarvon has increased its level of compliance by 5% to 99% overall.

Compliance Categories	Audit Return	2022 Audit Questions	Non Compliance	Compliance Rating	2023 Audit Questions	Non Compliance	Compliance Rating
Commercial Enterprises by Local Government		5		100%	5		100%
Delegation of Power/Duty		13		100%	13		100%
Disclosure of Interest		21		100%	21		100%
Disposal of Property		2		100%	2		100%
Elections		3		100%	3		100%
Finance		7	5	29%	7		100%
Integrated Planning and Reporting		3		100%	3		100%
Local Government Employees		6		100%	5		100%
Official Conduct		3		100%	4		100%
Optional Questions		9	1	89%	9		100%
Tenders for Providing Goods and Services		22		100%	22	1	95%
TOTAL		94.00	6.00	94%	94.00	1.00	99%

Tenders – the non-compliance in this area was a result of an oversight in respect of information provided to Tenderers following the award of a tender, this process has now been updated to ensure future compliance.

OFFICER'S RECOMMENDATION

That the Audit and Risk Committee, pursuant to Regulation 14 and 15 of the Local Government (Audit) Regulations 1996, resolves to:

1. *Review the Shire of Carnarvon's Compliance Audit Return for the period 1 January 2023 to 31 December 2023 and report the results to Council via the minutes of the Audit and Risk Committee meeting.*
2. *Recommend to Council that Council, at its Ordinary Meeting on 27 February 2024:*
 - a. *adopts the Shire of Carnarvon's Compliance Audit Return for the period 1 January 2023 to 31 December 2023;*
 - b. *authorises the Shire President and Chief Executive Officer to certify the Shire of Carnarvon Compliance Audit Return and submit the certified copy to the Department of Local Government, Sport and Cultural Industries by 31 March 2024.*

COMMITTEE RESOLUTION ARMC 02/02/24

Moved: Cr Luke Vandeleur

Seconded: Cr Paul Kelly

That the Audit and Risk Committee, pursuant to Regulation 14 and 15 of the Local Government (Audit) Regulations 1996, resolves to:

1. *Review the Shire of Carnarvon's Compliance Audit Return for the period 1 January 2023 to 31 December 2023 and report the results to Council via the minutes of the Audit and Risk Committee meeting.*
2. *Recommend to Council that Council, at its Ordinary Meeting on 27 February 2024:*
 - a. *adopts the Shire of Carnarvon's Compliance Audit Return for the period 1 January 2023 to 31 December 2023;*
 - b. *authorises the Shire President and Chief Executive Officer to certify the Shire of Carnarvon Compliance Audit Return and submit the certified copy to the Department of Local Government, Sport and Cultural Industries by 31 March 2024.*

FOR: Crs Eddie Smith, Burke Maslen, Luke Vandeleur and Paul Kelly

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 4/0

5.2 AUDIT AND FINANCIAL REVIEW STATUS REPORT

File No:	ADM031
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Alan Thornton, Deputy Chief Executive Officer
Authoriser:	Andrea Selvey, Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple
Previous Report:	Nil
Schedules:	1. Audit and Financial Risk Status Report

Authority/Discretion:

- | | | |
|-------------------------------------|-----------------------|--|
| <input type="checkbox"/> | Advocacy | When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency. |
| <input type="checkbox"/> | Executive | The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets |
| <input type="checkbox"/> | Legislative | Includes adopting local laws, town planning schemes and policies. |
| <input checked="" type="checkbox"/> | Information | Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting). |
| <input type="checkbox"/> | Quasi-judicial | When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses |

Summary of Report

To present to the Audit and Risk Committee (Committee) the Audit and Financial Review Status Report. The main purpose of the Audit and Financial Review Status Report is to monitor the progress of the annual financial audits and financial reviews.

Background

The primary objective of the Audit and Risk Committee is to accept responsibility for the annual external audit and consult with the Shire's auditor and CEO so that Council can be satisfied with the performance of the Shire of Carnarvon with managing its financial affairs and risk matters.

As part of the Council's committee structure, the Audit and Risk Committee was established to review areas of an audit.

The Local Government (Financial Management) Regulations 1996 regulation 5(2)(c), requires the Chief Executive Officer to undertake financial management reviews regularly.

The main purpose of the annual financial audit and financial reviews is to examine the appropriateness and effectiveness of the financial management systems and procedures, risk management, internal control and legislative compliance of the Shire.

Stakeholder and Public Consultation

Nil

Statutory Environment

Local Government (Financial Management) Regulations 1996 5(1)
Local Government (Financial Management) Regulations 1996 5(2)(c)
Division 3, Section 7.9 Local Government Act 1995
Local Government (Audit) Regulations 1996.

Relevant Plans and Policy

Nil

Financial Implications

There are no financial implications from this report.

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	N/A	N/A	N/A
Health & Safety	N/A	N/A	N/A
Reputation	The Committee needs to ensure the efficient and effective management of the Shire’s financial and accounting systems, risk management systems which is important to managing any reputational risk.		Monitoring Audit and Financial Review Status Reports will assist in managing any reputational risk regarding the Shire’s financial position and management.
Service disruption	N/A	N/A	N/A
Compliance	The Shire does not maintain a high standard of governance and accountability		Determine if matters raised in the reports require further action and ensure that appropriate action is implemented.
Property	N/A	N/A	N/A
Environment	N/A	N/A	N/A
Fraud	N/A	N/A	N/A

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- *Our community is engaged, inclusive and supportive*

ADDITIONAL FOCUS AREAS:

- *Improve the trust between citizens and the Shire of Carnarvon*

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- *N/A*

Comments

The Audit and Financial Review Status Report provides the Committee with the status and progress information of audit and financial review findings and recommendations. The Audit and Financial Review Status Report will assist the Committee in ensuring the efficient and effective management of the Shire's financial and accounting systems, risk management systems, internal control and compliance with legislation by reviewing the allocation of Shire finances and resources and mitigating risk where possible.

A current Audit and Financial Review Status Report will be presented to the Committee at each Audit and Risk Committee meeting.

OFFICER'S RECOMMENDATION

That the Audit and Risk Management Committee Meeting, by Simple Majority pursuant to Section 3.18 of the Local Government Act, 1995, receive the Review Status Report – February 2024 as per Schedule 1.

COMMITTEE RESOLUTION ARMC 03/02/24

Moved: Cr Luke Vandeleur

Seconded: Cr Paul Kelly

That the Audit and Risk Management Committee Meeting, by Simple Majority pursuant to Section 3.18 of the Local Government Act, 1995, receive the Review Status Report – February 2024 as per Schedule 1.

FOR: Crs Eddie Smith, Burke Maslen, Luke Vandeleur and Paul Kelly

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 4/0

6 DATE OF NEXT MEETING

The next meeting will be held on Wednesday 24 April 2024 at Shire Council Chambers, Stuart Street Carnarvon commencing at 4.00pm

7 CLOSE

The Presiding Member declared the meeting closed at 12.24pm.