



AGENDA

Audit and Risk Committee
Meeting

20 February 2025

**SHIRE OF BROOMEHILL-TAMBELLUP
NOTICE OF MEETING**

**A meeting of the Audit and Risk Committee will be held in the Council Chambers
46-48 Norrish Street, Tambellup on 20 February 2025 commencing at 11.30am.**



**Karen Callaghan
Chief Executive Officer**

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This document is available in other formats on request for people with disability.

Audit & Risk Committee - Terms of Reference

The duties and responsibilities of the committee will be:

- a. Provide guidance and assistance to council as to the carrying out the functions of the local government in relation to audits;
- b. Meet with the auditor once in each year and provide a report to council on the matters discussed and outcome of those discussions;
- c. Liaise with the CEO to ensure that the local government does everything in its power to:
 - assist the auditor to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and
 - ensure that audits are conducted successfully and expeditiously;
- d. Examine the reports of the auditor after receiving a report from the CEO on the matters to:
 - determine if any matters raised require action to be taken by the local government; and
 - ensure that appropriate action is taken in respect of those matters;
- e. Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;
- f. Review the scope of the audit plan and program and its effectiveness;
- g. Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the council;
- h. Review the annual Compliance Audit Return and report to the council the results of that review, and
- i. Consider the CEO's biennial reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to the Council the results of those reviews.

Membership

The committee will consist of four members with three elected members and one external person. All members shall have full voting rights.

- External persons appointed to the committee will preferably have business or financial management/reporting knowledge and experience, and be conversant with financial and other reporting requirements.
- Appointment of external persons shall be made by Council by way of a public advertisement and be for a term of two years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to council's elected representatives.
- Reimbursement of approved expenses will be paid to each external person who is a member of the committee.
- The CEO and employees are not members of the committee.
- The CEO or his/her nominee is to be available to attend meetings to provide advice and guidance to the committee.
- The local government shall provide secretarial and administrative support to the committee.

Meetings

The committee shall meet at least quarterly. Additional meetings shall be convened at the discretion of the presiding person.

Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.

**Agenda for the Audit and Risk Committee Meeting to be held in the Council Chambers,
46-48 Norrish Street, Tambellup on 20 February 2025**

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1. DECLARATION OF OPENING

The Chairperson, Cr Barritt, will open the meeting at 11.30am.

2. ATTENDANCE

Councillors

Cr DT Barritt

Cr CM Dewar

Cr SH Penny

Cr J Wills

Staff

KP Callaghan

Chief Executive Officer

KP Squibb

Manager of Finance and Administration

Apologies

Ms C Witham

Independent Member

3. DISCLOSURE OF INTEREST

4. PUBLIC QUESTION TIME

5. CONFIRMATION OF MINUTES

5.1 AUDIT AND RISK COMMITTEE MEETING HELD 19 DECEMBER 2024

OFFICER RECOMMENDATION

That the minutes of the Audit and Risk Committee meeting held on 19 December 2024 be confirmed as a true and accurate record.

6. STATUS REPORT

Matters identified from the 2022/2023 and 2023/2024 audits have been populated into the Status Report, and an update on the status of each has been provided.

7. RISK REGISTER

In November 2022 the Senior Management Team (SMT), with the guidance of an external risk consultant MS Consulting, reviewed the existing Risk Management Framework and Council Policy. Following the review, the Council adopted a new Risk Management Policy in December 2022.

The SMT undertook an organisation-wide assessment of risk and developed a Risk Register. Key areas identified have been assigned to the responsible staff member, with target dates for each allocated. The Risk Register is reviewed by the SMT quarterly.

The Risk Dashboard is a summary of the Risk Register and is attached for the Committee to review and discuss.

In December 2024, the Audit and Risk Committee received the Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls Report which was prepared by Moore Australia WA.

Improvement actions identified in this review have been captured in the Audit Reg 17 Risk Assessment register, which is attached for the Committee's information. The actions identified have been assigned to Officers, and those in the high-risk category will be addressed as a priority.

8. KEY PILLAR 1: BROOMEHILL-TAMBELLUP POINT OF DIFFERENCE

Nil.

9. KEY PILLAR 2: BROOMEHILL-TAMBELLUP ECONOMY

Nil.

10. KEY PILLAR 3: BROOMEHILL-TAMBELLUP LIFESTYLE

Nil.

11. KEY PILLAR 4: BROOMEHILL-TAMBELLUP SHIRE SUPPORT

11.1 BUSINESS CONTINUITY RESPONSE PLAN AND PROCEDURES MANUAL REVIEW

ATTACHMENT(S)	11.1.1 CONFIDENTIAL Business Continuity Response Plan – Reviewed 11.1.2 Business Continuity Procedures Manual - Reviewed
FILE NO	ADM0442
AUTHOR	Pam Hull, Strategic Support & Projects Officer
DATE	10 February 2025
DISCLOSURE OF INTEREST	Nil

STRATEGIC IMPLICATIONS	
Strategic Community Plan 2023-2033	Corporate Business Plan 2024-2028
Community Outcomes	Corporate Actions
Key Pillar: Broomehill-Tambellup Shire Support	
No specific Community Outcome.	No specific Corporate Initiative

SUMMARY

The purpose of this report is for the Audit and Risk Committee to consider the reviewed Business Continuity Response Plan (BCRP) and Procedures Manual.

BACKGROUND

The Shire’s Risk Management Framework was reviewed in November 2022, with the resulting Risk Management Policy and Procedures adopted by the Council in December 2022. As part of that process, a BCRP and Procedures Manual were developed to support the organisation in dealing with business disruption. The BCRP and Procedures Manual was adopted by the Council in February 2024.

Business continuity planning is the process of creating a system that helps prevent, minimise and recover from disruption to operations. Disruption may be caused by impacts of events including natural disasters, fire, power outages, IT outages, staff shortages, and of course, pandemics. The aim of business continuity planning is to return to business as usual within the shortest period, assisting the organisation to be more resilient and continue with minimal interruptions.

COMMENT

The BCRP is a series of checklists developed and maintained in readiness for use during an incident resulting, or anticipated to result, in a disruption to business-as-usual activities.

The main purpose of the BCRP is to offer guidance in restoring the Shire to an acceptable level of operation by focusing on staff welfare, communications, time-critical business activities and those staff and other stakeholders who will need to be contacted or mobilised due to the circumstances of the incident.

The BCRP is a live document, and is reviewed at least annually, or at the time of an incident where it is implemented. The document will be circulated to key staff and the Shire President and Deputy President, and critically, will be accessible in both hard copy and electronic formats on the Shire’s cloud-based server.

The BRCP and Procedures Manual has been reviewed and updated to ensure current staff contacts are recorded, and minor updates to contractor and supplier information have been made.

CONSULTATION

Senior Management Team

STATUTORY ENVIRONMENT

Local Government (Audit) Regulations 1996 r.17

17. CEO to review certain systems and procedures

(1) The CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to —

(a) risk management; and

(b) internal control; and

(c) legislative compliance.

FINANCIAL IMPLICATIONS

Nil

POLICY IMPLICATIONS

Policy 2.11 Risk Management

RISK MANAGEMENT IMPLICATIONS

This item has been evaluated against the Shire’s Risk Assessment and Acceptance Criteria. The perceived level of risk is considered to be “Low” risk and can be managed by routine procedures and with current resources.

ASSET MANAGEMENT IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION

That the reviewed Business Continuity Response Plan and Business Continuity Procedures Manual dated February 2025, be endorsed.

11.2 COMPLIANCE AUDIT RETURN 2024

ATTACHMENT(S)	11.2.1 – Compliance Audit Return 2024
FILE NO	ADM0302
AUTHOR	Kay Squibb, Manager of Finance and Administration
DATE	14 February 2025
DISCLOSURE OF INTEREST	Nil

STRATEGIC IMPLICATIONS	
Strategic Community Plan 2023-2033	Corporate Business Plan 2024-2028
Community Outcomes	Corporate Actions
Key Pillar: Broomehill-Tambellup Shire Support	
No specific Community Outcome.	No specific Corporate Initiative

SUMMARY

The purpose of this report is for the Audit and Risk Committee to consider the 2024 Compliance Audit Return (CAR) and recommend it to the Council for adoption.

BACKGROUND

Local Governments are required to complete the CAR annually in relation to the period 1 January to 31 December.

Local Government (Audit) Regulations 1996, Regulation 14 requires the Audit Committee to review the CAR and report the results of the review to the Council. Following adoption of the CAR by Council, a certified copy of the return along with the relevant section of the Council minutes is to be submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2025.

Once adopted by Council, the Shire President and Chief Executive Officer are required to certify that the statutory obligations of the Shire of Broomehill-Tambellup have been complied with.

COMMENT

The CAR is comprehensive and gives an indication of the Shire’s level of compliance with legislative requirements, relating only to compliance with the *Local Government Act 1995* and associated Regulations. The current structure of the CAR is restricted to the areas of compliance and reporting considered high risk. The questions contained in the CAR relate to the prescribed statutory requirements in Regulation 13 of the *Local Government (Audit) Regulations 1996*.

The CAR contains 94 questions around the following areas of activity –

1. Commercial Enterprises by Local Governments
2. Delegation of Power/Duty
3. Disclosure of Interest
4. Disposal of Property
5. Elections
6. Finance
7. Local Government Employees
8. Official Conduct
9. Tenders for Providing Goods and Services
10. Integrated Planning and Reporting
11. Other Optional Questions

The 2024 CAR has been completed by the Governance and Compliance Officer and Manager of Finance and Administration. From a total of 94 questions, compliance has been achieved in all areas with the exception of one as outlined below:

Optional Questions

Question 7: Did the local government prepare a report on the training completed by council members in the 2023/2024 financial year and publish it on the local government's official website by 31 July 2024?

Comments:

While this did not occur by 31 July 2024, the report has since been prepared and published.

CONSULTATION

Chief Executive Officer

STATUTORY ENVIRONMENT

Local Government Act 1995 s7.13(1)(i)

Local Government (Audit) Regulations 1996

14. Compliance audits by local governments

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.*
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*
- (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.*
- (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be –*
 - (a) presented to the council at a meeting of the council; and*
 - (b) adopted by the council; and*
 - (c) recorded in the minutes of the meeting at which it is adopted.*

15. *Certified copy of compliance audit return and other documents to be given to Departmental CEO*
- (1) *After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —*
- (a) *a copy of the relevant section of the minutes referred to in regulation 14(3)(c);*
and
- (b) *any additional information explaining or qualifying the compliance audit, is to be submitted to the Departmental CEO by 31 March next following the period to which the return relates.*
- (2) *In this regulation —*
- certified in relation to a compliance audit return means signed by —*
- (a) *the mayor or president; and*
(b) the CEO.

FINANCIAL IMPLICATIONS

This issue has no financial implications for Council

POLICY IMPLICATIONS

There is no policy applicable to this item.

RISK MANAGEMENT IMPLICATIONS

The Compliance Audit Return, external audits and risk reviews are an integral part of ensuring that financial and compliance risks are minimised and legislative compliance is maintained.

ASSET MANAGEMENT IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION

That it be recommended to the Council that following a review of the Compliance Audit Return 2024 by the Audit and Risk Committee, the return be adopted and forwarded to the Department of Local Government, Sport and Cultural Industries by 31 March 2025.

12. OTHER ITEMS FOR DISCUSSION

13. DATE OF NEXT MEETING

Thursday 15 May 2025, commencement time to be confirmed.

14. CLOSURE