



MINUTES

Audit Committee Meeting

Held in Council Chambers
Corner King & Barrack Street's, Merredin
Tuesday, 27 February 2024
Commencing 1:30pm



Common Acronyms Used in this Document	
WEROC	Wheatbelt East Regional Organisation of Councils
GECZ	Great Eastern Country Zone
WALGA	Western Australian Local Government Association
CEACA	Central East Aged Care Alliance
CEO	Chief Executive Officer
EMS&C	Executive Manager Strategy and Community
EMDS	Executive Manager Development Services
EMES	Executive Manager Engineering Services
EMCS	Executive Manager Corporate Services
EO	Executive Officer
LPS	Local Planning Scheme
LGIS	Local Government Insurance Scheme
SRP	Strategic Resource Plan
CBP	Corporate Business Plan
SCP	Strategic Community Plan
MRCLC	Merredin Regional Community and Leisure Centre
CWVC	Central Wheatbelt Visitors Centre
MoU	Memorandum of Understanding

Shire of Merredin
Audit Committee Meeting
1:30pm Tuesday, 27 February 2024



1. Official Opening

The President acknowledged the Traditional Owners of the land on which we meet today, and paid his respects to Elders past, present and emerging. The President then welcomed those in attendance and declared the meeting open at 1:30pm.

2. Record of Attendance / Apologies and Leave of Absence

Councillors:

Cr M McKenzie	President
Cr R Manning	Deputy President
Cr D Crook	
Cr M Simmonds	

Staff:

J Merrick	T/CEO
L Boehme	EMCS
M Wyatt	EO
A Bruyns	GO

Observer:

Cr L O'Neill
Cr H Billing

Apologies:

Cr B Anderson

Approved Leave of Absence:

3. Public Question Time

Nil

4. Disclosure of Interest

Nil

5. Confirmation of Minutes of the Previous Meeting

5.1 Audit Committee Meeting held on 23 January 2024
Attachment 5.1A

Voting Requirements

Simple Majority

Absolute Majority

Resolution

Moved: Cr Crook

Seconded: Cr Simmonds

83332

That the minutes of the Audit Committee Meeting held on 23 January 2024 be confirmed as a true and accurate record of proceedings.

CARRIED 4/0

For: Cr McKenzie, Cr Manning, Cr Crook, Cr Simmonds

Against: Nil

6. Officer's Reports

6.1 2023 Compliance Audit Return

Administration



Responsible Officer:	Chief Executive Officer
Author:	Meg Wyatt, EO
Legislation:	<i>Local Government Act 1995</i> <i>Local Government (Audit) Regulations 1996</i>
File Reference:	GR/17/19
Disclosure of Interest:	Nil
Attachments:	Attachment 6.1A – 2023 Compliance Audit Return

Purpose of Report

Executive Decision

Legislative Requirement

To provide the Audit Committee with the information presented on the 2023 Compliance Audit Return (CAR).

Background

In accordance with Regulation 14 of the *Local Government (Audit) Regulations 1996*, each year every local government is required to carry out a compliance audit in relation to the period 1 January to 31 December against the requirements of the CAR. The completed CAR for 2023 is presented as Attachment 6.1A.

Regulation 14 of the *Local Government (Audit) Regulations 1996* requires each local government's Audit Committee to review the CAR and report the results of that review to the Council.

After the CAR has been reviewed by the Audit Committee and presented to Council, a copy certified by the President and CEO, along with the relevant section of the minutes and any additional information explaining or qualifying the CAR, is to be submitted to the Department of Local Government, Sport and Cultural Industries (DLGSC) by 31 March.

Comment

The CAR is one of the tools available to Council in its governance monitoring role. The CAR also forms part of the DLGSC's monitoring program. The CAR enables the Council to monitor

the level of compliance achieved and to take corrective action if required or proposed to prevent future like occurrences.

The 2023 CAR contains the following compliance categories:

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

The CAR provides the tools for Council to monitor legislative compliance by examining a range of prescribed subjects under Regulation 13 of the *Local Government (Audit) Regulations 1996* in detail.

Generally, the outcomes for the 2023 CAR show relatively consistent results for the organisation, with improvements in some areas. There have been some changes made by the Administration which have improved the accuracy of the reporting in the return, and the governance standards met.

Policy Implications

Nil

Statutory Implications

Section 7.13(1)(i) of the *Local Government Act 1995* states:

“7.13. Regulations as to audits

1) *Regulations may make provision as follows —*

- i. *requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are —*
 - i. *of a financial nature or not; or*
 - ii. *under this Act or another written law.”*

Regulations 14 and 15 of the Local Government (Audit) Regulations 1996 states:

“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.”

	Strategic Implications
∅ Strategic Community Plan	

Theme:	4. Communications and Leadership.
Service Area Objective:	4.2 Decision Making 4.2.2 The Shire is progressive while exercising responsible stewardship of its built, natural and financial resources
Priorities and Strategies for Change:	Nil

∅ Corporate Business Plan	
---------------------------	--

Theme:	4. Communications and Leadership.
Priorities:	Nil
Objectives:	4.2 Decision Making

	Sustainability Implications
∅ Strategic Resource Plan	

∅ Strategic Resource Plan
 Nil

Risk Implications

Council would be contravening the *Local Government Act 1995* and *Local Government (Audit) Regulations 1996* if this item was not presented to the Audit Committee for recommendation to Council.

The objective of the CAR is to identify risks to the organisation where noncompliance may have occurred enabling processes and procedures to be developed, reviewed or amended, as required.

Financial Implications

Nil

Voting Requirements

Simple Majority

Absolute Majority

Resolution

Moved:

Cr McKenzie

Seconded: Cr Crook

That the Audit Committee recommends to Council that it:

1. RECEIVES the 2023 Compliance Audit Return;
2. ADOPTS the 2023 Compliance Audit Return for the period 1 January 2023 to 31 December 2023 as contained in Attachment 6.1A; and
3. AUTHORISES the Shire President and Chief Executive Officer to sign the joint certification and submit the completed 2023 Compliance Audit Return, and any additional information explaining or quantifying the compliance audit, to the Department of Local Government, Sport and Cultural Industries by 31 March 2024.

83333

CARRIED 4/0

For: Cr McKenzie, Cr Manning, Cr Crook, Cr Simmonds

Against: Nil



Merredin – Compliance Audit Return

Commercial Enterprises by Local Governments				
No	Reference	Question	Response	Comments
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2023?	N/A	
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2023?	N/A	
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2023?	N/A	
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2023?	N/A	
5	s3.59(5)	During 2022, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A	

Delegation of Power/Duty				
No	Reference	Question	Response	Comments
1	s5.16 (1)	Were all delegations to committees resolved by absolute majority?	N/A	
2	s5.16 (2)	Were all delegations to committees in writing?	N/A	
3	s5.17	Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995?	N/A	
4	s5.18	Were all delegations to committees recorded in a register of delegations?	N/A	
5	s5.18	Has council reviewed delegations to its committees in the 2022/2023 financial year?	N/A	The Shire of Merredin has not given any delegations to committees.
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995?	Yes	



7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes	
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes	
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes	
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority?	Yes	
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes	Register is kept on the Attain system and put on the Shire website.
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2022/2023 financial year?	Yes	
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?	Yes	Records of all exercised delegations are kept using the Attain system.

Disclosure of Interest

No	Reference	Question	Response	Comments
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes	Confirming Councillors left the Chambers for items which did not have approval. CMRef 83101 28/02/2023, CMRef 83121 28/03/2023, CMRef 83212 22/08/2023, CMRef 83285 & 83299 11/12/2023.
2	s5.68(2) & s5.69(5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?	Yes	
3	s5.73	Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made?	Yes	
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes	
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022?	Yes	



6	s5.77	On receipt of a primary or annual return, did the CEO, or the Mayor/President, give written acknowledgment of having received the return?	Yes	
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995?	Yes	
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?	Yes	
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person?	Yes	
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes	
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?	Yes	
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes	
13	s5.89A(6)	When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove from the register all records relating to those people?	Yes	
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A(6) of the Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes	
15	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes	Confirming employees disclosed interest and if needed left the Chambers. CMRef 83107 28/02/2023, CMRef 83260 17/10/2023, CMRef 83286 11/12/2023



16	s5.71A & s5.71B(5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A	
17	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered?	N/A	
18	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members candidates that incorporates the model code of conduct?	Yes	Previously Adopted at April OCM - 20/04/2021, CMRef 82721, and published on the website.
19	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the Local Government Act 1995?	Yes	The prescribed model code of conduct was used to develop the Shire's code of conduct for Council members, committee members and candidates.
20	s5.104(7)	Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?	Yes	Published to Shire website 22/12/2022
21	s5.51A(1) & (3)	Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government? If yes, has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?	Yes	Adopted at December OCM - 20/12/2022, CMRef 83073 and posted on the website.

Disposal of Property				
No	Reference	Question	Response	Comments
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?	Yes	Met the requirements as per section 3.58(3). 18/07/2023 CMRef 83204 (Lot 29, McCallum Street, Muntadgin).
2	s3.58(4)	Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	Yes	Public notices published on 29/06/2023 on: Shire website, public notice board, local newspaper, social media.



Elections				
No	Reference	Question	Response	Comments
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?	Yes	No disclosures
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?	Yes	No disclosures
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?	Yes	No disclosures

Finance				
No	Reference	Question	Response	Comments
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995?	Yes	CMRef 83262 24/10/2023
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Local Government Act 1995, did it do so by absolute majority?	N/A	



3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2023 received by the local government by 31 December 2023?	Yes	Received from Auditors on 15/11/2023. Report went to Council on 11/12/2023, CMRef 83289
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes	
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A	No significant findings.
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website?	N/A	
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June 2023 received by the local government within 30 days of completion of the audit?	Yes	

Local Government Employees

No	Reference	Question	Response	Comments
1	s5.36(4) & s5.37(3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?	Yes	The positions of Executive Manager Strategy & Community, and Executive Manager Engineering Services were advertised. Advertised in The West Australian with all required details, the Shire website, LinkedIn, Local Government Professionals website, and The Australian Local Government Job Directory.
2	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A	No advertisement for CEO in 2023



3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995?	Yes	CEO paid within SAT band for band 3 LGA.
4	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	Yes	Each senior appointment was approved by Council.
5	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A	No recommendations to employ or dismiss were rejected by Council.

Official Conduct				
No	Reference	Question	Response	Comments
1	s5.120	Has the local government designated an employee to be its complaints officer?	Yes	The CEO has been designated to be the complaints officer.
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the Local Government Act 1995?	Yes	No complaints resulting in a finding in the reporting period.
3	S5.121(2)	Does the complaints register include all information required by section 5.121(2) of the Local Government Act 1995?	Yes	No complaints resulting in a finding in the reporting period.
4	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes	No complaints resulting in a finding in the reporting period.

Tenders for Providing Goods and Services				
No	Reference	Question	Response	Comments
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes	



2	s3.57 F&G Reg 11	Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?	Yes	
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 of the Local Government Functions and General) Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)?	Yes	The Shire advertised all Tenders in The West Australian.
4	F&G Reg 12	Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?	N/A	
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents, or each acceptable tenderer notice of the variation?	Yes	Through the Shire's TenderLink portal all Tenderers were notified and provided with variation documents.
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?	Yes	
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes	
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	Yes	
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes	
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes	



11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?	Yes	
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A	No EOIs in 2023.
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	N/A	No EOIs in 2023.
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?	N/A	No EOIs in 2023.
15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions & General) Regulations 1996 regulations 24AD(4) and 24AE?	N/A	
16	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A	
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A	
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?	N/A	
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A	



20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A	
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A	
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?	Yes	

Integrated Planning and Reporting

No	Reference	Question	Response	Comments
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	20/04/2021 CMRef: 82725 20/04/2021
2	Admin Reg 19DA(1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	27/06/2023 CMRef 83185 27/06/2023
3	Admin Reg 19DA(2) & (3)	Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?	Yes	

Optional Questions

No	Reference	Question	Response	Comments
1	Financial Management Reg 5(2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three financial years prior to 31 December	Yes	11/12/2023 CMRef 83290 11/12/2023



		2023? If yes, please provide the date of council's resolution to accept the report.		
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2023? If yes, please provide date of council's resolution to accept the report.	Yes	20/12/2022 The review was completed and the report accepted at the December Ordinary 20/12/22 CMRef: 83070
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?	Yes	
4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?	Yes	Policy was adopted at the December OCM: CMRef 83300 11/12/2023 and placed on the website 18/12/2023.
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?	Yes	
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Policy was adopted at the December OCM: CMRef 83300 11/12/2023 and placed on the website 18/12/2023
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2022/2023 financial year and publish it on the local government's official website by 31 July 2023?	Yes	
8	s6.4(3)	By 30 September 2023, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2023?	Yes	
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes	



Department of
**Local Government, Sport
and Cultural Industries**

Chief Executive Officer

Date

Mayor/President

Date

6.2 Risk and Regulation Action Plan February 2024

Administration



Responsible Officer:	Leah Boehme, EMCS
Author:	As above
Legislation:	<i>Local Government (Audit) Regulations 1996</i>
File Reference:	Nil
Disclosure of Interest:	Nil
Attachments:	Attachment 6.2A – Risk and Regulation Action Plan February 2024

Purpose of Report

Executive Decision



Legislative Requirement

The purpose of this report is to provide the Audit Committee with an update on the Shire of Merredin’s (the Shire) progress toward the actions highlighted during the 2022/23 Audit and the Shire of Merredin Financial Management Review (FMR), which was presented to the Audit Committee and Council in December 2023.

This is the first time this new Risk and Regulation review document is being presented to the Audit Committee. It replaces the old Reg 17 and Risk Action Plan Review document.

Background

Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* directs the Chief Executive Officer (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. The FMR for the Shire was undertaken in the last quarter of 2023 and results were presented to the Audit Committee and Council. The previous FMR was completed in 2020.

Regulation 17 of the *Local Government (Audit) Regulations 1996* requires the CEO to review the appropriateness and effectiveness of the local government systems and procedures in relation to risk management, internal control and legislation compliance.

The review may relate to any or all of the matters referred to the sub-regulation (1) (a), (b) and (c), but each of those matters is to be the subject of a review at least once every three (3) financial years. The CEO is to report to the Audit Committee the results of that review and then provide updates on the progress toward identified actions on a regular basis.

The Shire undertook this review in December 2022 and all identified actions have now been closed out. The Shire will look to complete this review again prior to the end of 2025.

The Shire intends to provide quarterly updates to the Audit Committee and Council, as per the previous Reg 17 and Risk Action Plan Review document.

Comment

Attachment 6.2A outlines the steps taken toward completing the actions identified during the FMR review, as well as the actions relating to the 2022/23 Audit findings. It also outlines the actions relating to the Shire's Risk Dashboard.

A number of items have already been completed or commenced.

Audit Committee members may notice that actions previously completed in the Risk Dashboard Review section of the document presented, have been deleted, with only outstanding items still reported.

Policy Implications

Policy 3.24 – Risk Management applies.

Statutory Implications

Regulation 17 of the *Local Government (Audit) Regulations 1996* applies.

Strategic Implications

∅ Strategic Community Plan

Theme:	4. Communications and Leadership.
Service Area Objective:	4.2 Decision Making. 4.2.2 The Shire is progressive while exercising responsible stewardship of its built, natural and financial resources. 4.2.3 The Council is well informed in their decision-making, supported by a skilled administration team who are committed to providing timely, strategic information and advice. 4.4.1 The Shire is continuously working to maintain efficient communication, providing open, transparent and factual information, through a variety of channels.
Priorities and Strategies for Change:	Nil

∅ Corporate Business Plan

Theme:	4. Communications and Leadership.
Priorities:	Nil
Objectives:	4.4 – Communications. 4.4.1 – The Shire is continuously working to maintain efficient communication, providing open, transparent and factual information, through a variety of channels.

Sustainability Implications

∅ Strategic Resource Plan

Nil

Risk Implications

By regularly reviewing the Shire's Risk Dashboard and Regulation Action Plan, and providing updates to the Audit Committee and Council, the risk to the organisation should decrease.

Financial Implications

Nil

Voting Requirements

Simple Majority

Absolute Majority

Resolution

Moved:

Cr Crook

Seconded:

Cr Simmonds

That the Audit Committee;

83334

- 1. NOTES the quarterly Risk and Regulation Action Plan for February 2024 as presented in Attachment 6.2A; and**
- 2. RECOMMENDS that Council NOTES the Risk and Regulation Action Plan as tabled to the Audit Committee.**

CARRIED 4/0

For: Cr McKenzie, Cr Manning, Cr Crook, Cr Simmonds

Against: Nil

Risk and Regulation Action Plan – February 2024

Completed  In progress  Ongoing  Not yet commenced  Reviewed elsewhere 

2022/23 Financial Audit

Area's Actions Required	Actions:	Date completed/ comment:
Corporate IT Strategy	Develop a Corporate IT Strategy for the Shire of Merredin that links to the business objectives outlined in the Shire of Merredin Corporate Business Plan.	
IT Policies/ Procedures	Though a range of processes are currently in place in relation to backups, physical security, HR security and a number of the other areas listed below, the Shire will formalise/ develop documented IT and Cyber Security policies/ procedures that include: <ul style="list-style-type: none"> - Access control (including Account management, Account requests and approvals, Account monitoring, User authentication, Account auditing) - Physical security - Backup protocols - Change management - HR security - Information classification - Data loss prevention 	
	Review policies created above and determine if further policies are required, or any amendments need to be made.	
IT Procedures	Formalise/ develop a series of procedure documents/ work instructions to support the policies referred to in Action 2.	
Permission Matrices	Permission matrices are in place for the new payroll system. Staff in the Finance team who complete payroll for the Shire have administrative access and use two-factor identification to access the system. The Executive Manager Corporate Services is the overseer of this system and approves access levels. Employees only have access to enter timesheets and leave requests and check accruals and balances. They are unable to change data within the system. This has been implemented since 1 July 2023.	Completed 1.7.2023

	<p>A review of user access of the Shire's accounting system has occurred to ensure appropriate access for staff. During the review, all staff access to the Shire's IT system was checked to ensure accuracy.</p> <p>Moving forward these reviews will be scheduled quarterly to ensure that security is maintained with the first review to take place prior to 31 January 2024.</p>	Initial review completed
	A permission matrix document will be developed that outlines permissions to be assigned to each position in the organisations, as per the organisation structure, to guide future reviews.	
Disaster Recovery Planning	Desktop testing of the Disaster Recovery Plan will be completed by the Executive Management Team.	
	A review of the Disaster Recovery Plan will occur once desktop testing has been completed to identify any amendments that may need to be made.	
Password Policies	All password settings in the IT system have been updated to reflect best practice recommendations. These include minimum 10 characters for passwords. This change was made when the Shire were alerted to the issue in September, however a further review on 10.11.2023 confirmed these are currently in place.	Completed 10.11.2023
	The password lockout threshold has been set to three attempts. This was completed when the Shire were alerted to the issue in September, however a further review on 10.11.2023 confirmed this is currently in place.	Completed 10.11.2023
Privileged Accounts	Removal of IT service providers administration status occurred during the Audit visit in September when attention was drawn to the issue.	Completed 10.11.2023 - A full audit of IT system users was completed at this time and the system reflects all staff and positions accurately.
	A procedure will be developed to ensure the IT system user review process is completed regularly (at least four times per year), as well as included in onboarding and offboarding processes moving forward.	
	Quarterly review dates will be added to the Shire's compliance system to ensure staff are alerted when reviews are due.	Review dates added to Attain 23.2.2024
Cyber Security Training	The Shire have completed testing over the previous 12 months to identify areas of risk by utilising phishing campaigns with staff and Councillors. It is recognised that further training is required and available training options for staff will be investigated.	

	Develop a training schedule to ensure all staff with network access are exposed to cyber security training at least annually.	
	Implement training, with initial roll-out to be completed by 30 June 2024.	

Financial Management Review

Recommendations:	Actions:	Date completed/ comment:
Bank Reconciliations processes require review to ensure current practices are documented.	Documented processes and procedures to be developed relating to bank reconciliations	
End of Month checklist to be developed to ensure all processes are completed.	The End of Month Checklist has been developed, however is not being used regularly. This will become part of the usual end of month process, with the EMCS to sign off each month moving forward. Some additional items will also be added to deal with items raised in the FMR relating to end of month procedures.	End of Month Checklist is now used at the end of each month to ensure all processes are complete. Further checklists will be put in place for each of the positions.
Appropriate segregation of duties relating to processes for sundry debtors credit notes need to be developed.	A new process was implemented upon receiving draft feedback on the FMR. All credit notes must now be requested by either an Exec Manager or the CEO with an explanation as to why the credit note is required. This will be formalised in a written document moving forward.	Written document has been completed and will be placed in the Debtors Procedure Manual.
In future, the rates notices/ newsletters need to contain a statement of objects and reasons for imposing differential rates, differential minimums and service charges.	As part of the move to digital rates being offered to ratepayers from the 24/25 financial year, the rear page of the rates notice has been reviewed with some additional information provided. The rates newsletter will also be updated to contain the information outlined by Moore prior to being sent out.	This will be completed when the 24/25 rates modelling and billing occurs.
Key reconciliations should be completed prior to the finalisation of the monthly financial reports.	This will be added to the End of Month Checklist moving forward to ensure completion and sign off occurs each month within the required timeframe.	These processes are now included in the End of Month Checklist. These are currently checked each month and the EOM checklist is reviewed and authorised. This will continue to be completed moving forward.
Segregation of duties relating to procurement related activities need to be reviewed and documented.	The finance team are currently reviewing processes around purchasing and developing a recommendation for processes moving forward. This has been ongoing for a number of months and has included seeking advice from other local governments on what options are available. The current process has not been flagged by the auditors as presenting any issues.	New processes are currently being trialled within the Corporate directorate. If successful, these will be rolled out to the remainder of the organisation.

ABA banking files storage location to be reviewed to improve security.	Though the current location is locked to only a handful of staff, it has been recommended that no more than three or four staff have access.	An additional storage location has been created for the Payroll ABA file with restricted access.
Monthly payroll reconciliations noted three imbalances, however these imbalances were reported at the time and records were maintained to support the reasons for the imbalances. It is suggested that these controls and practices are continued.	The current controls will be documented to ensure their continuation.	Monthly payroll reconciliations are completed and imbalances rectified prior to the commencement of the following pay. A payroll end of month checklist will be implemented to ensure processes continue.
Two staff members did not sign credit card agreements at the time of receiving their credit cards, however a process was implemented mid-last year that has ensured all card holders since have completed this agreement.	There was previously no credit card agreement for staff to sign when there were issued with their credit cards, at the time this was highlighted this was rectified and staff receiving their cards since then have signed the agreement and been added to the register.	Completed September 2023. New staff sign agreements and are added to the register at the time of receiving their credit cards.
Credit card reconciliations are not completed prior to the monthly funds direct debit being completed. The recommendation is for staff to check their statements earlier in the billing cycle.	The EMCS will check credit card statements when pulling through creditor/ payroll batches each week and check any suspicious looking transactions with the respective executive. A work instruction for this will be developed.	The practice has commenced, however the work instruction/ register has not yet been developed.
Fixed asset reconciliations are delayed until the sign off of the annual financials each year, the reviewers suggest that attention be drawn to this in the monthly statement of financial activity.	In future, a comment will be included in the monthly statement of financial activity for months prior to the completion of the Fixed Asset Reconciliations until the sign off of the Annual Financial Report.	Fixed Asset Reconciliations were completed in December 2023 and reported in the monthly statement of financial activity. A note will be made in the July 2024 monthly report until completion of Asset Reconciliations.
A review of the asset register to ensure depreciation details match key accounting information requirements. Ensure updates to the asset register include review and authorisation by an independent officer.	An annual process will be implemented as part of the End of Year Checklist to review the asset register and ensure depreciation rates match to the accounting information requirements and any changes required are reviewed and authorised by the EMCS.	
Regular review of cost reallocations to ensure accuracy and so that administration costs are not being incorrectly capitalised.	A review will be undertaken to review cost allocations prior to the 2024/2025 budget adoption. This review will be added to the Budget Checklist to ensure it is undertaken annually as part of the budget process.	
Review of activity based costings to support calculation of rates being applied. Procedures to be developed to ensure regular review and monitoring of these costs.	A review of activity based costing will be undertaken prior to the 2024/2025 budget adoption. This review will be added to the Budget Checklist to ensure it is undertaken annually as part of the budget process. These costs will also be monitored and added to the End of Month Checklist.	

The Annual Report requires a statement relating to the process of applying for information under the Freedom of Information Act.	This information has been included in the 22/23 Shire of Merredin Annual Report.	Completed 11/12/2023
The link to the payment listing attachment from the January 2023 Ordinary Council Meeting is not working on the Shire's website. The payment listing is required by legislation to be published with the meeting minutes.	The Governance team will investigate the possible options for dealing with minute attachments in future to ensure they are all available on the website as required.	All attachments are now included within the minutes PDF, rather than via links which have the potential to fail.
Written procedures are required for the reconciliation of borrowings.	A work instruction will be developed and this will be added to the End of Month Checklist moving forward to ensure completion and sign off occurs each month within the required timeframe.	
Timely reconciliation of stock (including fuel) is required and controls need to be established.	This issue has already been identified through the risk register and processes are beginning to be developed.	Fuel dips have been completed for December and January, however the reconciliation process and work instruction are to be developed.
Documentation of controls relating to general journal procedures are required. This should include regular audit trails being completed to ensure now unauthorised journals have been completed.	The printing and review of audit trails will be added to the end of month checklist moving forward to ensure completion and sign off occurs each month. A written procedure will also be drafted to outline the processes required.	
The investment register is not routinely reviewed by a more senior officer.	Currently the Shire do not have any active investments, with all funds being in the form of cash and held with our Bank. Moving forward the "cash" register which is completed will be added to the End of Month Checklist to ensure sign off occurs each month.	Investment Register has been added to the End of Month Checklist to be authorised each month by a more senior officer.
An ICT Strategic Plan is required to be developed.	This has been identified as part of the 22/23 Annual Financial Audit and will be developed in the coming 12 months.	
The Business Continuity Plan requires routine testing to ensure validity.	Desktop testing of the Business Continuity Plan will be scheduled prior to the end of the financial year.	
Update procedures to ensure the tender register includes all necessary information.	An update of procedures will be undertaken to ensure the tender register includes all necessary information.	
The tender register on the Shire's website was not updated (23/24 was not uploaded). This has been rectified.	The website has been updated to include the 23/24 tender register, as per requirements.	Completed December 2023
One primary return was not completed within the legislated timeframe. This was reported in the Shire's 2022 Compliance Audit Return at the March 2023 Audit Committee meeting.	Ensure all 22/23 Primary and Annual Returns are completed by the due date.	Completed 31 August 2023. All 22/23 Primary and Annual Returns were completed by the due date.

Policy 3.5 - Investment Policy requires review and updating. It is suggested that the review timeframe could be amended to align with organisational requirements.	This Policy, along with a number of others, will be reviewed in the coming months.	
--	--	--

Risk Dashboard Review

Asset Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Verification of Roads data into RAMMS	Partial	Dec -23	Ongoing, process has commenced.
Quarterly stocktakes at works depot	Y	Dec-23	Completed 30 June 2023.
Create Asset Management Strategy	Partial	Mar -24	Assessment of condition of sealed road network completed October 2023. Mapping of all road assets completed November 2023. Development of road hierarchy completed December 2023 will be brought to Council in March.
Business and Community Disruption			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review LEMA annually	Y	ongoing	Adopted at LEMC Meeting 26 October 23.
Failure to Fulfil Compliance Requirements (statutory, regulatory)			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review Compliance Calendar within Attain	ongoing	ongoing	
Review process for CAR completion	Y	ongoing	2023 CAR presented to Audit and Council in February 2024.
Document Management Process			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Digitise vital records	Partial	Dec-24	Some records digitised.
Review policies and create Policy Index with 'last reviewed date' component	Yes	Dec-23	Policy Index developed.
Review procedures and create Procedure Index with 'last reviewed date' component	N	Jun-24	Commenced October 2023.

Creation of key secure documents that are unable to be edited (H Drive)	Partial	Mar-24	Most folders/ documents secured.
Continue to review archives of the Shire	Partial	Ongoing	Records officer has commenced review.
Employment Practices			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Develop and implement Recruitment Process	Partial	Jun-23	Mostly completed – PDs and Classifications reviewed and updated.
Review of qualification, licenses and tickets for required staff	Partial	ongoing	In progress. Training register updated and reviewed regularly.
Engagement Practices			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review Engagement & Consultation Framework	N	Jun-24	
Complete Community Scorecard Survey	N	Dec-23	Not within budget, alternative methods under consideration.
Environment Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Complete outstanding actions from waste water re-use audit	Y	Dec-24	Audit carried out on 26/10/2023, overall audit score “Good.” Four recommendations for implementation by December 2024, will be finalised prior to that timeframe as part of CBD/Apex Park redevelopment.
Develop Landfill Closure Plan	Partial	Jun-24	Funds allocated in 2023/24 budget. Tender for consultancy services issued Dec 23 and will be awarded February 2024. Report due June 2024.
Errors, Omissions and Delays			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Identify key procedures for ALL areas, to be documented	N	Jun-24	A number of Corporate procedures identified via FMR and Audit.
Create Procedural/Internal Management procedures and policies	Partial	Dec-24	Some initial procedures created.

Consider a 'Knowledge Management' system for procedures (intranet)	Partial – intranet in place but not well utilised	Jun-24	Media officer has returned from leave and is beginning the process of reviewing and updating the intranet.
Consider implementing a process to track complaints/ work requests	Partial	Dec-24	A spreadsheet is in place currently to log requests/ Snap send solves. Synergy and Altus modules explored, may be considered for next financial years budget.
External Theft, Fraud or Damage			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review of contractor access and induction processes, including assessment of effectiveness and consistency	Partial	ongoing	Inductions of staff following commencement of employment with the Shire of Merredin. Use of VELPIC (now DAMSTRA) training module and assistance from LGIS Regional Risk Coordinator for induction of contractors.
Management of Facilities/ Venues/ Events			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review internal procedures for events and bookings - communication focus	N	Jun-24	Delayed due to staff turnover.
Review facility/ venue hire forms created for Cummins Theatre & other external facilities	N	Jun-24	Review underway.
IT or Communications Systems and Infrastructure			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Develop an IT equipment register and replacement plan	Partial	Jun-24	Commenced.
Develop and implement ICT Framework	N	Jun-24	Has been included in IT Contract scope for 2024 onward.
Review performance of IT vendors	Yes	Dec-23	Request to quote sent out to IT contractors December 23. New contract awarded to previous providers.
Implement staff and councillor training for enhanced IT security	N	Jun-24	Has been included in IT Contract scope for 2024 onward.
Review staff IT access profiles on shared drive and in SynergySoft	Yes	Dec-23	All current profiles and accesses reviewed. New onboarding document developed to ensure

			correct access is provided based on Exec approval.
Misconduct			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review of Induction Procedure	Partial	ongoing	Induction document reviewed and updated. Damstra modules for code of conduct and WHS. WALGA training for Intro to LG and Procurement basics.
Review Fraud & Corruption Control Plan	N	Jun-24	
Authorised officers letters of appointment	Partial	ongoing	Register created. Letters provided to new rangers.
Ethical and Accountable Decision-Making training	Yes	ongoing	Part of staff reinduction March, further training completed November 2023.
Projects/ Change Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Develop project management plans for the management of major projects (i.e. CBD)		As required	Kept as live documents, updated as required.
Safety and Security Practices			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Determine contractor/ site inspection procedural approach	Y	ongoing	Use of VELPIC (Damstra) training module and assistance from LGIS Regional Risk Coordinator for induction of contractors.
Conduct Annual Risk Assessment for BFB and SES	N	Jun-23	Planned for completion prior to December 2023.
Supplier/ Contract Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Regular review of Tenders, Contracts, Agreements and Grants SynergySoft module	Y	ongoing	Contract and Grant milestones emailed weekly.
Procurement and Disposal			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review local panel of suppliers	Partial	Mar -24	Meeting conducted with WALGA 12 July 2023. Two tenders will be issued early 2024: - Suppliers & Trades.

			- Plant Hire – Contractors.
Review the Disposal of Assets Policy to include updated regulations	Partial	Mar-24	Reviewed policy to be presented to Council February 2024.
Training for requisitions and purchase orders	Partial	ongoing	Completed one on one as required presently. All staff signed up to complete WALGA Procurement basics training. This will form part of all staff inductions moving forward.

7. Closure

There being no further business, the President thanked those in attendance and declared the meeting closed at 1:41pm.

This page has intentionally
been left blank