



# MINUTES

## Audit Committee Meeting

Held in Council Chambers  
Corner King & Barrack Street's, Merredin  
Tuesday, 17 October 2023  
Commencing 5:00pm



<b>Common Acronyms Used in this Document</b>	
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
DCEO	Deputy CEO
EMDS	Executive Manager of Development Services
EMES	Executive Manager of Engineering Services
EMCS	Executive Manager of Corporate Services
EA	Executive Assistant to CEO
LPS	Local Planning Scheme
LGIS	Local Government Insurance Services
SRP	Strategic Resource Plan
CBP	Corporate Business Plan
CSP	Community Strategic Plan
MRCLC	Merredin Regional Community and Leisure Centre
CWVC	Central Wheatbelt Visitors Centre
MoU	Memorandum of Understanding

Shire of Merredin  
Audit Committee Meeting  
5:00pm Tuesday, 17 October 2023



### 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 5:00pm.

### 2. Record of Attendance / Apologies and Leave of Absence

**Councillors:**

Cr M McKenzie	President
Cr D Crook	Deputy President
Cr J Flockart	
Cr R Manning	
Cr P Patroni	
Cr R Billing	

**Staff:**

L Clack	CEO
L Boehme	EMCS
C Brindley-Mullen	EMS&C
M Wyatt	EO

**Members of the Public:** V Rouxel – 5:01pm – 5:26pm

**Apologies:**

**Approved Leave of Absence:**

### 3. Public Question Time

Nil

### 4. Disclosure of Interest

Nil

*V Rouxel entered the Chambers at 5:01pm.*

## 5. Confirmation of Minutes of the Previous Meeting

5.1 Audit Committee Meeting held on 18 July 2023  
Attachment 5.1A

### Voting Requirements

Simple Majority

Absolute Majority

### Resolution

Moved: Cr Patroni

Seconded: Cr Crook


83247

**That the minutes of the Audit Committee Meeting held on 18 July 2023 be confirmed as a true and accurate record of proceedings.**

**CARRIED 5/0**

## 6. Officer's Reports

### 6.1 Regulation 17 and Risk Action Plan Review October 2023

<h1>Corporate Services</h1> 	
<b>Responsible Officer:</b>	Leah Boehme, EMCS
<b>Author:</b>	As above
<b>Legislation:</b>	<i>Local Government (Audit) Regulations 1996</i>
<b>File Reference:</b>	Nil
<b>Disclosure of Interest:</b>	Nil
<b>Attachments:</b>	Attachment 6.1A – Reg 17 and Risk Action Plan Review October 2023

#### 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 Chief Executive Officer's (CEO) review of Risk Management, Internal Controls and Legislative Compliance, which was presented to the Audit Committee and to Council in December 2022. The review document also provides updates on progress toward findings from the 2020/21 and 2021/22 Audits.

#### Background

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 will aim to provide quarterly updates each year.

#### Comment

Attachment 6.1A outlines the steps taken toward completing the actions identified during the Reg 17 and Risk reviews. A number of items have been completed since the last review was presented to the Audit Committee in July 2023.

The progress toward the Risk Dashboard items has seen further growth, with a number of items progressing. There are still a number of actions to be commenced which involve changes requiring longer periods of time before they are expected to be completed.

### 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 – Communication.
Objective:	4.4 – Communications.
Timeline:	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

#### ∅ Corporate Business Plan

Nil

### Risk Implications

By regularly reviewing the Shire’s Risk Dashboard and Regulation 17 Review 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 McKenzie**

**That the Audit Committee;**

**83248**

- 1. NOTES the quarterly Reg 17 and Risk Action Plan Progress Report for October 2023 as presented in Attachment 6.1A; and**
- 2. RECOMMENDS that Council NOTES the Reg 17 and Risk Action Plan Progress Report as tabled to the Audit Committee.**

**CARRIED 5/0**

## Reg 17 and Risk Action Plan – October 2023 update

Completed  In progress  Ongoing  Not yet commenced  Reviewed elsewhere

Recommendations:	Actions:	Date completed/ comment:
Annual review of risk management policy, framework and register to be monitored through Attain	- Relevant items added to Attain calendar	10 January 2023.
Annual review of Business Continuity Plan to be monitored through Attain	- Plan to be updated and reviewed annually	Business Continuity Plan review commenced July 2023. Business Continuity Plan review completed September 2023 – presented to Council for noting
Revalue Shire's Infrastructure Assets Early in 2023	- Completion of revaluations - Complete updates in software system - Notify Insurers of any significant changes	Completed March – June. In progress July 2023. Completed September 2023 No significant changes to report
Employee Code of Conduct Reviewed	- Code of Conduct reviewed, published and disseminated - HR Sessions conducted with staff	December/ January Sessions completed.
Attain calendar maintained and updated		Ongoing
Review insurance cover	- Review policies and schedules prior to each financial year	Completed May 2023.
Policy review calendar to be developed	- Develop a policy review calendar/ timeline	
A focus placed on internal controls relating to Audit findings in 2020/21 and 2021/22 financial years	2020/21	
	- Credit card policy developed and implemented	November 2022
	- Process implemented for employee master file to be checked fortnightly	October 2022
	- All journals reviewed and signed by EMCS	8 August 2022
	- Compliance with procurement processes *2022/23 Interim Audit completed – 1 Minor finding relating to payment of DFES ESL invoices. No other procurement findings noted.	Purchasing policy updated. Delegations register updated. Purchasing Authority Limits reviewed and communicated to staff.
	- Bank Reconciliations completed monthly and signed by EMCS	December 2022
	- Standardised and centralised HR practices implemented throughout the organisation. Ongoing phased process.	Position Descriptions and Classifications reviewed. Organisation Structure loaded into IT system. HR admin and consultant managing all processes.
	2021/22	



	- Bank rec/ employee master file/ procurement practices (on own lines above)	
	- Review of risk management system and procedures presented to Audit and Council Annual review added to Attain calendar	December 2022
	- Process for end of day reconciliations implemented	October 2022 Work instruction in development.
	- Money processed through trust bank account	June 2023
	- Fixed asset register not reconciling	Auditors advised this would be corrected once Infrastructure Asset revaluations completed (these are currently in progress). Infrastructure Asset revaluations loaded into system and balanced for annual financial statements.
	- Fair value of Infrastructure assets	Valuations completed.
	- Payroll practices	Implementation of digital payroll solution nearing completion. Employment contracts reviewed. Letter template created by HR July 2023
	- Risk register	December 2022
	- Audit committee terms of reference	Developed and endorsed December 2022.
	- Purchasing Policy review	Completed March 2023, endorsed by Council May 2023.
	- Asset Management Policy review	Endorsed by Council June 2023.
	- Rates reconciliation (signed by EMCS)	2022/23 sign off August 2022. 2023/24 reconciliation in progress.
	- Review of processes	- Review of finance processes - Creation of Work Instructions for all finance tasks
Review of Delegation Register	- Changes required to DL4.12	May 2023
Audit Committee involved in Risk Framework review	- Audit Committee presented with regular reports on improvement/ action plans	Presented March, July and October 2023.

Shire of Merredin Recordkeeping Plan review	- Recordkeeping Plan reviewed and updated	December 2022 Final acceptance by SRO May 2023.
Shire of Merredin Workforce Plan review	- Workforce Plan review	

## Risk Dashboard Review

<b>Asset Management</b>			
Action	Completed Y/N	Date Due	Date Completed/ Notes
RAMMS Training	Y	Nov-23	Completed May 2023
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
Review and update Asset Management Policy	Y	Jun-23	June 2023
Create Asset Management Strategy	N	Mar -24	Engineering Team currently creating a database for existing assets and conditions, process is expected to be completed Dec 23, to be followed by creation of Asset Management Strategy
<b>Business and Community Disruption</b>			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Implement internal emergency management arrangements across Shire	N	ongoing	
Review LEMA annually	Partial	ongoing	This will be completed by December 2023.
<b>Failure to Fulfil Compliance Requirements (statutory, regulatory)</b>			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review Compliance Calendar within Attain	ongoing	ongoing	
Review process for CAR completion	Y	ongoing	2022 CAR presented to Audit and Council March
Quarterly monitoring of Attain outcomes at SMG	Y	ongoing	On agenda at all meetings
<b>Document Management Process</b>			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Digitise HR records	Y	Dec-23	records digitisation
Digitise vital records	Partial	Dec-23	Some records digitised
Review policies and create Policy Index with 'last reviewed date' component	Partial	Dec-23	A number of policies reviewed

Review procedures and create Procedure Index with 'last reviewed date' component	N	Jun-24	Commenced October
Creation of key secure documents that are unable to be edited (H Drive)	Partial	Mar-23	Most folders/ documents secured
Continue to review archives of the Shire	Partial	Ongoing	Records officer has commenced review
<b>Employment Practices</b>			
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
Updating HR Synergy Module	Partial	Dec-23	Completed August 2023
Review of qualification, licenses and tickets for required staff	Partial	ongoing	In progress. Training register updated and reviewed regularly.
<b>Engagement Practices</b>			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review Engagement & Consultation Framework	N	Jan-24	
Complete Community Scorecard Survey	N	Dec-23	Not within budget, alternative methods under consideration
<b>Environment Management</b>			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Complete outstanding actions from waste water re-use audit	Y	Mar 23	Next audit September 2023. Non compliant items have been addressed where not included in the CBD Redevelopment.
Training to be completed for the waste water management program	N	ongoing	Advice to be sought from Water Corporation and Dep of Health regarding relevant training
Develop Landfill Closure Plan	N	Mar-24	Funds allocated in 2023/24 budget Tender to be issued in Jan 24
<b>Errors, Omissions and Delays</b>			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Identify key procedures for ALL areas, to be documented	N	Dec-23	
Create Procedural/Internal Management procedures and policies	Partial	Dec-23	Some initial procedures created.

Consider a 'Knowledge Management' system for procedures (intranet)	Partial – intranet in place but not well utilised	Dec-23	
Regularly review key information on website for accuracy	Y	ongoing	Completed on an ongoing cycle
Consider implementing a process to track complaints/ work requests	Partial	Dec-23	A spreadsheet is in place currently to log requests/ Snap send solves
<b>External Theft, Fraud or Damage</b>			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review Admin Security Procedure to include changing of the 4-digit access system every 6 months or when staff leave	Y	ongoing	Staff assigned personal PINs for alarm system as required
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.
<b>Management of Facilities/ Venues/ Events</b>			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review internal procedures for events and bookings - communication focus	N	Sep-23	Delayed due to staff turnover
Review facility/ venue hire forms created for Cummins Theatre & other external facilities	N	Jan-24	Review underway
<b>IT or Communications Systems and Infrastructure</b>			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Develop an IT equipment register and replacement plan	Partial	Dec-23	Commenced
Develop and implement ICT Framework	N	Dec-23	
Review performance of IT vendors	N	Dec-23	
Implement staff and councillor training for enhanced IT security	N	Dec-23	
Review staff IT access profiles on shared drive and in SynergySoft	Partial	Dec-23	Commenced
<b>Misconduct</b>			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review of Induction Procedure	Partial	ongoing	Commenced
Review Fraud & Corruption Control Plan	N	Dec-23	
Authorised officers letters of appointment (unions)	Partial	Dec-23	Register created.

Ethical and Accountable Decision-Making training	Partial	ongoing	Part of staff reinduction March
<b>Projects/ Change Management</b>			
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.
<b>Safety and Security Practices</b>			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Determine contractor/ site inspection procedural approach	Y	Nov-23	Use of VELPIC training module and assistance from LGIS Regional Risk Coordinator for induction of contractors.
Review OHS and new guidelines as identified	Partial	Nov-23	Senior management training - roles and responsibilities under new WHS legislation completed by members of executive.
Conduct Annual Risk Assessment for BFB and SES	N	Jun-23	Planned for completion prior to December 2023.
<b>Supplier/ Contract Management</b>			
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
<b>Procurement and Disposal</b>			
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 by Dec 23: - Suppliers & Trades - Plant Hire – Contractors
Review the Disposal of Assets Policy to include updated regulations	N	Mar-24	Engineering to work with Corporate Services to review and document disposal.
Training for requisitions and purchase orders	Partial	ongoing	Completed one on one as required presently

## **6.2 Update Briefing on 2022/23 Financial Audit and Financial Management Review**

Mrs Leah Boehme, Executive Manager Corporate Services gave a verbal update on the progress on the 2022/23 Financial Audit and the Financial Management Review currently underway.

## **7. Closure**

There being no further business, the President thanked those in attendance and declared the meeting closed at 5:26pm.

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