



SHIRE OF
MERREDIN
INNOVATING THE WHEATBELT

AGENDA

Audit Committee Meeting

To be held in Council Chambers
Corner King & Barrack Street's, Merredin
Tuesday 21 May 2024
Commencing 1:45pm



Notice of Meeting



Dear President and Councillors,

The next meeting of the Audit Committee of the Shire of Merredin will be held on Tuesday 21 May 2024 in the Council Chambers, Corner King & Barrack Streets, Merredin. The format will be:

1.45 pm Audit Committee

John Merrick
TEMPORARY CHIEF EXECUTIVE OFFICER
16 May 2024

DISCLAIMER

PLEASE READ THE FOLLOWING IMPORTANT DISCLAIMER BEFORE PROCEEDING:

Statements or decisions made at this meeting should not be relied or acted on by an applicant or any other person until they have received written notification from the Shire. Notice of all approvals, including planning and building approvals, will be given to applicants in writing. The Shire of Merredin expressly disclaims liability for any loss or damages suffered by a person who relies or acts on statements or decisions made at a Council or Committee meeting before receiving written notification from the Shire.

The advice and information contained herein is given by and to Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

Common Acronyms Used in this Document

T/CEO	Temporary Chief Executive Officer
EMSC	Executive Manager Strategy and Community
EMDS	Executive Manager Development Services
EMES	Executive Manager Engineering Services
EMCS	Executive Manager Corporate Services
EO	Executive Officer
GO	Governance Officer
MCS	Manager Corporate Services
SFO	Senior Finance Officer
CBP	Corporate Business Plan
SCP	Strategic Community Plan
OAG	Office of the Auditor General

Shire of Merredin
Audit Committee Meeting
1.45pm Tuesday 21 May 2024



1. Official Opening

2. Record of Attendance / Apologies and Leave of Absence

Councillors:

Cr M McKenzie	President
Cr D Crook	
Cr M Simmonds	
Cr B Anderson	

Staff:

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

Members of the Public:

Apologies: Cr R Manning – Deputy President

Approved Leave of Absence:

3. Public Question Time

Members of the public are invited to present questions about matters affecting the Shire of Merredin and its residents.

4. Disclosure of Interest

5. Confirmation of Minutes of the Previous Meeting

5.1 Audit Committee Meeting held on 9 April 2024
Attachment 5.1A

Voting Requirements

Simple Majority Absolute Majority

Officers Recommendation

That the minutes of the Audit Committee Meeting held on 9 April 2024 be confirmed as a true and accurate record of proceedings.

6. Officer's Reports

6.1 Risk Dashboard Update – May 2024

<h1>Administration</h1> 	
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 6.1A - Shire of Merredin Risk Dashboard Report May 2024 (CONFIDENTIAL)

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) risk management, due to a review of the Risk Management Dashboard being completed by the Executive Team.

Background

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

In December 2022, this review was completed and presented to the Audit Committee and Council. Part of that process included a review of the Shire's Risk Dashboard.

Comment

With a number of changes to the Executive Management Group in the previous twelve months, and the Merredin Regional Community and Leisure Centre management being brought in house, it was considered pertinent to complete a review to the Dashboard mid-way through the legislated three-year Regulation 17 review schedule.

A number of finalised actions have been removed, and a number of new items have been added. The updated Shire of Merredin Risk Dashboard Report for May 2024 can be found at Attachment 6.1A.

Policy Implications

Policy 3.24 – Risk Management applies.

Statutory Implications

Local Government (Audit) Regulations 1996

Strategic Implications

➤ Strategic Community Plan

Theme:	4. Communications and Leadership
Service Area Objective:	4.2 - Decision Making 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:	Communication and Leadership
Priorities:	Nil

Risk Implications

The Shire has a Risk Management Framework that includes relevant procedures to be followed when assessing and managing risk. The framework provides tools that monitor the Shire's risk profile on a quarterly basis. The reviewed overall risk profile of the Shire is moderate.

Financial Implications

Nil

Voting Requirements



Simple Majority



Absolute Majority

Officers Recommendation

That the Audit Committee NOTES the review of the Risk Dashboard Report for May 2024, as presented in Attachment 6.1A.

6.2 Risk and Regulation Action Plan May 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 May 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.

A review of the Shire of Merredin Risk Dashboard has also been incorporated in the 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.

A review of the Shire of Merredin Risk Dashboard has also been completed with actions incorporated into the Risk and Regulation Action Plan (Attachment 6.2A).

Comment

As the Shire’s Risk Dashboard has been reviewed, this section of the Risk and Regulation Action Plan document has been replaced with the updated data. The actions relating to the Shire’s FMR and Audit remain unchanged since the previous version of the document was presented to Council.

Works toward the completion of the actions has been outlined throughout the document.

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 4.2.3 – 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
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➤ Corporate Business Plan

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

Risk Implications

By regularly reviewing the Shire's Risk 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

Officers Recommendation

That the Audit Committee;

1. **NOTES** the quarterly Risk and Regulation Action Plan for May 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.

6.3 Fraud and Corruption Control Plan and Policy Review

Administration



Responsible Officer:	Leah Boehme, EMCS
Author:	As above
Legislation:	<i>Local Government Act 1995</i> <i>Fraud and Corruption Control Standards (AS 8001-2021)</i> <i>Corruption, Crime and Misconduct Act 2003</i> <i>Public Interest Disclosure Act 2003</i>
File Reference:	Nil
Disclosure of Interest:	Nil
Attachments:	Attachment 6.3A – 3.29 - Fraud and Corruption Control Policy - track changes version Attachment 6.3B – 3.29 – Fraud and Corruption Control Policy - changes accepted version Attachment 6.3C – Fraud and Corruption Control Plan June 2018 Attachment 6.3D – Fraud and Corruption Control Plan May 2024

Purpose of Report

Executive Decision

Legislative Requirement

The purpose of this report is for the Audit Committee to consider the updated Fraud and Corruption Control Plan (FCC Plan) and Fraud and Corruption Policy (FCC Policy), and recommend that Council adopt both as presented.

Background

In accordance with the *Corruption, Crime and Misconduct Act 2003*, *Public Interest Disclosure Act 2003* and the Fraud and Corruption Control Standard (AS8001:2021), the Shire of Merredin (the Shire) is required to implement a Fraud and Corruption Control Plan and associated policy.

The original Plan and Policy were adopted by Council in February 2019 and have not been reviewed since this time.

Comment

Both the Plan and Policy have been reviewed with a number of updates occurring. The key changes of note from each document are listed below.

FCC Policy

- Updated to match current Shire branding.
- Updated title to match Plan name.
- Update to current Australian Standards reference.
- Updated Legislative Requirements.
- Removal of reference to WALGA's Integrity in Procurement Self Audit Tool as this is no longer available via WALGA.
- Slight change to Council roles and responsibilities – to combine two sentences into one.
- Minor change to Audit Committee Roles and Responsibilities to 'review' rather than 'oversee development' as document already exists.
- As the Shire does not have a Human Resources Officer, reference to this has been changed to Executive Manager Corporate Services.
- The CEO has been added as having discretion over the grievance and discipline process.
- Internal Audits heading changed to Internal Reviews, as this is a more appropriate term.
- External Auditors heading changed to External Reviews to encompass Audit and reviews such as the Financial Management Review (FMR).
- Fraud and Corruption definitions updated to match AS8001:2021.

FCC Plan

- Updated to match current Shire policy template.
- Document flipped from landscape to portrait to match other Shire plans.
- Update to current Australian Standards reference.
- Extra paragraphs added to section 2 – Purpose of a Fraud and Corruption Control Plan.
- Fraud and Corruption definitions updated to match AS8001:2021.
- Section 5 – Roles and Responsibilities has been added to ensure understanding of who the Plan relates to across all areas of the organisation.
- Section 6 – Reporting Suspected Fraud and Corruption Incidents has been added to ensure clarity around reporting processes.
- Minor amendments have been made through Section 7, 8, 9, 10 and 11 to ensure actions are current and relevant, as well as to identify accurate responsible officers and timeframes for the Shire currently.

The Policy details the Shire's commitment to preventing, identifying and reporting instances of fraud and corruption across the organisation. This Policy applies to all elected members, employees, volunteers and contractors of the Shire.

The updated Plan and Policy will be communicated to staff and published on the Shire’s website and Intranet once adopted.

Policy Implications

Policy 3.29 – Fraud and Corruption Control Policy (update to be adopted).

Statutory Implications

Local Government Act 1995.

Fraud and Corruption Control Standards (AS 8001-2021).

Corruption, Crime and Misconduct Act 2003.

Public Interest Disclosure Act 2003.

Strategic Implications

➤ Strategic Community Plan

Theme: 4. Communications and Leadership

Service Area Objective: 4.2 Decision Making.

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.

4.5.3 The Shire works to continually improve its systems and processes to improve internal capacity and capability

Priorities and Strategies for Change: Nil

➤ Corporate Business Plan

Theme: 4. Communications and Leadership.

Priorities: Nil

Objectives: Nil

Risk Implications

By regularly reviewing the Shire’s Fraud and Corruption Control Plan and Policy, and providing updates to the Audit Committee and Council, the risk of the organisation to experience an incidence of fraud or corruption should decrease.

Financial Implications

Nil

Voting Requirements

Simple Majority

Absolute Majority

Officers Recommendation

That the Audit Committee;

- 1. NOTES the review of Policy 3.29 – Fraud and Corruption Control Policy, as presented in Attachment 6.3B;**
- 2. NOTES the review of the Fraud and Corruption Control Plan for May 2024, as presented in Attachment 6.3D; and**
- 3. RECOMMENDS that Council ADOPT the Fraud and Corruption Control Plan for May 2024 and the Fraud and Corruption Policy, as tabled to the Audit Committee.**

7. Closure

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