



MINUTES OF THE  
**Shire of Wyalkatchem**  
**Audit and Risk Committee Meeting**  
**Held on Thursday 15 August 2019**  
**Council Chambers.**  
**Honour Avenue, Wyalkatchem**  
**Meeting opened: 2.07pm**  
**Meeting closed: 2.16pm**

Regulation 16 of the Local Government (Audit) Regulations 1996 states that:

*"An audit committee —*

- a) is to provide guidance and assistance to the local government —
  - i. as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
  - ii. as to the development of a process to be used to select and appoint a person to be an auditor; and**
- b) may provide guidance and assistance to the local government as to —
  - i. matters to be audited; and*
  - ii. the scope of audits; and*
  - iii. its functions under Part 6 of the Act; and*
  - iv. the carrying out of its functions relating to other audits and other matters related to financial management; and**
- c) is to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to —
  - i. report to the council the results of that review; and*
  - ii. give a copy of the CEO's report to the council."**

**Preface**

When the Chief Executive Officer approved these Minutes for distribution they are in essence “Unconfirmed” until the following Audit and Risk Committee Meeting, where the minutes will be confirmed subject to any amendments.

The “Confirmed” Minutes are then signed off by the Chairperson.

**Disclaimer**

No responsibility whatsoever is implied or accepted by the Shire of Wyalkatchem for any act, omission or statement or intimation occurring during this meeting. It is strongly advised that persons do not act on what is heard at this meeting and should only rely on written confirmation of Committee’s decisions, which will be provided within ten days of this meeting.

**Unconfirmed Minutes**

These minutes were approved for distribution on 16 August 2019.



Taryn Dayman  
**Chief Executive Officer**  
**Shire of Wyalkatchem**

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**1. DECLARATION OF OPENING**

The Acting Chairperson, Cr Davies, opened the meeting at 2:07pm

**2. PUBLIC QUESTION TIME**

**2.1. Response to Public Questions Previously Taken on Notice**

Nil

**2.2. Declaration of Public Question Time opened**

Public Question time opened at 2:07pm

There were no members of the public.

**2.3. Declaration of Public Question Time closed**

Public question time closed at 2:07pm

**3. ATTENDANCE /APOLOGIES/LEAVE OF ABSENCE**

**3.1. Attendance**

Members:	Cr. Quentin Davies	Acting Chairperson
	Cr. Stephen Gamble	
	Cr. Fred Butt	
	Cr. Heather Metcalfe	
	Cr Emma Holdsworth	
Staff:	Taryn Dayman	Chief Executive Officer
	Stephanie Elvidge	Governance Executive Officer

**3.2. Apologies**

Cr. Owen Garner	Chairperson
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**3.3. Approved Leave of Absence**

Nil

**3.4. Applications for Leave of Absence**

Nil

**4. PETITIONS, DEPUTATIONS, PRESENTATIONS**

Nil

**5. DECLARATIONS OF INTEREST**

Nil

**6. CONFIRMATION AND RECEIPT OF MINUTES**

**6.1. AUDIT AND RISK COMMITTEE MEETING – 16 MAY 2019**

Minutes of the Shire of Wyalkatchem's Audit and Risk Committee Meeting held on the 16 May 2019 (Attachment 6.1)

**OFFICERS RECOMMENDATION**

*That the minutes of the Wyalkatchem Audit and Risk Committee Meeting held on the 16 May 2019 (Attachment 6.1); be confirmed as a true and correct record.*

**COMMITTEE RESOLUTION:**

**(12 /2019) Moved: Cr Butt**

**Seconded: Cr Holdsworth**

**That the minutes of the Wyalkatchem Audit Committee Meeting held on the 16  
May 2019 (Attachment 6.1) be confirmed as a true and correct record.**

**CARRIED 5/0**

**7. MATTERS ARISING FROM THE MINUTES**

Nil

**8. ANNOUCEMENT BY THE PRESIDING PERSON WITHOUT DISCUSSIONS**

Nil

**9. MATTERS FOR WHICH THE MEETING MAY BE CLOSED**

Nil

unconfirmed

## 10. MATTERS REQUIRING A COMMITTEE DECISION

### 10.1. CORPORATE SERVICES REPORTS

#### 10.1.1. AUDIT AND RISK COMMITTEE STATUS REPORT

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	7 August 2019
Reporting Officer:	Taryn Dayman, Chief Executive Officer
Disclosure of Interest:	No interests to disclose
File Number:	12.02.02
Attachment Reference:	Attachment 10.1.1 - Status Report

#### SUMMARY

The purpose of this report is to provide the Audit and Risk Committee with a status update of outcomes from previous meeting.

#### BACKGROUND

In the past the Audit and Risk Committee has met when required with no status report being presented. The committee now meets every quarter to fulfil its functions and objectives as outlined in its term of reference.

#### COMMENT

A new status report has been developed being effective from the February 2019 Audit and Risk Management meeting and will provide the committee with a progress status and actions performed to date. Actions and status updates since the last status report will be indicated in bold. Items that have been reported as completed will be removed in future reports.

#### STATUTORY ENVIRONMENT

*Local Government (Financial Management) Regulations 1996 s.5 (2)(c)*

*Local Government (Audit) Regulations 1996 s.17*

*Local Government Act 1995*

#### POLICY IMPLICATIONS

There are no direct policy implications in relation to this item.

#### FINANCIAL IMPLICATIONS

There are no direct financial implications in relation to this item.

#### COMMUNITY & STRATEGIC OBJECTIVES

The matter before Council generally accords with the following Shire desired outcome as expressed in the revised Shire of Wyalkatchem Strategic Community Plan

**Objective: A well-managed and effective Council organisation**

Outcome No.	Outcome	Action No.	Actions
5.1	A well-governed, efficient and responsive organisation	5.1.1	Implement effective governance structures
		5.1.2	Embed sound risk management frameworks to mitigate council's strategic and operational risk
5.4	Robust and accountable business and financial processes	5.4.2	Ensure efficient use of resources

**VOTING REQUIREMENT**

Simple Majority

**OFFICER'S RECOMMENDATION**

*That the Audit and Risk Committee receives the Audit and Risk Committee Status Report, as per attachment 10.1.1, and recommends that council;*

- 1. Receives the Audit and Risk Committee Status Report as per attachment 10.1.1.*

**COMMITTEE RESOLUTION:**

***(13 /2019) Moved: Cr Gamble Seconded: Cr Metcalfe***

***That the Audit and Risk Committee receives the Audit and Risk Committee Status Report, as per attachment 10.1.1, and recommends that council;***

- 1. Receives the Audit and Risk Committee Status Report as per attachment 10.1.1.***

**CARRIED 5/0**

## 10.2. RISK MANAGEMENT

### 10.2.1. COMPLIANCE STATUS REPORTS

Applicant:	Shire of Wyalkatchem
Location:	Shire of Wyalkatchem
Date:	7 August 2019
Reporting Officer:	Taryn Dayman, Chief Executive Officer
Disclosure of Interest:	No interests to disclose
File Number:	12.02.02, 13.11, 12.19.01
Attachment Reference:	Attachment 10.2.1.1 – Audit Regulation 17 and Financial Management Review Action Plan Status Report Attachment 10.2.1.2 – Compliance Calendar Status Report Attachment 10.2.1.3 – Compliance Audit Return Management Action Plan Status Report

### SUMMARY

The purpose of this report is to provide the Audit and Risk Committee with a progress status reports on the appropriateness and effectiveness of the Shire's Systems and procedures in relation to the following:

- Audit Regulation 17
- Financial Management Review
- Statutory Compliance Calendar
- Compliance Audit Return
- Audit Findings Report

### BACKGROUND

#### Audit Regulation 17

The Regulation 17 Review audit was conducted by AMD Chartered Accountants and produced a comprehensive list of recommendations sanctioned into the following main compliance areas

- Risk Management
- Legislative Compliance
- Internal Controls

AMD Chartered Accountants provided a number of recommendations to ensure that compliance and best practices are being followed. These recommendations were noted and an action plan was developed. A cumulative total of 16 framework components and actions were identified to increase procedural and system effectiveness in accordance with legislative requirements. These have been incorporated into an action plan

#### Financial Management Review

The Financial Management Review audit was conducted by AMD Chartered Accountants. The objective of the review is to assist the Chief Executive Officer discharge responsibilities in respect to Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* and provide a review of the appropriateness and effectiveness of the Shire of Wyalkatchem's financial management systems and procedures.

AMD Chartered Accountants provided a number of recommendations to ensure that compliance and best practices are being followed. These recommendations were noted and an action plan was



developed. A cumulative total of 18 framework components and actions were identified to increase procedural and system effectiveness in accordance with legislative requirements. These have been incorporated into an action plan.

#### Statutory Compliance Calendar

The Statutory Compliance Calendar has been developed utilising a Statutory Compliance Calendar template provided by Western Australia Local Government Association (WALGA) being a tool that helps the Council to indent the yearly compliance actives throughout the calendar year. The objective is to assist responsible officers in being aware of monthly activities that require compliance and accountability across a various legislative components.

#### Compliance Audit Return

The Compliance Audit Return (CAR) assists the Shire to monitor legislative compliance by examining a range of prescribed requirements. The Shire's Compliance Audit Return 2018 was completed in January 2019 with items of non-compliance being reviewed and where applicable incorporated into a Management Action Plan.

#### Audit Findings Report

As part of the Council's annual audit, Council's auditor is to provide a Management Report, which contains an Audit Findings Report. For the period ending 30 June 2018 one matter was raised in their report in relation to journal entries having a significant rating. This matter was also identified in the Financial Management Review and has been included in this action plan. As only one matter was raised a status report on the Auditors Audit Findings report is not required. For an update on the progress of this action – please refer to item Reg – 3.2.2 on the Financial Management Review / Regulation 17 Action Plan Status report.

#### **COMMENT**

The action plan status reports provide the organisation with a comprehensive overview of practices and continuous improvement activities that work towards increasing best practice standards across the Shire.

#### Regulation 17 and Financial Management Review Action Plan Status Report

The action plan provides the organisation with a comprehensive list of actions that will ensure continuous improvement methodologies that work towards increasing best practice standards across the shire.

There are a number of actions that have completed, partially completed or in progress. Full details are in contained within attachment 10.2.1.1.

#### Statutory Compliance Calendar

The Statutory Compliance Calendar incorporates all compliance requirements over the course of a year, including the next due date where an item is not carried out at least once per year.

Staff are provided with a monthly "take action" providing them with their upcoming requirements. The calendar's actions have been recorded and report from responsible officer, populating the relevant details as outlined in attachment 10.2.1.2.

### Compliance Audit Return

The majority of the items included in the Management Action Plan have already been identified and included in the Regulation 17 and/or Financial Management Review action plans. With that being said, it is important that the Audit committee are provided with updated progress of the actions as identified within the CAR Management Action plan to ensure that the required items are being actioned / addressed. Full details are contained within attachment 10.2.1.3.

### New System

The Shire has recently purchased the compliance calendar module within SynergySoft and is currently implementing the system. This included a complete review of the items and timing off. The new system will allow for greater control over notification of requirements, tracking and record keeping and management review of completed and outstanding items. Each staff will be able to track requirements using their workflow function within SynergySoft. It is anticipated that the new system will go live within the next month, and a new reporting format presented at the next Audit and Risk Committee meeting.

### Outstanding items

There are a number of items that are pending completion. The majority of items are outstanding only due to the suggested timing and have not resulted in any compliance breach. Council has a number of tasks that are required in order to meet compliance and best practice. Significant delays have occurred due to the reduction of staff resources and the implementation of the new financial system.

### **STATUTORY ENVIRONMENT**

*Local Government (Financial Management) Regulations 1996 s.5 (2)(c)*

*Local Government (Audit) Regulations 1996 s.17*

*Local Government Act 1995*

### **POLICY IMPLICATIONS**

There are no direct policy implications in relation to this item.

### **FINANCIAL IMPLICATIONS**

There are no direct financial implications in relation to this item.

### **COMMUNITY & STRATEGIC OBJECTIVES**

The matter before Council generally accords with the following Shire desired outcome as expressed in the revised Shire of Wyalkatchem Strategic Community Plan

### **Objective: A well-managed and effective Council organisation**

Outcome No.	Outcome	Action No.	Actions
5.1	A well-governed, efficient and responsive organisation	5.1.1	Implement effective governance structures
		5.1.2	Embed sound risk management frameworks to mitigate council's strategic and operational risk
5.4	Robust and accountable business and financial processes	5.4.2	Ensure efficient use of resources

**VOTING REQUIREMENT**

Simple Majority

**OFFICER'S RECOMMENDATION**

*That the Audit and Risk Committee;*

1. *Receives the Audit Regulation 17 and Financial Management Review Action Plan Status Report (Attachment 10.2.1.1).*
2. *Receives the Statutory Compliance Calendar Status Report (Attachment 10.2.1.2).*
3. *Receives the Compliance Audit Return Management Action Plan Status Report (Attachment 10.2.1.3).*

*That the Audit Committee recommends that Council;*

1. *Receives the Audit Regulation 17 and Financial Management Review Action Plan Status Report (Attachment 10.2.1.1).*
2. *Receives the Statutory Compliance Calendar Status Report (Attachment 10.2.1.2).*
3. *Receives the Compliance Audit Return Management Action Plan Status Report (Attachment 10.2.1.3).*

**COMMITTEE RESOLUTION:**

***(14 /2019) Moved: Cr Holdsworth***

***Seconded: Cr Butt***

***That the Audit and Risk Committee;***

1. ***Receives the Audit Regulation 17 and Financial Management Review Action Plan Status Report (Attachment 10.2.1.1).***
2. ***Receives the Statutory Compliance Calendar Status Report (Attachment 10.2.1.2).***
3. ***Receives the Compliance Audit Return Management Action Plan Status Report (Attachment 10.2.1.3).***

***That the Audit Committee recommends that Council;***

1. ***Receives the Audit Regulation 17 and Financial Management Review Action Plan Status Report (Attachment 10.2.1.1).***
2. ***Receives the Statutory Compliance Calendar Status Report (Attachment 10.2.1.2).***
3. ***Receives the Compliance Audit Return Management Action Plan Status Report (Attachment 10.2.1.3)***

**CARRIED 5/0**

**11. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**12. QUESTIONS BY MEMBER OF WHICH DUE NOTICE HAS BEEN GIVEN**

Nil

**13. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION**

Nil

**14. MATTERS BEHIND CLOSED DOORS**

Nil

**15. CLOSURE OF THE MEETING**

There being no further business to discuss, the Acting Chairperson thanked everyone for their attendance and closed the meeting at 2:16pm.

unconfirmed