



AGENDA

Audit and Risk Committee
18 March 2025





NOTICE OF MEETING

Dear Committee Members and Members of the Public,

In accordance with the provisions of Section 5.5 of the Local Government Act, you are hereby notified that the Audit and Risk Committee has been convened for:

Date: Tuesday 18 March 2025

At: Shire Council Chambers
1 Longhurst Street, Narembeen

Commencing: 2.00pm

Rebecca McCall
Chief Executive Officer

10 March 2025

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1. Official Opening and Welcome

2. Record of Attendance / Apologies / Leave of Absence

Councillors:

Cr SW Stirrat	President
Cr HA Cusack	Deputy President
Cr CD Bray	
Cr AM Hardham	
Cr TW Cole	
Cr HJ Bald	
Cr MJ Currie	

Staff:

Ms R McCall	Chief Executive Officer
Mr B Forbes	Executive Manager Corporate Services
Mr K Markham	Executive Manager Infrastructure Services
Ms K Conopo	Executive Governance Officer

Members of Public:

Apologies:

3. Disclosure of Interest

4. Public Question Time

5. Confirmation of Previous Meeting

5.1 Audit and Risk Committee Meeting 17 December 2024

Attachment 5.1A

Voting Requirements

Simple Majority Absolute Majority

Officers Recommendation – Item 5.1

That the minutes of the Shire of Narembeen Audit and Risk Committee Meeting held on Tuesday 17 December 2024, as presented, be confirmed as a true and correct record of proceedings.

6. Officer Reports

6.1 2024 Compliance Audit Return

Date:	6 March 2025
Location:	Not applicable
Responsible Officer:	Ben Forbes, Executive Manager Corporate Services
Author:	Ben Forbes, Executive Manager Corporate Services
File Reference	Risk Management/ Audits/ CAR
Previous Meeting Reference	Nil
Disclosure of Interest:	Nil
Attachments:	6.1A 2024 Compliance Audit Return

Purpose of Report

- Executive Decision Legislative Requirement

Summary

For Council to adopt the completed Compliance Audit Return 2024.

Background

All local governments across the State are required by legislation to undertake a compliance audit for each calendar year.

This self-audit is referred to as the Compliance Audit Return, with the template each year being prepared by the Department of Local Government, Sport and Cultural Industries (the Department) covering the following business areas considered to be 'high risk'.

- Commercial Enterprises by Local Government
- Delegation of Power / Duty
- Disclosure of Interest
- Disposal of Property
- Elections
- Finance
- Integrate Planning and Reporting
- Local Government Employees
- Official Conduct
- Tendering for Providing Goods and Services

A completed Compliance Audit Return must be submitted to the Department by 31 March of the reporting year, having first been endorsed by Council and signed by the Shire President and Chief Executive Officer.

Comment

There were two instances of non-compliance found in the 2024 Compliance Audit Return.

1. One instance of a Primary Return not lodged within the correct timeframe
2. One instance of an Annual Return not lodged within the correct timeframe.

The audit consisted of 94 questions, with 92 found to be compliant, resulting in an overall compliance rating of 97.87%.

Processes have been put in place to identify relevant personnel during the recruitment and onboarding phase and effectively reduce the risk of non-compliance.

Consultation

Chief Executive Officer

Statutory Implications

Local Government Act 1995

Local Government (Audit) Regulations 1996

14. Compliance audits by local governments

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

[Regulation 14 inserted: Gazette 23 Apr 1999 p. 1724-5; amended: Gazette 30 Dec 2011 p. 5580-1.]

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.

[Regulation 15 inserted: Gazette 23 Apr 1999 p. 1725; amended: Gazette 26 Jun 2018 p. 2386.]

Policy Implications

Nil

Strategic Implications

Strategic Community Plan

Strategic Priority: 4. Civic Leadership
Objective: Well governed and efficiently managed Local Government
Strategy: 4.2 Compliant and resourced Local Government

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Risk Implications

Risk Profiling Theme	Failure to Fulfill Statutory, Regulatory or Compliance Requirements
Risk Category	Compliance
Consequence Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (1)
Key Controls in Place	Governance Calendar, Financial Management Framework and Legislation
Action / Treatment	Nil
Risk Rating After Treatment	Adequate

Financial Implications

There are no financial implications of this resolution.

Voting Requirements

Simple Majority Absolute Majority

Officers Recommendation – Item 6.1

That the Committee recommend that Council:

1. Endorse the 2024 Compliance Audit Return for signature by Shire President and Chief Executive Officer, and
2. Endorse the 2024 Compliance Audit Return for submission to the Department of Local Government, Sport and Cultural Industries, as attached.

6.2 Risk Dashboard – Quarterly Report – February 2025

Date:	10 March 2025
Location:	Not Applicable
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	Rebecca McCall, Chief Executive Officer
File Reference	ADM588
Previous Meeting Reference	Nil
Disclosure of Interest:	Nil
Attachments:	6.2A Risk Dashboard Quarterly Report – February 2025

Purpose of Report

- Executive Decision Legislative Requirement

Summary

This item presents the Risk Dashboard – quarterly monitoring report for February 2025 to the Audit and Risk Committee for consideration and receipt.

Background

The Risk Management Framework for the Shire of Narembeen sets out the approach to the identification, assessment, management, reporting and monitoring of risks. The objective is to ensure that all areas of the Shire adopt the outlined procedures to ensure:

- strong corporate governance;
- compliance with relevant legislation, regulations and internal policies;
- integrated Planning and Reporting requirements are met; and
- uncertainty and its effects on objectives are understood.

The Shire has adopted a ‘Three Lines of Defence’ model for the management of risk. This model ensures roles, responsibilities, and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, the council, management, and community will have assurance that risks are managed effectively to support the delivery of the strategic, corporate, and operational plans.

The Shire qualified its risk appetite through the development of the Risk Assessment and Acceptance Criteria.

There is a requirement to assess and manage the risk profile on an ongoing basis to monitor ongoing appetite and risk minimisation strategies.

Comment

The quarterly review of risk profiles assessed emerging risks, control effectiveness and key indicator performance. Assigned actions are reflective of current risks and control environment.

Key indicators revised or introduced include:

Risk Theme – Advice Inaccurate Advice / Information
Key Indicator – number of complaints registered (within service area) (tolerance introduced)
Key Indicator – number of complaints not responded to (within service area) (tolerance introduced)
Risk Theme - Inadequate Engagement Practices
Key Indicator – number of complaints registered (within service area) (tolerance introduced)
Key Indicator – number of complaints not responded to (within service area) (tolerance introduced)
Risk Theme – Inadequate Asset Sustainability Practices
Action – pool safety assessment (remediation actions completed)

The following risk themes are listed on the Risk Register as the overall control rating was ‘inadequate’:

- Inadequate Asset Sustainability Practices
- Ineffective Management of Facilities/Venues/Events

Consultation

Executive Manager Corporate Services

Statutory Implications

The *Local Government Act 1995* and Regulation 17 of the *Local Government (Audit) Regulations* is applicable.

Policy Implications

Risk Management Framework

Strategic Implications

Strategic Community Plan

Strategic Priority: 4. Civic Leadership
 Objective: Well governed and efficiently managed Local Government
 Strategy: 4.2 Compliant and resourced Local Government

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Risk Implications

Risk Profiling Theme	Failure to Fulfill Statutory, Regulatory or Compliance Requirements
Risk Category	Compliance
Consequence Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)

Risk Matrix Rating	Low (1)
Key Controls in Place	Risk Management Framework
Action / Treatment	Nil
Risk Rating After Treatment	Adequate

Financial Implications

There are no financial implications to Council in relation to this item as the Risk Dashboard identifies and evaluates risk.

Voting Requirements

- Simple Majority
 Absolute Majority

Officers Recommendation – Item 6.2

That Audit and Risk Committee receives the Risk Dashboard Quarterly Report – February 2025 as presented in Attachment 6.2A.

7. Other Business

8. Closure of Meeting

Details of the next meeting will be advised.

There being no further business, the chair declared the meeting closed at ___pm