



# MINUTES

## AUDIT & RISK MANAGEMENT COMMITTEE

held on

**Monday, 16 December 2024 at 2:00pm**

at the

**Shire of Morawa Council Chambers,  
26 Winfield Street, Morawa**



WESTERN AUSTRALIA'S  
WILDFLOWER COUNTRY

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## DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS

*Local Government Act 1995 – Section 5.65, 5.70 and 5.71 Local Government (Administration) Regulation 34C*

<i>This form is provided to enable members and officers to disclose an Interest in a matter in accordance with the regulations of Section 5.65, 5.70 and 5.71 of the Local Government Act and Local Government (Administration) Regulation 34C</i>			
Name of person declaring the interest			
Position			
Date of Meeting			
Type of Meeting (Please circle one)	Council Meeting/ Committee Meeting/ Special Council Meeting Workshop/ Public Agenda Briefing/ Confidential Briefing		
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Important Note:** Should you declare a **Financial** or **Proximity** Interest, in accordance with the Act and Regulations noted above, you are required to leave the room while the item is being considered. For an **Impartiality** Interest, you must state the following prior to the consideration of the item:

*“With regard to agenda item (read item number and title), I disclose that I have an impartiality interest because (read your reason for interest). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.”*

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**Item 1 Opening of Meeting**

The Presiding Member declared the meeting open at 2:00pm.

**Item 2 Acknowledgement of Traditional Owners and Dignitaries**

The Presiding Member acknowledges the traditional custodians, the Yamatji people, and recognises the contribution of Yamatji Elders past, present and future, in working together for the future of Morawa.

**Item 3 Recording of Attendance**

**3.1 Attendance**

**Committee Members – Electronic Attendance**

President Councillor Karen Chappel (Presiding Member)  
Councillor Debbie Collins  
Councillor Diana North  
Deputy President Councillor Ken Stokes  
Suraj Karki – Office of Auditor General (OAG)  
Marcia Johnson – Armada (Audit Contractor)

**Staff – In Person Attendance**

Chief Executive Officer Michael Cole

**3.2 Apologies**

Nil

**3.3 Approved Leave of Absence**

Nil

**3.4 Disclosure of Interests**

Nil

**Item 4 Applications for Leave of Absence**

Nil

**Item 5 Response to Previous Questions**

Nil

**Item 6 Questions from Members without Notice**

Nil

**Item 7 Announcements by Presiding Member without Discussion**

Nil

<b>Item 8      Declarations of All Members to have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting</b>
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The Committee Members to declare that they had given due consideration to all matters contained in the agenda.

- President (Presiding Member) Councillor Karen Chappel
- Councillor Debbie Collins
- Councillor Diana North
- Deputy President Councillor Ken Stokes

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<b>Item 9</b>	<b>Confirmation of Minutes of Previous Meeting</b>
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The Minutes of the 11 July 2024 Audit & Risk Management Committee Meeting were provided under separate cover via the Shire of Morawa’s secure portal to all Councillors on 16 July 2024.

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**OFFICER’S RECOMMENDATION/COMMITTEE RESOLUTION**

241201

Moved: Cr Collins

Seconded: Cr North

**That the Audit & Risk Management Committee Meeting Minutes held on Thursday, 11 July 2024 are confirmed to be a true and correct record.**

***CARRIED BY SIMPLE MAJORITY 4/0***

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*Disclaimer*

*Members of the public are cautioned against taking any action on Council decisions, on items in this agenda in which they may have an interest, until formal notification in writing from the Shire has been received. Decisions made at this meeting can be revoked pursuant to the Local Government Act 19*



**Item 10 Reports of Officers**

**10.1 2022-2023 Regulation 17 Actions Update**

**Author:** Chief Executive Officer

**Authorising Officer:** Chief Executive Officer

**Disclosure of Interest:** The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

**OFFICER’S RECOMMENDATION/COMMITTEE RESOLUTION**

**241202**

**Moved: Cr Stokes**

**Seconded: Cr North**

**That the Audit & Risk Management Committee:**

- 1. Notes the Reg 17 review update for December 2024 and accepts the actions taken so far.**

***CARRIED BY SIMPLE MAJORITY 4/0***

**PURPOSE**

For the Audit & Risk Management Committee to be updated on the status of the action items relating to the 2023 Regulation 17 Assessment.

**DETAIL**

Background

The Audit & Risk Management Committee (Committee) is responsible for the oversight of actions related to the *Local Government (Audit) Regulations 1996*. Regulation 17 states that the CEO is to review certain systems and procedures relating to risk management, internal control, and legislative compliance at least once in every three financial years.

The last Regulation 17 review was conducted in 2022/2023 by Civic Legal as an experienced Local Government specialised legal firm.

Regulation 17 reviews are not pass or fail and centre around embedding continuous improvement within the organisation.

A number of suggested actions were highlighted as part of the review’s findings. Council has previously endorsed the CEO’s allocated timeframes against each action with the goal of delivering all actions by the time of the next review in 2026.

Update

A full update is provided in *Attachment 1*.

A large number of items that are overdue are linked to a review of the Council Policy manual and updating/creating of policies and plans. This is quite a time intensive task and will form part of a staged manual review process. Procedure and plan development delays are an unfortunate outcome of workforce shortages and resource constraints, but all critical items have been reviewed and the current stage of development is a further enhancement or documentation of existing practices.

### **LEVEL OF SIGNIFICANCE**

Medium – achieving the agreed upon action items within delivery timeframe will ensure continued improvement and compliance enhancements.

### **CONSULTATION**

Senior Management Team

### **LEGISLATION AND POLICY CONSIDERATIONS**

*Local Government Act 1995*

*Local Government (Audit) Regulations 1996*

### **Strategic Community Plan 2022 to 2032**

N/A

### **FINANCIAL AND RESOURCES IMPLICATIONS**

The delivery of some action items will involve consultant support or significant current workload reallocation. This will fall within normal budgetary constraints.

### **RISK MANAGEMENT CONSIDERATIONS**

The Regulation 17 Audit is essentially a risk mitigation/identification measure focussed on providing the Committee with information relating to potential systems or procedure risk areas. The current outcomes are falling behind schedule which increases the risk of not all items being completed by 2026, this is a risk but the Shire would need to pivot resources away from other key deliverables in order to achieve the current timeframes.

### **CONCLUSION**

The CEO has continued to work towards achieving organisation wide compliance, with a status update of the Regulation 17 Review action items as presented above.

### **ATTACHMENTS**

*Attachment 1 – 10.1a Shire of Morawa Reg 17 Action Items – December 2024 Update*

**10.2 Annual Report and Annual Financial Statements and Audit Report**

**Author:** Chief Executive Officer

**Authorising Officer:** Chief Executive Officer

**Disclosure of Interest:** The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

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**OFFICER'S RECOMMENDATION/COMMITTEE RESOLUTION**

241203

Moved: Cr Collins

Seconded: Cr North

**That the Audit & Risk Management Committee:**

- 1. Adopt the Annual Report for the 2023-2024 financial year inclusive of the Annual Financial Report and Auditor Opinion.**
- 2. Direct the Chief Executive Officer to convene a general meeting of electors for Monday, 3 February 2025 at 6:30pm to coincide with the Ordinary Council Meeting on that date.**

***CARRIED BY ABSOLUTE MAJORITY 4/0***

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**PURPOSE**

The purpose of this report is to present to the Audit and Risk Management Committee (the Committee) the 2023-2024 Annual Report, Audit Report and Audited Financial Statements with the recommendation for Council adoption and to set the meeting time and date of the annual electors' meeting.

**DETAIL**

Council has an obligation under the Local Government Act 1995 to prepare an Annual Report which includes audited financial statements. The 2023-2024 audit has been completed by the Office of the Auditor General contractor Nexia. The audit findings and financial statements are presented in the 2022-2023 Annual Report - *Attachment 1*.

As required by the Local Government Act 1995 the Local Government is required to present the report to an Annual Electors Meeting within 56 days of accepting the Annual Report by Council, giving at least 14 days' public notice. The Shire will advertise the meeting and the availability of the 2023-2024 Annual Report on the Shire Website, noticeboards and other local communication channels.

In order to reduce the meeting burden upon Councillors it is proposed that the date for the February council meeting coincide with the electors meeting.

The Annual Report and Audited Financial Statements includes:

- Shire President’s Report
- Chief Executive Officer’s Report
- Statutory Reports
- Freedom of Information Statement
- Audited Financial Statements
- Audit Report

The reports outline activities undertaken during 2023-2024 together with the financial position of the Shire of Morawa as at 30 June 2024.

The Audit exit meeting was held on 29 November 2024 with Cr Karen Chappel, A/CEO Jackie Hawkins, Suraj Karki from the OAG, Marcia Johnson from Armada. The final reports are now presented to the Committee to review and receive the financial statements as audited.

**LEVEL OF SIGNIFICANCE**

High – The sequence and timing of acceptance and meetings are prescribed by legislation.

**CONSULTATION**

Audit and Risk Management Committee  
Chief Executive Officer

**LEGISLATION AND POLICY CONSIDERATIONS**

*The Local Government Act 1995 – Sections 5.53, 5.56 & 5.54*  
*The Local Government (Financial Management) Regulations 1996*

**Strategic Community Plan 2022 - 2032**

Be future focused in all we do:  
1. Ensure the Shire and its assets are well resourced and sustainable.

**FINANCIAL AND RESOURCES IMPLICATIONS**

Nil

**RISK MANAGEMENT CONSIDERATIONS**

If Council choose not to accept the Annual Report at this meeting, then the risk of non-compliance may arise if a suitable special meeting date cannot be found prior to 31 December 2024.

**CONCLUSION**

That the Audit and Risk Management Committee recommend Council adopt the recommendation as presented and authorise the CEO to undertaking the necessary notice periods as required under the *Local Government Act 1995* and associated regulations.

**ATTACHMENTS**

*Attachment 1 – 10.2a Shire of Morawa Annual Report 202-24 including Annual Financial Statements and Audit Report.*

**Item 11 Motions of Which Previous Notice Has Been Given**

Nil

**Item 12 New Business of an Urgent Nature**

Nil

**Item 13 Closure**

**13.1 Date of Next Meeting**

The next Audit & Risk Management Committee will be held on Monday, 13 March 2025 commencing at 6.00pm.

**13.2 Closure**

There being no further business, the Presiding Member declared the meeting closed at 2:08pm.