



# AGENDA

## AUDIT & RISK MANAGEMENT COMMITTEE

to be held on

**Thursday, 20 March 2025 at 4.30pm**

at the

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



WESTERN AUSTRALIA'S  
WILDFLOWER COUNTRY

*'This meeting is being recorded on audio tape and to assist with minute taking purposes. The public is reminded that in accordance with Section 6.16 of the Shire of Morawa Meeting Procedures Local Law 2012 that nobody shall use any visual or vocal recording device or instrument to record the proceedings of Council without the written permission of the presiding member.'*

**DISCLAIMER**

*No responsibility whatsoever is implied or accepted by the Shire of Morawa for any act, omission, statement or intimation occurring during Council Meetings. The Shire of Morawa disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission, and statement of intimation occurring during Council Meetings.*

*Any person or legal entity that acts or fails to act in reliance upon any statement, act or omission occurring in a Council Meeting does so at their own risk. The Shire of Morawa advises that any person or legal entity should only rely on formal confirmation or notification of Council resolutions.*

## 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.”*

This page is blank intentionally.

Item 1	Opening of Meeting .....	6
Item 2	Acknowledgement of Traditional Owners and Dignitaries.....	6
Item 3	Recording of Attendance .....	6
3.1	Attendance .....	6
3.2	Apologies.....	6
3.3	Approved Leave of Absence.....	6
3.4	Disclosure of Interests .....	6
Item 4	Applications for Leave of Absence .....	6
Item 5	Response to Previous Questions .....	6
Item 6	Questions from Members without Notice.....	6
Item 7	Announcements by Presiding Member without Discussion .....	6
Item 8	Declarations of All Members to have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting.....	6
Item 9	Confirmation of Minutes of Previous Meeting .....	7
Item 10	Reports of Officers.....	8
10.1	2022-2023 Regulation 17 Actions Update .....	8
10.2	2024 Compliance Audit Return.....	10
10.3	Appointment of Independent Committee Chairperson and Updated Terms of Reference .....	13
10.4	Audit Timetable.....	15
10.5	Confidential Report - Structural Assessment – Shire Depot (68 Valentine Road) ....	17
Item 11	Motions of Which Previous Notice Has Been Given .....	18
Item 12	New Business of an Urgent Nature .....	18
Item 13	Closure .....	18
13.1	Date of Next Meeting.....	18
13.2	Closure .....	18

**Item 1 Opening of Meeting**

The Presiding Member to declare the meeting open at 4:30pm.

**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**

President Councillor Karen Chappel (Presiding Member)

Deputy President Councillor Ken Stokes

Councillor Debbie Collins

Councillor Diana North

**Staff**

Chief Executive Officer

Michael Cole

A/Executive Manager Corporate and Community Services Stuart Taylor

**3.2 Apologies****3.3 Approved Leave of Absence****3.4 Disclosure of Interests****Item 4 Applications for Leave of Absence****Item 5 Response to Previous Questions****Item 6 Questions from Members without Notice****Item 7 Announcements by Presiding Member without Discussion****Item 8 Declarations of All Members to have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting**

The Committee Members to declare that they had given due consideration to all matters contained in the agenda.

<b>Item 9      Confirmation of Minutes of Previous Meeting</b>
--

The Minutes of the 16 December 2024 Audit & Risk Management Committee Meeting were provided under separate cover via the Shire of Morawa’s secure portal to all Councillors on 19 December 2024.

---

**OFFICER’S RECOMMENDATION**

**That the Audit & Risk Management Committee Meeting Minutes held on Monday, 16 December 2024 are confirmed to be a true and correct record.**

***SIMPLE MAJORITY VOTE REQUIRED***

---

*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 1995.*

**Item 10 Reports of Officers**

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

**Author:** Executive Assistant

**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**

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

- 1. Notes the Reg 17 review update for March 2025 and accepts the actions taken so far.**

***SIMPLE MAJORITY VOTE REQUIRED***

**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*. 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 – March 2025 Update*

**10.2 2024 Compliance Audit Return**

**Author:** Executive Assistant

**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**

That with respect to the Local Government 2024 Compliance Audit Return for the Shire of Morawa, the Audit and Risk Management Committee recommend that Council:

1. Note and accept the 2024 Compliance Audit Return (*Attachment 1*) for the Local Government of the Shire of Morawa for the period 1 January 2024 to 31 December 2024; and
2. Request the Chief Executive Officer to submit a certified copy of the 2024 Compliance Audit Return to the Director General of the Department of Local Government Sport and Cultural Industries by 31 March 2025.

***SIMPLE MAJORITY VOTE REQUIRED***

---

**PURPOSE**

The Department of Local Government, Sport and Cultural Industries (the Department) has distributed the 2024 Compliance Audit Return (the Return) for completion by the Shire of Morawa.

The Return is one of the tools that allow the Audit and Risk Management Committee and Council to monitor how the organisation is functioning and must be presented to Council for adoption before its submission to the Department.

Each local government is to carry out a compliance audit for the period 1 January to 31 December annually against the requirements included in the Return set out by the Department.

**DETAIL**

The Return identifies instances where full compliance was not achieved, providing context and/or remedial action if required, which is then endorsed by Council.

The 2024 Return has been prepared by electronic means and will be submitted via the Department's online portal.

The Shire of Morawa 2024 Compliance Audit Return will be presented for review at the ordinary meeting of Council being held on 20 March 2025.

The Shire has seen gradual improvement across all metrics based on previous reports in recent years. This year's Return marks the first since 2018 to be fully compliant.

## LEVEL OF SIGNIFICANCE

Medium – requirement under *Local Government Act 1995* administered by the Department.

## CONSULTATION

Chief Executive Officer  
Executive Managers  
Senior Staff

## LEGISLATION AND POLICY CONSIDERATIONS

- *Local Government Act 1995*
- *Local Government (Administration) Regulations 1996*
- *Local Government (Rules of Conduct) Regulations 2007*
- *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 in Gazette 23 Apr 1999 p. 1724-5; amended in Gazette 30 Dec 2011 p. 5580-1.]*

15. Compliance audit return, certified copy of etc. to be given to Executive Director
- (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 Executive Director 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 in Gazette 23 Apr 1999 p. 1725.]*

## FINANCIAL AND RESOURCES IMPLICATIONS

Nil

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

### Strategic Community Plan 2022 – 2032

**Be future focused in all we do:**

Ensure the Shire and its assets are well resourced and sustainable.

## RISK MANAGEMENT CONSIDERATIONS

### *Shire of Morawa Risk Management Governance Framework*

Appropriate governance of risk management within the Shire of Morawa provides:

- Transparency of decision making
- Clear identification of the roles and responsibilities of the risk management functions
- An effective Governance Structure to support the risk framework

## CONCLUSION

The 2024 return has seen a continuation of improvement in the Shire's compliance practises. No remediation action is required.

## ATTACHMENTS

*Attachment 1 – 10.2a 2024 Compliance Audit Return*

**10.3 Appointment of Independent Committee Chairperson and Updated Terms of Reference**

**Author:** Executive Assistant

**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**

That the Audit & Risk Management Committee recommend that Council:

1. Endorse the appointment Mr Nils Hay, CEO of the Mid West Development Commission, as the Independent Chairperson of the Committee.
2. The Appointment be in effect until 18 October 2025.
3. Endorse the updated Audit & Risk Management Committee Terms of Reference to reflect the membership change, per *Attachment 1*.
4. Direct the CEO to write to Mr Hay confirming his appointment and updated Terms of Reference.

***SIMPLE MAJORITY VOTE REQUIRED***

---

**PURPOSE**

To appoint an Independent Chairperson to the Audit & Risk Management Committee (Committee) and endorse the updated Terms of Reference in line with proposed membership structure.

**DETAIL**

At the 2 March 2023 Committee meeting, it was resolved to update the Committee's Terms of Reference. As part of the update, the membership was amended in line with the impending Local Government Reforms and Regulations 17 Review recommendations. The size of the Committee was reduced from seven (7) Councillors to four (4) and an Independent Chairperson was to be implemented after the October 2023 elections.

Since that time, further consideration on the appointment of an Independent Chairperson has been delayed pending the finalisation of regulations by the State Government. A number of suitable independent candidates were considered by Shire CEO, Mr Michael Cole and Mr Nils Hay, current CEO of the Mid West Development Commission and former CEO of the Shire of Mingenew was identified.

Mr Hay was approached regarding the vacant position and he has confirmed his interest.

## **LEVEL OF SIGNIFICANCE**

Medium – the enhancement of Risk Management is important to the organisation and Council, and a strong overarching framework and oversight committee is key to that.

## **CONSULTATION**

Chief Executive Officer  
Mr Nils Hay

## **LEGISLATION AND POLICY CONSIDERATIONS**

*Local Government Act 1995*  
*Local Government (Administration) Regulations 1996*  
*Local Government (Rules of Conduct) Regulations 2007*

## **FINANCIAL AND RESOURCES IMPLICATIONS**

Nil

## **STRATEGIC AND SUSTAINABILITY IMPLICATIONS**

**Strategic Community Plan 2022 – 2032**

**Be future focused in all we do:**

Ensure the Shire and its assets are well resourced and sustainable.

## **RISK MANAGEMENT CONSIDERATIONS**

The introduction of an independent presiding member provides an opportunity for increased community confidence in the Shire's financial and risk management. It is recommended an independent chair have risk and financial management expertise that might otherwise not be available to the Audit and Risk Management Committee.

## **CONCLUSION**

The Administration recommends the Audit & Risk Management Committee appoint Mr Nils Hay as the Independent Chairperson to the Committee and that the updated Terms of Reference be endorsed.

## **ATTACHMENTS**

*Attachment 1 – 10.3a Updated Terms of Reference*  
*Attachment 2 – 10.3b Resume Mr Nils Hay (Confidential Attachment)*

**10.4 Audit Timetable**

**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**

**That the Audit & Risk Management Committee note the Audit Timetable for the 2024/25 Annual Financial Statements.**

***SIMPLE MAJORITY VOTE REQUIRED***

---

**PURPOSE**

To inform the Audit & Risk Management Committee of proposed timetable for the audit of the 2024/25 Annual Financial Statements.

**DETAIL**

The audit of the Annual Financial Statements will be undertaken by Armada Auditing under contract with the Office of the Auditor General. This will be the second financial year Armada have audited the Shire of Morawa.

In preparation for the audit, Armada and Management have agreed on the attached timetable.

In summary:

- Audit Entrance Meeting – 21 March (TBC)
- Interim Information Requests – 7 April 2025
- Interim Information and samples provided by the Shire
- Interim Audit Field Work is scheduled for 19 the 22 May planning and interim information
- Interim Management Letter issued – 25 June 2025
- Draft Annual Financial Statements submitted by Shire – 30 September 2025
- Audit Field Work – 13 to 16 October 2025
- Audit Exit Meeting – 24 November 2025
- Financial Statements and Management Representation Letter signed – 26 November 2025
- Audit Report Issued – 2 December 2025
- Audit & Risk Management Committee meeting - 8 December 2025
- Ordinary Council Meeting – 15 December 2025

**LEVEL OF SIGNIFICANCE**

Medium – the enhancement of Risk Management is important to the organisation and Council, and a strong overarching framework and oversight committee is key to that.

## CONSULTATION

Chief Executive Officer  
Armada Auditing

## LEGISLATION AND POLICY CONSIDERATIONS

*Local Government Act 1995*  
*Local Government (Administration) Regulations 1996*  
*Local Government (Rules of Conduct) Regulations 2007*

## FINANCIAL AND RESOURCES IMPLICATIONS

Nil

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

### Strategic Community Plan 2022 – 2032

**Be future focused in all we do:**

Ensure the Shire and its assets are well resourced and sustainable.

## RISK MANAGEMENT CONSIDERATIONS

The timetable has been prepared to ensure the Shire meets its audit and financial reporting responsibilities to enable the Audit and Risk Management Committee and Council to adopt the audited Annual Financial Statements for 2024/25 before 31 December 2025.

## CONCLUSION

The Administration recommends the Audit & Risk Management Committee note Audit Timetable for the 2024/25 Annual Financial Statements.

## ATTACHMENTS

*Attachment 1 – 10.4a Shire of Morawa Audit Timetable*



**10.5 Confidential Report - Structural Assessment – Shire Depot (68 Valentine Road)**

This is a Confidential Report.

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

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

**Item 13 Closure**

**13.1 Date of Next Meeting**

The next Audit & Risk Management Committee will be held on Thursday, 10 July 2025 commencing at 6.00pm.

**13.2 Closure**

There being no further business, the Presiding Member to declare the meeting closed.