



SHIRE OF CARNARVON
MINUTES
AUDIT AND RISK MANAGEMENT
COMMITTEE MEETING
TUESDAY 25 FEBRUARY 2025

CONFIRMATION OF MINUTES

These minutes were confirmed by the Council on

as a true and accurate record

Shire Council Chambers
Stuart Street Carnarvon, West Australia
Phone: (08) 9941 000
Fax: (08) 9941 1099
Website – www.carnarvon.wa.gov.au

Chairman

DISCLAIMER

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In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of Carnarvon during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Carnarvon. The Shire of Carnarvon warns that anyone who has an application lodged with the Shire of Carnarvon must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the Shire of Carnarvon in respect of the application.

To be noted that, in accordance with Regulation 11 of the Local Government (Administration) Regulations 1996, the minutes of the Council Meeting are a record of the decisions of the Council, any additional officers' advice, and explanatory notes as required. The minutes contain a summary of questions asked by members of the public and the answers given. The minutes **are not** a transcript of the proceedings of the meetings.

INFORMATION ON PUBLIC QUESTION TIME

The following information is provided should you wish to ask a question of Council at the Ordinary Meetings held on a monthly basis.

Please note that questions that have not been filled out on the Submission Form will not be accepted.

- The Local Government Act 1995 allows members of the public to ask questions in regard to any issue relating to the Shire.
- A maximum of 15 minutes will be allowed for public question time and the Presiding Member will allow a maximum of three (3) verbal/written questions per person.
- Prior to asking a question, the speaker must state his/her name and address.
- Members of the public are discouraged from asking questions which contain defamatory remarks, offensive language or questioning the competency of staff or Council members.
- The Presiding Member may nominate a member or officer to answer the question and may also determine that any complex questions requiring research be taken on notice and answered in writing.
- No debate or discussion is allowed to take place on any question or answer.
- A summary of each question asked and the response given will be included in the minutes of the meeting –

Local Government (Administration) Regulations 1996 – Pt 2, r.11 – (in part reads -)

11. Minutes, content of (Act s.5.25(1)(f))

The content of minutes of a meeting of a council or a committee is to include –

(e) a summary of each question raised by members of the public at the meeting and a summary of the response to the question.

Responses to questions that are taken on notice will be responded to as soon as possible.

- If you wish to ask a question, please complete the Public Question Time Submission Form at the back of this information sheet. Alternatively, questions can be submitted in writing to the Shire of Carnarvon 3 days prior to the meeting.

SPECIAL MEETINGS OF COUNCIL

Members of the public are welcome to attend a Special Meeting of Council if open, and ask questions of the Council within the allotted public question time **subject to the questions being asked only relating to the purpose of the Special Meeting** (s5.23 of the Act and regulation 12 (4) of the Local Government (Administration) Regulations 1996, the Department of Local Government and Communities Guide to Meetings and Governance Bulletin April 2014 and Guideline No. 3 Managing Public Question Time.)

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The meeting was opened by the Chair at 10.30a.

1 ATTENDANCES AND APOLOGIES

Mr Eddie Smith Presiding Member/Shire President
 Cr Burke Maslen Councillor, Gascoyne/Minilya Ward
 Cr Luke Vandeleur Councillor, Town Ward
 Cr Paul Kelly Councillor, Town Ward

Mrs Amanda Dexter Chief Executive Officer
 Mrs Amanda Leighton Executive Manager, Corporate Strategy & Performance
 Mrs Rebekah Skender Executive Assistant, Finance

Apologies

Nil

Leave of Absence

Nil

Press Nil

Observers Nil

2 PUBLIC QUESTION TIME

(In accordance with Section 5.24 of the Local Government Act 1995, a 15 minute public question time is made available to allow members of the public the opportunity of questioning Council on matters concerning them. All questions are to be provided on the Public Question Time Submission Form.)

There were no public in attendance.

3 DECLARATIONS OF INTEREST

(Elected Members and Officers are reminded of the requirements of Section 5.65 of the Local Government Act 1995, to disclose any interest during the meeting or when the matter is to be discussed.)

Nil

4 CONFIRMATION OF MINUTES

4.1 Minutes of the Audit and Risk Management Committee Meeting - 11 December 2024

COMMITTEE RESOLUTION ARMC 01/02/25

Moved: Cr Paul Kelly

Seconded: Cr Burke Maslen

That the minutes of Audit and Risk Management Committee Meeting held on 11 December 2024 be confirmed as a true record of proceedings.

FOR: Crs Eddie Smith, Burke Maslen, Luke Vandeleur and Paul Kelly

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 4/0

10.34am – CEO Mandy Dexter left the meeting.

5 REPORTS

5.1 COMPLIANCE AUDIT REPORT 2024

File No:	ADM0011
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Caroline Ballard, Governance & Information Coordinator
Authoriser:	Amanda Dexter, Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	7.1.3 Compliance Audit Return 2023
Schedules:	1. Compliance Audit Return 2024

Authority/Discretion:

- | | | |
|-------------------------------------|-----------------------|--|
| <input type="checkbox"/> | Advocacy | When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency. |
| <input checked="" type="checkbox"/> | Executive | The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets |
| <input type="checkbox"/> | Legislative | Includes adopting local laws, town planning schemes and policies. |
| <input type="checkbox"/> | Information | Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting). |
| <input type="checkbox"/> | Quasi-judicial | When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses |

Summary of Report

The purpose of report is to present to the Audit and Risk Management Committee (ARMC) the 2023 Compliance Audit Return (CAR) for review and to request that the ARMC recommend that Council adopt the 2024 CAR as presented in **Schedule 1** for submission to the Department of Local Government, Sport and Cultural Industries (DLGSC) by 31 March 2025. The 2024 CAR comprises of 94 questions over 11 categories, these questions require a response of YES, NO or N/A.

Yes – indicates compliance

No – indicates non-compliance

N/A – indicates that this function was not required to be performed this year or is not a requirement for this Local Government.

Background

Local Governments are required to complete a Compliance Audit for the previous calendar year by the 31 March. The Compliance Audit is an in-house audit that is undertaken by the appropriate Responsible Officer using questions provided by DLGSC. In accordance with Regulation 14 of the *Local Government (Audit) Regulations 1996* the ARC is to review the CAR and is to report to Council the results of that review.

The CAR is to be:

1. Presented to an Ordinary Meeting of Council
2. Adopted by Council; and

3. Recorded in the minutes of the meeting at which it is adopted.
 Following the adoption of the CAR by Council a certified copy of the return, along with the relevant section of the minutes and any additional information detailing the contents of the return are to be submitted to the DLGSC by 31 March 2025. The return requires the Shire President and the Chief Executive Officer to certify that the statutory obligations of the Shire of Carnarvon are compliant.

Stakeholder and Public Consultation

Nil

Statutory Environment

Local Government (Audit) Regulations 1996, Regulation 14

Relevant Plans and Policy

Nil

Financial Implications

Nil

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	N/A		
Health & Safety	N/A		
Reputation	There is a reputational risk should the CAR not be completed on time or if significant non-compliance is reported.	D-2 Low	Pending the ARMC decision, this item can be presented to Council in time to meet the deadline. The compliance % rate and comparison table demonstrate improvements have been made.
Service disruption	N/A		
Compliance	Non-compliance should the CAR not be completed on time.	D-2 Low	Pending the ARMC decision, this item can be presented to Council in time to meet the deadline.
Property	N/A		
Environment	N/A		
Fraud	The CAR responses are fraudulent.	D-3 Moderate	The responses are validated by the Governance & Information Coordinator.

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- N/A

ADDITIONAL FOCUS AREAS:

- N/A

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

The process for completing the 2024 CAR involved Officers from each area being delegated the relevant questions to answer. Their responses were checked and validated by the Governance & Information Coordinator for accuracy and to ensure that a high quality, verified CAR was completed.

When comparing the 2024 CAR against the 2023 CAR, the Shire of Carnarvon compliance rating has decreased by 4%.

Compliance Audit Return Categories	2023 Audit Questions	Non-Compliance	Compliance Rating	2024 Audit Questions	Non-Compliance	Compliance Rating
Commercial Enterprises by Local Government	5		100%	5		100%
Delegation of Power/Duty	13		100%	13	1	92%
Disclosure of Interest	21		100%	21	1	95%
Disposal of Property	2		100%	2		100%
Elections	3		100%	3		100%
Finance	7		100%	7		100%
Integrated Planning and Reporting	3		100%	3		100%
Local Government Employees	6		100%	5		100%
Official Conduct	3		100%	4		100%
Optional Questions	9		100%	9		100%
Tenders for Providing Goods and Services	22	1	95%	22	3	86%
TOTAL	94.00	1.00	99%	94.00	5.00	95%

Delegation of Power/Duty

Q13. Did all persons exercising a delegated power or duty under the Act keep on all occasions, a written record in accordance with *Local Government (Administration) Regulations 1996, regulation 19*?

Written records were not kept by all persons exercising a delegated power or duty in accordance with *Local Government (Admin) Regulations 1996, Reg19*.

Disclosure of Interest**Q5. Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2024?**

Due date for Annual Return completion missed by one employee – submitted 03.09.2024.

Employees are required to complete an annual return between 1 July and 31 August each year, the staff member in question was active in the workplace and had not completed this task prior to taking leave at the end of August. The Annual Return was completed upon the employee's return from leave.

Tenders**Q2. Subject to *Local Government (Functions and General) Regulations 1996*, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?**

July 2024 - A successful tenderer was found not to be a WALGA preferred supplier, therefore the tender was non-compliant, it was referred to Council who accepted the non-compliance and requested a Purchasing Policy review (undertaken September 2024).

Q13. Were all expressions of interest that were not rejected under the *Local Government (Functions and General) Regulations 1996*, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?

An EOI was handled by a Contractor (that had been awarded the Tender for the Carnarvon Activation Plan Project), the EOI process was not followed according to *F&G Reg 23(3) & (4)*.

Q14. Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with *Local Government (Functions and General) Regulations 1996*, Regulation 24?

EOI was handled by the Contractor that had been awarded the Tender for the Carnarvon Activation Plan Project. EOI process was not followed according to *F&G Reg 24*.

OFFICER'S RECOMMENDATION

That the Audit and Risk Management Committee Meeting, pursuant to Regulation 14 and 15 of the Local Government (Audit) Regulations 1996, resolves to:

- 1. Review the Shire of Carnarvon's Compliance Audit Return for the period 1 January 2024 to 31 December 2024 and report the results to Council via the minutes of the Audit and Risk Committee meeting.***
- 2. Recommends to Council that Council, at its Ordinary Meeting on 25 February 2025:***
 - a. adopts the Shire of Carnarvon's Compliance Audit Return for the period 1 January 2024 to 31 December 2024;***
 - b. authorises the Shire President and Chief Executive Officer to certify the Shire of Carnarvon Compliance Audit Return and submit the certified copy to the Department of Local Government, Sport and Cultural Industries by 31 March 2025.***

COMMITTEE RESOLUTION ARMC 02/02/25

Moved: Cr Paul Kelly

Seconded: Cr Luke Vandeleur

That the Audit and Risk Management Committee Meeting, pursuant to Regulation 14 and 15 of the Local Government (Audit) Regulations 1996, resolves to:

- 1. Review the Shire of Carnarvon's Compliance Audit Return for the period 1 January 2024 to 31 December 2024 and report the results to Council via the minutes of the Audit and Risk Committee meeting.***
- 2. Recommends to Council that Council, at its Ordinary Meeting on 25 February 2025:***

- a. adopts the Shire of Carnarvon's Compliance Audit Return for the period 1 January 2024 to 31 December 2024;***
- b. authorises the Shire President and Chief Executive Officer to certify the Shire of Carnarvon Compliance Audit Return and submit the certified copy to the Department of Local Government, Sport and Cultural Industries by 31 March 2025.***

FOR: Crs Eddie Smith, Burke Maslen, Luke Vandeleur and Paul Kelly

AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 4/0

10.40am – CEO Mandy Dexter returned to the meeting.

5.2 AUDIT AND FINANCIAL REVIEW STATUS REPORT

File No:	ADM031
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Sarah Driscoll, Senior Finance - Operations
Authoriser:	Amanda Dexter, Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple
Previous Report:	Nil
Schedules:	1. Audit & Financial Review Status Report - February 2025

Authority/Discretion:

- Advocacy** When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- Executive** The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
- Legislative** Includes adopting local laws, town planning schemes and policies.
- Information** Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
- Quasi-judicial** When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

To present to the Audit and Risk Committee the Audit and Financial Review Status Report. The main purpose of the Audit and Financial Review Status Report is to provide Council oversight of the progress of the Shire of Carnarvon in implementing actions to address the audit and financial review findings and recommendations arising from internal audits and external reviews.

Background

The primary objective of the Audit and Risk Committee is to accept responsibility for the annual external audit and consult with the Shire's auditor and CEO so that Council can be satisfied with the performance of the Shire of Carnarvon with managing its financial affairs and risk matters. As part of the Council's committee structure, the Audit and Risk Committee was established to review areas of an audit.

The main purpose of the annual financial audit and financial reviews is to examine the appropriateness and effectiveness of the financial management systems and procedures, risk management, internal control and legislative compliance of the Shire. Following the finalisation of an internal audit and/or external review, recommendations and findings are included in the Audit and Financial Review Status Report to ensure progress is monitored and recorded.

Stakeholder and Public Consultation

Nil

Statutory Environment

Local Government (Financial Management) Regulations 1996 5(2)(c)

(2) *The CEO is to –*

- c) 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.*

Local Government Act 1995 – Section 7.9

- (1) *An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to –*
...
- (2) *Without limiting the generality of subsection (1), where the auditor considers that –*
 - a) there is any error or deficiency in an account or financial report submitted for audit;*
 - b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or*
 - c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,*
details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.

Local Government (Audit) Regulations 1996.

Relevant Plans and Policy

Nil

Financial Implications

There are no financial implications from this report.

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	N/A	N/A	N/A
Health & Safety	N/A	N/A	N/A
Reputation	Reputational risks if it is found that any findings brought about in internal audits and external reviews are not addressed.	High	Monitoring Audit and Financial Review Status Reports will assist in maintaining accountability and managing any reputational risk regarding the Shire’s financial position and management.
Service disruption	N/A	N/A	N/A
Compliance	Compliance failures if areas identified for		Review any possible non-compliance brought to attention by external audits

	improvement are not addressed.		and internal reviews. Determine if matters raised in the reports require further action and ensure that appropriate action is implemented.
Property	N/A	N/A	N/A
Environment	N/A	N/A	N/A
Fraud	N/A	N/A	N/A

Community and Strategic Objectives

The tabling of the Audit and Financial Review Status Report aligns itself with no specific objective as expressed in the Community Strategic Plan 2022-2032. It does however help in improving the trust between citizens and the Shire of Carnarvon.

OBJECTIVES

In 2040 Carnarvon is a place where:

- N/A

ADDITIONAL FOCUS AREAS:

- *Improve the trust between citizens and the Shire of Carnarvon*

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

The Audit and Financial Review Status Report, attached at *schedule 1*, provides the Committee with the status and progress of findings and recommendations from the following audits and reviews:

- Internal Finance Department Review – March 2023
- Regulation 5 Review – 2023
- Regulation 17 Review – 2024
- Annual Finance Audit Findings - 2024

A current Audit and Financial Review Status Report will be presented to the Committee at each Audit and Risk Committee meeting. Items that were marked as complete in the previous report presented on December 11, 2024 have not been represented in the current report.

Officers acknowledge that all items marked as ongoing in the previous Audit and Financial Review Status Report, besides two items, are still ongoing. The timing of staff annual leave during the December 2024 – January 2025 period as well as Officer’s focus on the 24/25 Budget Review, has hindered findings from progressing further. Officer’s will ensure that required findings will be addressed prior to the next Audit & Risk Committee meeting.

OFFICER’S RECOMMENDATION

That the Audit and Risk Management Committee Meeting receive the Review Status Report – February 2025 as per Schedule 1.

COMMITTEE RESOLUTION ARMC 03/02/25

Moved: Cr Paul Kelly

Seconded: Cr Luke Vandeleur

That the Audit and Risk Management Committee Meeting receive the Review Status Report – February 2025 as per Schedule 1.

FOR: Crs Eddie Smith, Burke Maslen, Luke Vandeleur and Paul Kelly
AGAINST: Nil

CARRIED BY SIMPLE MAJORITY 4/0

6 DATE OF NEXT MEETING

The next meeting will be held on Tuesday 22 April 2025 at Shire Council Chambers, Stuart Street Carnarvon commencing at 10.30am

7 CLOSE

The Presiding Member declared the meeting closed at 10.35am.