

MINUTES

Audit & Risk Committee Meeting

Held in Council Chambers
13 Cottrell Street, Dowerin WA 6461
Friday 28 February 2025

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Shire of Dowerin
Audit & Risk Committee Meeting
5:00pm Friday 28 February 2025



1. Official Opening

The Chair welcomed those in attendance and declared the Meeting open at 5:02pm.

2. Record of Attendance / Apologies / Leave of Absence

Committee Members:

Cr RI Trepp	President & Chair
Cr NP McMorran	Deputy President
Cr BA Ward	
Ms TA Jones	

Staff:

Ms M Barthakur	Chief Executive Officer
Ms K Rose	Manager of Governance and Community Services

Apologies:

Cr DP Hudson	
Mr S Mwale	Manager of Corporate Services

Approved Leave of Absence:

Nil

Request for Attendance via Remote Connection

In accordance with Regulation 14A of the *Local Government (Administration) Regulations 1996* Mr S Mwale has requested attendance at this Audit & Risk Committee Meeting via remote connection.

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution

Moved: Ms T Jones **Seconded:** Cr NP McMorran

1066 **That, by Absolute Majority, pursuant to Regulation 14A of the *Local Government (Administration) Regulations 1996*, the Committee:**

1. Approves Mr S Mwale's attendance at the 28 February 2025 Audit & Risk Committee Meeting via remote connection; and
2. Approves Mr S Mwale's location as a suitable place for Mr S Mwale's attendance.

CARRIED 4/0

For: Cr RI Trepp, Cr NP McMorran, Cr BA Ward, Ms TA Jones

3.	Public Question Time
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Nil

4.	Disclosure of Interest
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Nil

5.	Confirmation of Minutes of the Previous Meeting(s)
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5.1 Audit & Risk Committee Meeting held on 10 December 2024

[Attachment 5.1A](#)

	Voting Requirements
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Simple Majority



Absolute Majority

Officer's Recommendation/Resolution – 5.1

Moved: Cr Ward

Seconded: Ms T Jones

1067

That, in accordance with Sections 3.18 and 5.22(2) of the *Local Government Act 1995*, the Minutes of the Audit & Risk Committee Meeting held on 10 December 2024, as presented in Attachment 5.1A, be confirmed as a true and correct record of proceedings.

Minor correction to be made to the Chair of the meeting from Cr McMorran to Cr Trepp

CARRIED 4/0

For: Cr RI Trepp, Cr NP McMorran, Cr BA Ward, Ms TA Jones

6.	PRESENTATIONS
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Nil

7. OFFICER'S REPORTS

7.1 2024 Compliance Audit Return

Corporate & Community Services		 SHIRE OF DOWERIN TIN DOG TERRITORY
Date:	24 February 2025	
Location:	Not applicable	
Responsible Officer:	Manisha Barthakur, Chief Executive Officer	
Author:	Kahli Rose, Governance Coordinator	
Legislation:	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>	
SharePoint Reference:	Organisation/Governance/Committees/2025 02 28 A&R Committee Organisation/Corporate Management/Reporting/2024 Compliance Audit Return	
Disclosure of Interest:	Nil	
Attachments:	<u>Attachment 7.1A – 2024 Compliance Audit Return</u>	

Purpose of Report

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Executive Decision

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Legislative Requirement

Summary

This Item presents the 2024 Compliance Audit Return (CAR) to the Audit & Risk Committee (the Committee) for consideration and, if satisfactory, recommendation to Council for adoption.

Background

Each year, local governments must conduct a compliance audit covering the period from 1 January to 31 December, assessing adherence to the CAR requirements.

Following Committee review and Council consideration, a certified copy of the CAR—signed by the President and CEO—along with relevant meeting minutes and any explanatory notes, must be submitted to the Department of Local Government, Sport and Cultural Industries (DLGSC) by 31 March.

Comment

The CAR serves as a key governance tool for both the Committee and Council, forming part of the DLGSC's monitoring framework. The 2024 CAR reinforces the importance of acknowledging non-compliance or partial compliance and requires Council to endorse remedial actions to prevent recurrence.

This year's CAR includes assessments across the following categories:

1. Commercial Enterprises by Local Governments – 5 questions
2. Delegation of Power/Duty – 13 questions
3. Disclosure of Interest – 21 questions
4. Disposal of Property – 2 questions
5. Elections – 3 questions
6. Finance – 7 questions
7. Integrated Planning and Reporting – 3 questions
8. Local Government Employees – 5 questions
9. Official Conduct – 4 questions
10. Optional Questions – 9 questions
11. Tenders for Providing Goods and Services – 22 questions

During the completion of the 2024 CAR, one qualification was identified:

Section	Question	Compliance	Explanation
s5.16(3)(b) & s5.45(1)(b)	Were all Council decisions to amend or revoke a delegation made by absolute majority?	No	At the 21 May 2024 Ordinary Council Meeting (CMRef:0959), an amendment to the Delegation Register was passed by simple majority instead of absolute majority.

- The amendment permitted sub-delegation of payment authorisation to the Asset & Works Coordinator (AWC), CRC Coordinator (CRCC), and Aged Care Coordinator (ACC).
- No sub-delegation powers have been exercised by the AWC, CRCC, or ACC following the 21 May 2024 meeting.
- Sub-delegation powers in 2024 were exercised only by the Deputy Chief Executive Officer and Executive Governance Officer.
- While the officer report incorrectly stated that a simple majority was required, the decision was carried **5/1**.
- The Shire acknowledges that Council **cannot** determine sub-delegations, as its authority under s.5.42 is limited to delegating to the CEO. Moving forward, sub-delegations will be determined by the CEO in accordance with s.5.44(3).

WALGA provided a comprehensive review of this qualification and guidance on reporting the findings in the CAR.

WALGA also recommended a training course for all delegates and sub-delegates to prevent similar issues in the future. This course has been scheduled as part of ongoing staff development.

Consultation

Manisha Barthakur, Chief Executive Officer

Kahli Rose, Manager of Governance and Community Services

Lyn Fogg, WALGA Governance Team

Policy Implications

Policy 2.2 – Risk Management Policy is applicable.

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government

Outcome: 5.3

Reference: 5.3.2

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Statutory Implications

Section 7.13(1)(i) of the *Local Government Act 1995* requires local governments to carry out a compliance audit in a manner specified by Regulations.

Regulation 14 of the *Local Government (Audit) Regulations 1996* is applicable and states:

“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 15 of the *Local Government (Audit) Regulations 1996* requires a certified copy of the CAR to be provided to the DLGSC by 31 March:

“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.”*

Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	People
Risk Description	Some temporary non compliances
Consequence Rating	Insignificant (1)
Likelihood Rating	Unlikely (2)
Risk Matrix Rating	Low (3)
Key Controls (in place)	Governance Management Framework, Staff Training Plan
Action (Treatment)	Document Governance Management Framework, Implementation of tailored Staff Training Plan
Risk Rating (after treatment)	Adequate

Financial Implications

Nil

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution – 7.1

Moved: Cr Trepp

Seconded: Cr Ward

1068

That, by Absolute Majority, in accordance with Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee:

- 1. Receives the 2024 Compliance Audit Return, as presented in Attachment 7.1A.**
- 2. Recommends to Council that it adopts the 2024 Compliance Audit Return and submits it to the Department of Local Government, Sport & Cultural Industries prior to 31 March 2025.**

CARRIED 4/0

For: Cr RI Trepp, Cr NP McMorran, Cr BA Ward, Ms TA Jones


Please note: the Audit & Risk Committee does not have delegated authority to make decisions.

All recommendations of the Audit & Risk Committee are presented to Council for ratification.

8. Questions from Members

9. Urgent Business Approved by the Person Presiding or by Decision

9.1 Risk Dashboard Quarterly Review – February 2025

<h1>Governance and Compliance</h1>		 <p>SHIRE OF DOWERIN TIN DOG TERRITORY</p>
Date:	25 February 2025	
Location:	Not Applicable	
Responsible Officer:	Manisha Barthakur, Chief Executive Officer	
Author:	Kahli Rose, Manager of Governance and Community Services	
Legislation:	<i>Local Government Act 1995;</i>	
Sharepoint Reference:	Compliance/Risk Management/Reporting	
Disclosure of Interest:	Nil	
Attachments:	Attachment 9.1A – Risk Dashboard Quarterly Report – February 2025	

Purpose of Report



Executive Decision



Legislative Requirement

Summary

This Item presents the Risk Dashboard Quarterly Report to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption. The report highlights numerous risks that are not adequately managed and require urgent attention.

Background

The Shire of Dowerin's Risk Management Policy, in conjunction with the Risk Management Framework, sets out the Shire's approach to the identification, assessment, management, and monitoring of risks.

Appropriate governance of risk management within the Shire provides:

- Transparency of decision-making;
- Clear identification of the roles and responsibilities of the risk management functions; and
- An effective governance structure to support the Risk Management Framework.

The Audit & Risk Committee has a role to play, and its responsibilities include:

- Regular review of the appropriateness and effectiveness of the Risk Management Framework;
- Supporting Council to provide effective corporate governance;
- Oversight of all matters that relate to the conduct of external audits; and
- Ensuring independence, objectivity, and autonomy in deliberations.

It is essential to monitor and review risk management practices as changing circumstances may increase or decrease risks. Regular reviews of controls and treatments ensure organisational resources are used effectively. During the quarterly reporting process, management reviews their areas to ensure ongoing mitigation of risks.

Comment

The Audit & Risk Committee has been requesting a full review of the Risk Dashboard since October 2023, which has now been reviewed and has identified multiple high-risk areas that require prioritised action to maintain compliance and ensure further unqualified audits.

The Regulation 17 Audit is scheduled for this year, making it critical that the Risk Dashboard is brought back into alignment as a high priority for the organisation. Staff workload is currently high, and addressing these risks effectively will require appropriate staffing levels, resourcing, and budget allocations. Without sufficient resources, it will be challenging to meet compliance obligations and improve practices.

Key high-risk areas identified include:

Asset Management

Key Risks:

Failure or reduction in service of infrastructure assets due to outdated maintenance schedules and inadequate financial forecasting.

Actions Required:

- Full review and update of the Asset Management Plan (due January 2026, but work has not commenced).
- Immediate implementation of audit recommendations for fuel stock control (to be completed by June 2025).
- Update and enforce maintenance schedules for plant and equipment (scheduled for December 2025 but requires earlier completion).

Business Disruption Preparedness

Key Risks:

Lack of comprehensive business continuity planning leaves the Shire vulnerable to prolonged service interruptions.

Actions Required:

- Immediate update and implementation of the IT Disaster Recovery Plan (due June 2025, which is yet to be assigned to our IT provider).
- A full-scale emergency management exercise must be scheduled and completed by July 2025.
- Business Continuity Plan drills to be held at least annually, with the next drill set for December 2025.

Compliance & Governance Oversight Gaps

Key Risks:

Regulatory non-compliance and failure to meet statutory obligations.

Actions Required:

- Governance Management Framework to be fully documented and adopted by July 2025.
- Councillor Induction Manual review to be prioritised before the August 2025 deadline.
- Review and update information management systems by December 2024, with a training program introduced for all staff.

Environmental & Waste Management Compliance Failures

Key Risks:

Environmental compliance failures and ineffective waste management planning.

Actions Required:

- Comprehensive review of wastewater reuse practices, with recommendations implemented by September 2024.
- Immediate commencement of a new Waste Management Plan (completion deadline: June 2024).
- Increased monitoring and enforcement of illegal dumping, with dedicated resources allocated.

Employment & Workplace Safety Gaps

Key Risks:

Inadequate HR policies, workplace safety measures, and training gaps.

Actions Required:

- Workforce Plan review to commence immediately, with completion targeted for December 2025.
- Full performance review cycle to be enforced, with completion set for April 2025.
- Centralised tracking system for staff training compliance to be implemented by May 2025.

Cybersecurity & Data Protection Risks

Key Risks:

Increased risk of cyberattacks, data breaches, and inadequate IT security measures.

Actions Required:

- Implementation of multi-factor authentication across all systems (by September 2025).
- Comprehensive review and update of IT security policies and procedures (by July 2025).
- Regular cybersecurity awareness training for all staff (this has been implemented in Feb 2025 for all IT users including councillors).

Financial Management & Budget Oversight

Key Risks:

Risk of financial mismanagement due to inadequate budget forecasting and delayed reporting.

Actions Required:

- Strengthening internal financial controls and budget tracking mechanisms (Some components of internal controls are addressed through statutory financial reporting process. In addition, a streamlined automated capital projects tracking by December 2025).
- Ensuring all financial reports are reviewed and audited quarterly (ongoing).
- Conducting a comprehensive review of grant management and expenditure tracking (by October 2025).

Community Engagement & Reputation Management

Key Risks:

Lack of proactive communication leading to reputational damage and community dissatisfaction.

Actions Required:

- Development of a structured community engagement plan (by August 2025).
- Ensuring timely and transparent responses to community concerns (ongoing).
- Creation of a crisis communication strategy to handle potential public relations risks (by September 2025).

Emergency Response & Disaster Management

Key Risks:

Inadequate preparation for bushfires, floods, or other emergencies.

Actions Required:

- Full review and testing of emergency response plans (by November 2025).
- Ensuring all staff and key stakeholders are trained in emergency response procedures (ongoing).
- Updating firebreak and hazard reduction plans in alignment with current climate risk assessments (by May 2025).

Contract & Procurement Risks

Key Risks:

Poor contract management, lack of planning, and inadequate vendor monitoring.

Actions Required:

- Develop a centralised contract management system (by September 2025).
- Conduct regular audits on vendor sustainability and contract compliance (ongoing).
- Review procurement policies to ensure best value and compliance (by December 2025)

Workplace Safety & Security

Key Risks:

Non-compliance with occupational safety laws, lack of emergency preparedness, and staff safety concerns.

Actions Required:

- Implement an isolated worker management procedure (by December 2025).
- Conduct monthly workplace safety inspections (ongoing).
- Continue the development and regular meetings of the Workplace Safety & Health (WSH) Committee (next scheduled April 2025).

IT & Cybersecurity Failures

Key Risks:

Outdated IT infrastructure, poor cybersecurity controls, and risk of data breaches.

Actions Required:

- Implement an IT disaster recovery plan (by June 2025).
- Enforce multi-factor authentication across all systems (by September 2025).
- Upgrade IT infrastructure replacement program (by December 2025).

Misconduct & Ethical Risks

Key Risks:

Potential breaches of the Code of Conduct, lack of internal controls, and insufficient enforcement of policies.

Actions Required:

- Review and strengthen delegation authority processes (by July 2025).
- Improve compliance with financial management policies (by December 2025).
- Conduct regular staff training on ethical responsibilities (ongoing).

Project & Change Management Risks

Key Risks:

Failure to properly plan and execute strategic projects, leading to delays and cost overruns.

Actions Required:

- Develop a project management methodology and framework (by August 2025).
- Conduct a formal review of change management processes (by December 2025).
- Improve tracking and reporting on project progress (ongoing).

Governance & Compliance Failures

Key Risks:

Ineffective regulatory oversight, lack of legal compliance, and governance gaps.

Actions Required:

- Complete a full review of the Governance Management Framework (by July 2025).
- Implement a training program for councillors and staff on compliance obligations (ongoing).
- Improve the tracking of regulatory changes and statutory requirements (by October 2025).

Community Engagement & Reputation Management

Key Risks:

Poor communication with the public, lack of community involvement, and reputational damage.

Actions Required:

- Develop a structured Community Engagement Policy and Framework (by December 2025).
- Improve customer service response processes (ongoing).
- Report to Council on the results of the Community Satisfaction Survey (by April 2025).

Document & Information Management Risks

Key Risks:

Poor record-keeping, outdated documentation, and compliance risks related to data retention.

Actions Required:

- Review and update the Record-Keeping Plan (by December 2025).
- Improve digital record management through SharePoint system enhancements (by June 2025).
- Implement staff training for proper document handling and retention (ongoing).

Consultation

Manisha Barthakur, Chief Executive Officer

Kahli Rose, Manager of Governance and Community Services

Ben Forbes, Manager of Infrastructure and Projects

Solomon Mwale, Manager of Corporate Services

Policy Implications

Council Policy 2.2 – Risk Management Policy

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government.

Outcome: 5.3

Reference: 5.3.2

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Statutory Implications

The *Local Government Act 1995* and Regulations 16 and 17 of the *Local Government (Audit) Regulations* are applicable.

Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	Short term non-compliance but with significant regulatory requirements imposed
Consequence Rating	Moderate (3)
Likelihood Rating	Possible (3)
Risk Matrix Rating	Moderate (6)
Key Controls (in place)	Governance Management Framework
Action (Treatment)	Document Governance Management Framework
Risk Rating (after treatment)	Effective

Financial Implications

Many of the required risk management actions will necessitate additional resourcing beyond the current budget allocation. Adequate funding and staffing support are essential to ensuring compliance and risk mitigation.

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution – 9.1

Moved: Cr Ward

Seconded: Ms T Jones

1069

That, in accordance with Regulations 16 and 17 of the Local Government (Audit) Regulations 1996, the Audit and Risk Committee:

- 1. Receives the Risk Dashboard Quarterly Report – February 2025, as presented in Attachment 9.1A, detailing significant risks and required mitigation actions; and**
- 2. Recommends to Council that it adopts the Risk Dashboard Quarterly Report – February 2025, with immediate prioritisation of outstanding high-risk items and sufficient allocation of resources and budget to address them effectively.**

CARRIED 4/0

For: Cr RI Trepp, Cr NP McMorran, Cr BA Ward, Ms TA Jones

*Please note: the Audit & Risk Committee does not have delegated authority to make decisions.
All recommendations of the Audit & Risk Committee are presented to Council for ratification.*

10.	Date of the Next Meeting
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Tuesday 13 May 2025 – commencing at 5:00pm

11.	Closure
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The Chair thanked those in attendance and declared the Meeting closed at 5:34pm