



**AUDIT AND RISK COMMITTEE MEETING**

**MINUTES**

**19 SEPTEMBER 2024**

These minutes were confirmed by Audit and Risk Committee as a true and correct record of proceedings by the Audit and Risk Committee Meeting held on 19/12/24.

Presiding Member: *[Signature]* Date: 19 December 2024

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## **1.09.24 DECLARATION OF OPENING**

The Presiding Member, Cr Crute, declared the Meeting open at 4:00pm.

On behalf of the Council, I would like to acknowledge that this meeting is being held on the traditional lands of the Nyoongar People, and pay respect to all Elders, past, present, and emerging. I wish to acknowledge and respect local people's continuing culture, and the contribution they make to Country, and its life.

## **2.09.24 RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE**

### Elected Members (Voting)

Cr KL Crute	President
Cr T de Lange	Deputy President
Cr HA Bell	

### External Committee Members (Voting)

Mr E Pech

### Staff (Non-Voting)

Mr G Sherry	Chief Executive Officer
Mrs D Sweeney	Manager Corporate and Community
Mrs S Spencer	Executive Governance Officer

### Leave of Absence

Nil.

### Visitors/Residents/Electors

Cr B Copping  
Cr R Wallis  
Mr N Walker

**3.09.24 CONFIRMATION OF PREVIOUS MINUTES**

**ARC 09.24-01**

**COMMITTEE RESOLUTION**

**MOVED Cr de Lange                      SECONDED Cr Bell**

*That the minutes of the Audit and Risk Committee meeting held in the Shire of Brookton Council Chambers, on 18<sup>th</sup> July 2024, be confirmed as a true and correct record of the proceedings.*

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

**For: Cr Crute, Cr de Lange, Cr Bell, Mr Pech  
Against: Nil**

**4.09.24 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil.

**5.09.24 PUBLIC QUESTION TIME**

Nil.

**6.09.24 ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION**

Nil.

**7.09.24 DECLARATIONS BY MEMBERS AND OFFICERS**

***Members and Officers to declare Financial, Proximity or Impartiality Interests & submit forms to the Chief Executive Officer at the commencement of the meeting and also prior to the item.***

**Disclosure of Financial & Proximity Interests**

- a. Members must disclose the nature of their interest in matters to be considered at the meeting. (Sections 5.60B and 5.65 of the *Local Government Act 1995*).
- b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the *Local Government Act 1995*).

**Disclosure of Interest Affecting Impartiality**

- a. Members and staff must disclose their interest in matters to be considered at the meeting in respect of which the member or employee has given or will give advice.

**Financial, Proximity and Impartiality Interests**

<b>Item no.</b>	<b>Members/Officers</b>	<b>Type of Interest</b>	<b>Nature of Interest</b>
Nil.			

**8.09.24 PRESENTATIONS**

Nil.

**9.09.24.01 REVIEW OF THE AUDIT & RISK COMMITTEE TERMS OF REFERENCE**

<b>File No:</b>	GOV022C
<b>Date of Meeting:</b>	19 September 2024
<b>Location/Address:</b>	N/A
<b>Name of Applicant:</b>	N/A
<b>Name of Owner:</b>	N/A
<b>Author/s:</b>	Deanne Sweeney – Manager Corporate and Community
<b>Authorising Officer:</b>	Gary Sherry – Chief Executive Officer
<b>Declaration of Interest:</b>	The author and authorising officer do not have an interest in this item.
<b>Voting Requirements:</b>	Simple Majority
<b>Previous Report:</b>	N/A

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**Summary of Report:**

The Committee is to consider recommendations to Council arising from the review of the Terms of Reference for the Audit and Risk Committee.

**Description of Proposal:**

As per 7.6.2 of the Audit & Risk Committee terms of reference, the Audit & Risk Committee is to review its performance and terms of reference biennially and report to Council with a review completed in July 2024.

As part of our ongoing commitment to transparency, effective governance, and best practice we propose further amendments to the Audit & Risk Committee Terms of Reference. These changes aim to enhance the committee's effectiveness and align with industry standards.

**Background:**

Council must appoint an Audit & Risk Committee to oversee financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability, and the internal and external audit functions. The Committee makes recommendations and reports to Council on these matters.

The primary objective of the Audit Committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

In accordance with clause 7.6.2 of the Audit and Risk Committee Terms of Reference, the Committee is required to review its terms of reference to ensure it is operating at maximum effectiveness and recommend changes it considers necessary to Council for approval.

**Consultation:**

Internal consultation has occurred with the Chief Executive Officer.

**Statutory Environment:**

Local Government Act 1995

**Relevant Plans and Policy:**

The recommendation is relevant to 1.13 Council Committees – Terms of Reference.

**Financial Implications:**

The Committee will ensure openness in the local government’s financial reporting and will liaise with the CEO to ensure the effective and efficient management of the local government’s financial accounting systems and compliance with legislation.

**Risk Assessment:**

The risk in relation to the amended Terms of Reference is assessed as “Medium”. It is a statutory requirement to have an Audit and Risk Committee. The Terms of Reference are to be reviewed and recommended to Council.

Consequence Likelihood	Insignificant	Minor	Moderate	Major	Extreme
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

**Community & Strategic Objectives:**

This item relates to delivery of core business and services detailed in the Shire of Brookton Strategic Community Plan –June 2032, duly appended to the BROOKTON Corporate Business Plan July 2022 to June 2032.

**Comment**

Nil.

**OFFICER’S RECOMMENDATION**

That the Audit and Risk Committee recommends to Council to adopt the Audit and Risk Committee Terms of Reference, as presented in Attachment 9.09.24.01A.

(Simple Majority vote required)

**ARC 09.24-02**

**COMMITTEE RESOLUTION**

**MOVED Cr Bell**

**SECONDED Cr de Lange**

*That the Audit and Risk Committee recommends to Council to adopt the Audit and Risk Committee Terms of Reference, as presented in Attachment 9.09.24.01A.*

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

**For: Cr Crute, Cr de Lange, Cr Bell, Mr Pech**

**Against: Nil**

**Attachments**

**Attachment 9.09.24.01A – Audit and Risk Committee Terms of Reference – September 2024.**



## AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

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### 1. Purpose of the Terms of Reference

The purpose of the terms of reference is to facilitate the operation of the Audit and Risk Committee (the Committee).

### 2. Introduction

The Committee has been established in accordance with Part 7 of the *Local Government Act, 1995* and constitutes an advisory committee formally appointed by and responsible to the Council.

This Committee does not have any:

- Executive powers;
- Authority to implement actions in areas over which management has responsibility;
- Financial responsibility; nor
- Management functions.

It is independent of the Shire's Administration with fundamental oversight and a need to focus on matters relating to internal and external audit, and risk exposure and mitigation pertinent to the Shire of Brookton.

Accordingly, the Committee's is to assist the Shire Council in:

- Liaising with the Office of the Auditor General (OAG),
- Overseeing external and internal audit functions;
- Promoting high level transparency and accountability of the Shire's financial management systems and reporting;
- Managing its risk exposure; and
- Driving a culture of continuous improvement.

Furthermore, the Committee is to report to Council with appropriate advice and recommendations on matters relevant to this Terms of Reference in order to facilitate decision making by Council in the discharge of responsibilities pursuant to statutory requirements.

### 3. Objectives

The objectives of the Committee are to oversee:

- 3.1 The integrity of external financial reporting, including accounting policies.
- 3.2 The scope of work, objectivity, performance and independence of the external auditor.
- 3.3 The establishment, effectiveness and maintenance of controls and systems to safeguard the Shire's financial and physical resources.



- 3.4 The systems or procedures that are designed to ensure the Shire and its subsidiaries comply with relevant statutory and regulatory requirements.
- 3.5 The process for recognising risks arising from the Shire's operations, strategies, and consider the adequacy of measures taken to manage those risks.
- 3.6 The process and systems which protect the Council against fraud and irregularities.
- 3.7 The promotion of best practice in striving to instil and maintain a culture of continuous improvement.

The Committee must also add to the credibility of Council by promoting ethical standards through its work.

#### 4. Authority

The Committee has the authority to:

- 4.1 Review and suggest improvements to internal and external auditor's annual audit plans and the outcomes/results of all audits undertaken.
- 4.2 Monitor and advise the CEO in reviews conducted under regulation 17 (1) of the Local Government (Audit) Regulations, 1996 and regulation 5 (2) (o) of the Local Government (Financial management) Regulations, 1996.
- 4.3 Formally meet with the AOG appointed auditors as necessary.
- 4.4 Seek resolution on any disagreements between management and the AOG auditors on financial and performance reporting.
- 4.5 Advise Council on any or all of the above as deemed necessary.

#### 5. Composition of Committee Members

- 5.1 The Committee ~~will consist is to comprise~~ of ~~three (3)~~ all Elected Members ~~appointed by Council.~~
- 5.2 The Council is to also appoint at least ~~one two (1)~~ (2) external Committee member from within the community ~~and one (1) external independence advisor.~~  
  
~~The independent advisor should have a Certified Practicing Account (CPA) qualification or similar with recent work experience in dealing with small to medium business, and demonstrated understanding of:~~
  - ~~• Accounting Standards (AASB)~~
  - ~~• Tax Legislation~~
  - ~~• Local Government Act 1995~~
  - ~~• Local Government experience~~
- 5.3 The Presiding Member and Deputy Presiding Member is be appointed biennially by the Committee through election by all committee members after the Ordinary Local Government Election.

- 5.4 The appointed Committee members should collectively have a broad range of skills and experience relevant to the operations of the Shire.
- 5.5 Appointments of external Committee members will be for a two-year term. The terms of appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to Council's elected representatives.
- 5.6 A quorum will be a minimum of 50% of the membership of the Committee.
- 5.7 Each Committee member must declare proximity, financial or impartiality interests that relate to matters considered at every meeting.
- 5.8 New members are to receive relevant information and be briefed immediately following their appointment to assist in performing their responsibilities on the Committee.

## 6. Meetings

- 6.1 Meetings may be called by the Presiding Member of the Committee, or at the request of the Shire President or Chief Executive Officer.
- ~~6.2 The meetings are open to the public, unless the Presiding Member or Chief Executive Officer deem it necessary to proceed behind closed doors pursuant to Section 5.23 of the Local Government Act, 1995.~~
- ~~6.3 All Elected Members not appointed to this Committee are invited to attend each meeting as an observer.~~
- 6.4 The Chief Executive Officer is responsible for arranging Committee meetings and may invite members of management, internal and external auditors or other employee to attend meetings as observers and to provide pertinent information, as necessary.
- 6.5 The Committee should meet at least twice per year with a meeting schedule to be set that includes the dates, location, and where possible a proposed work plan for each meeting for the forthcoming year, that covers all the responsibilities outlined in this terms of reference.
- 6.6 Meeting agendas are to be prepared and provided at least one week in advanced notice to members, along with appropriate briefing materials as well as be advertised in the Community with no later than 72 hours prior to the meeting being convened.
- 6.7 Minutes are to be taken at each meeting and presented to the subsequent meeting for confirmation and Council for receipt and acknowledgement.

## 7. Responsibilities

The Committee is to perform the following responsibilities:

### 7.1 Risk Management

- 7.1.1 To review and suggest improvements on the current and comprehensive risk management framework and associated procedures for effective identification and management of the Shire's business and financial risks, including fraud.
- 7.1.2 To determine whether a sound and effective approach is being administered in

managing the Shire's major risks, including those associated with individual service delivery, projects, and activities, such as community events.

- 7.1.3 To assess the impact of the Shire's risk management framework on its exposure to litigation and insurance arrangements.
- 7.1.4 To review and suggest improvements to developing and implementing fraud control arrangements and be satisfied the Shire has appropriate processes and systems in place to detect, capture and effectively respond to fraud.
- 7.1.5 To ensure adequate systems of internal control are in place to mitigate key business risks and promote the effectiveness and efficiency of operations.
- 7.1.6 To oversee, review and suggest improvements to internal audit functions in accordance with Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing.
- 7.1.7 To receive and review all audit reports and provide advice and recommendations to the Council on significant issues identified in audit reports with a focus of continuous improvement.

## **7.2 Financial Report**

- 7.2.1 To review and suggest improvements to significant account and reporting issues, including:
  - complex or unusual transactions;
  - identified accounting anomalies;
  - professional and regulatory pronouncements and legislative changes; and
  - effect on the financial reporting requirements.
- 7.2.2 To review (with management and the AOG) the external audit results, including any difficulties or deficiencies identified and suggest improvements, if required.
- 7.2.3 To review and suggest improvements to the annual financial report in consideration of legislative requirements and appropriate accounting principles.
- 7.2.4 To review and suggest improvements to the financial information presented to Council and the Community in the financial reports based on transparency and accountability measures, without revealing information that could be used to aid in fraudulent activity.
- 7.2.5 To review (with management and the ~~AQG~~ OAG) all matters required to be communicated to the Committee under the Australian Auditing Standards, and suggest improvements if required.
- 7.2.6 To review, suggest improvements and recommend adoption of the Annual Financial Statements to Council.

## **7.3 Compliance**

- 7.3.1 To review, suggest improvements and monitor systems and processes to ensure relevant compliance with legislative requirements, with associated reporting to

- Council.
- 7.3.2 To keep informed of the findings of any examinations by regulatory agencies and any auditor (internal or external) observations and monitor management's response to these findings.
  - 7.3.3 To obtain regular updates from management about compliance matters.
  - 7.3.4 To review and suggest improvements to the annual Compliance Audit Return (CAR) and report the results to the Council.
- 7.4 External Audit**
- 7.4.1 To discuss with the OAG auditor's the proposed audit scope and methodology for financial and performance audits, including any reliance on internal auditor activity.
  - 7.4.2 To consider the findings and recommendations of relevant financial and performance audits performed by the OAG auditors, and ensure the Shire Administration implements relevant recommendations in a timely manner.
  - 7.4.3 To provide an opportunity for the Committee to meet with the OAG auditors to discuss any matters consider by either party to be of concern.
  - 7.4.4 To monitor and provide feedback on management's implementation of external audit recommendations.
- 7.5 Reporting Responsibilities**
- 7.5.1 To report regularly to the Council on the Committee's activities, issues, and related recommendations through circulation of minutes.
  - 7.5.2 To monitor and ensure open communication and co-operation is achieved between the internal auditor, the external OAG auditors, and the Shire's management.
- 7.6 Other Responsibilities**
- 7.6.1 To perform other activities related to this Terms of Reference, as requested by the Council.
  - 7.6.2 To perform a biennial review and suggest improvements to this Terms of Reference for Council's consideration and approval prior to the next Local Government Ordinary Election.
- 7.7 Remuneration of External Members**
- 7.7.1 Remuneration of External members are to be remunerated in accordance with section 5.100 of the Act. The extent to which external members can be reimbursed shall be as determined by the Salaries and Allowances Tribunal.

**9.09.24.02 APPOINTMENT OF COMMUNITY COMMITTEE MEMBER – AUDIT & RISK COMMITTEE**

<b>File No:</b>	GOV022C
<b>Date of Meeting:</b>	19 September 2024
<b>Location/Address:</b>	N/A
<b>Name of Applicant:</b>	N/A
<b>Name of Owner:</b>	N/A
<b>Author/s:</b>	Deanne Sweeney – Manager Corporate and Community
<b>Authorising Officer:</b>	Gary Sherry – Chief Executive Officer
<b>Declaration of Interest:</b>	The author and authorising officer do not have an interest in this item.
<b>Voting Requirements:</b>	Simple Majority
<b>Previous Report:</b>	N/A

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**Summary of Report:**

The Committee is to consider the appointment of a Community Committee Member to the Shire of Brookton Audit and Risk Committee.

**Description of Proposal:**

Council has received an application from Mr Neil Walker for the position of Community Committee Member to the Shire of Brookton Audit and Risk Committee. Mr Walker is a former Councillor of the Shire of Brookton until October 2023.

**Background:**

At the September 2024 Ordinary Council Meeting a Terms of Reference for the Audit and Risk Committee is to be endorsed by Council, with representation on the Committee to consist of all elected members and two external community committee members .

Council is to appoint all Elected Members at its September 2024 Ordinary Council Meeting. Additionally, one community member’s term is currently filled with an expiry date of October 2024 leaving one vacant external community committee member position to be filled.

Accordingly, the vacant position was advertised with one formal submission being received.

A copy of the formal submission received is provided in Attachment 9.09.24.02A.

**Consultation:**

Despite several advertisements and direct approaches to individuals, there has been no interest shown in the vacant position. We have received a submission in response to the advertisement on 1 July 2024.

**Statutory Environment:**

Local Government Act 1995

**Relevant Plans and Policy:**

The recommendation is relevant to Policy 1.13 Council Committees – Terms of Reference and Policy 1.17 – Standing Orders and Meeting Protocol Local Government (Council Meetings).

**Financial Implications:**

There are no known financial implications as Council has included a provision in the 2024/25 Budget for remuneration for external committee members.



### Risk Assessment:

The risk in relation to being unable to fill the external community committee member is assessed as “Medium”. A suitable candidate who is not integrally involved in the workings of the Shire will provide an independent perspective of the organisation’s performance, accountability and compliance.

Consequence	Insignificant	Minor	Moderate	Major	Extreme
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
LOW	Monitor for continuous improvement.
MEDIUM	Comply with risk reduction measures to keep risk as low as reasonably practical.
HIGH	Review risk reduction and take additional measures to ensure risk is as low as reasonably achievable.
SEVERE	Unacceptable. Risk reduction measures must be implemented before proceeding.

### Community & Strategic Objectives:

This item relates to delivery of core business and services detailed in the Shire of Brookton Strategic Community Plan –June 2032, duly appended to the BROOKTON Corporate Business Plan July 2022 to June 2032.

### Comment

The formal nomination from Mr Neil Walker for the vacant community committee member of the Audit & Risk Committee has been reviewed. Mr Walker has extensive experience is successfully operating his own farming business, as well as his time as a Councillor with considerable knowledge and understanding of Local Government, and the way it operates as a government entity.

### OFFICER’S RECOMMENDATION

That the Audit and Risk Committee recommends to Council that in accordance with Section 5.10 of the Local Government Act (1995), it endorses the appointment of the Mr Neil Walker as an external community committee member to the Audit and Risk Committee until October 2026.

(Simple Majority vote required)

**ARC 09.24-03**

**COMMITTEE RESOLUTION**

**MOVED Cr de Lange                      SECONDED Cr Bell**

*That the Audit and Risk Committee recommends to Council that in accordance with Section 5.10 of the Local Government Act (1995), it endorses the appointment of the Mr Neil Walker as an external community committee member to the Audit and Risk Committee until October 2026.*

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

**For: Cr Crute, Cr de Lange, Cr Bell, Mr Pech  
Against: Nil**

**Attachments**

Attachment 9.09.24.02A – Appointment of Community Committee Members Audit & Risk Committee Nomination – N Walker.

**From:** Neil Walker [REDACTED]  
**Sent:** Monday, July 15, 2024 2:49 PM  
**To:** Gary Sherry <gary.sherry@brookton.wa.gov.au>  
**Subject:** Audit Committee nomination

Hi Gary

I wish to nominate myself as a member of the Shire of Brookton Audit Committee.  
I believe that I can contribute in a positive way to the committee after my many years as a Shire Councillor and my understanding of local government accounting systems.

Kind regards  
Neil Walker



**10.09.24 STATUS TABLE – REGULATION 17**

The following table provides an understanding of governance matters identified through annual audits or required by legislation and an update on the progress of addressing relative compliance. The status is presented to satisfy the requirements of Regulation 17 of the Local Government (Audit) Regulations 1996.

Black – No changes from previous reports

Blue – Additions from last Audit & Risk Committee meeting

Item #	Date Initiated	Item Title	Findings or other Statutory Requirements	Risk Factor	Officer Status Update	Assigned to	Estimated Due Date	% Completed
11	9-Jul-20	Review of Workforce Plan	Forms part of the Integrated Planning and Reporting Framework that informs the annual budget - subject to review every two years.	Moderate	Draft Workforce Plan template compiled – progress to be performed in the coming months following full re-alignment of officer duties and transfer of a number of service delivery functions in-house (ie swimming pool management, cleaning, bushfire management). 12.07.2021 - commencement with Moore Australia for the suite of plans IPR. 22/12/22 - To be submitted as a project for the 2023/24 budget. 05/07/23 - Provision in 2023/24 Draft Budget	CEO	May-21 Dec-21	20%
15	9-Jul-20	Review of Local Laws	A review of the Shire of Brookton’s Local Laws to be conducted.	Moderate	12.07.2021 – Draft Meeting Procedures Local Law and revocation of Extractive Industry Local Law endorsed by Council in April 2021 – presently awaiting gazettal. 05/07/23 - Provision in 2023/24 Draft Budget	CEO	Ongoing	20%

Item #	Date Initiated	Item Title	Findings or other Statutory Requirements	Risk Factor	Officer Status Update	Assigned to	Estimated Due Date	% Completed
4.2.1	Apr-23	Key Security and Access to CRC Building	Keys maintained at the Administration Office be stored in the locked key cabinet to ensure access is restricted to authorised personnel; Staff be required to complete the key sign out book when utilising Council keys; and Staff who require access to the CRC building be provided with their own unique alarm code.	Medium	Procedures have been amended to approve the Administration Records Officer (ARO) as the authorised personnel for the key cabinets. Cabinets are locked at all times and access is required through the ARO. The ARO is responsible for the signing out of keys. A Security System Code register is currently being implemented at the CRC. This will ensure all employees are provided with an individual PIN for access to the CRC building and will form part of the Engagement Checklist. 05/07/23 - New security system installed at CRC with individual PIN's.	MCC	Jun-23	100%
4.2.2	Apr-23	Disaster Recovery Plan and Disposal of IT Equipment Policy	Review and test the Disaster Recovery Plan on a regular basis to identify any deficiencies and update the plan accordingly; and implement a disposal of IT equipment policy, communicating the policy to staff and ensuring ongoing monitoring of compliance with the policy.	Medium	The Disaster Recovery Plan will be reviewed at the earliest convenience. A quote has been requested from our IT provider to assist with the annual review and expected to be undertaken in the 2023/24 financial year. Implementation of a Disposal of IT Equipment Policy is currently underway and will be presented to Council by December 2023. 04/01/24 Disposal of IT Equipment Policy adopted by council October 23.	MCC	Dec-23	30%
5.2.1	Apr-23	Monthly Reconciliations	Reconciliations are a key control and should be reviewed by someone independent of the reconciliation function on at least a monthly basis. Furthermore, we recommend there be evidence to indicate independent review of	Low	The End of Month Procedures have been reviewed and updated to ensure dual signage on all documents. Whilst the individual documents were not dual signed the End of Month Checklist is reviewed and signed off by the Senior Finance Officer and Manager Corporate & Community. The End of Month checklist has been amended to include the independent review of the Monthly Financial Statements and dual signing by	MCC	Apr-23	100%

Item #	Date Initiated	Item Title	Findings or other Statutory Requirements	Risk Factor	Officer Status Update	Assigned to	Estimated Due Date	% Completed
			monthly financial statements.		the Senior Finance Officer and Manager Corporate & Community.			
6.2.1	Apr-23	Tender Management	We recommend all documentation during the tender process be retained and available for review.	Medium	A Tender Checklist is to be implemented and communicated to appropriate staff to ensure compliance. 04/01/24 implemented and provided to appropriate staff.	MCC	Dec-23	100%
7.2.1	Apr-23	Human Resources Policies and Procedures	Staff recruitment, staff performance reviews & training and development policies and procedures be prepared, approved, implemented through appropriate communication to employees and regularly monitored; and the code of conduct be reviewed in accordance with stated review date and updated if required	Medium	<p>The Shire does not have a policy or procedure for staff recruitment, staff performance reviews, and training and development. In addition, the code of conduct was not reviewed in accordance with the stated review date of June 2022. Staff will review existing HR policies and document required procedures by 30 September 2023. The CEO will review the Employees Code of Conduct by 30 June 2023.</p> <p>5/7/2023 HR Policies will be reviewed and included in a total review of the Shire of Brookton Policy Manual to be reviewed by Council after the October 2023 Elections.</p> <p>5/7/2023 The CEO will review the Shire of Brookton Employees Code of Conduct by 30 July 2023.</p> <p>18/1/2024 The CEO will review the Shire of Brookton Employee's Code of Conduct by 30 June 2024.</p> <p><b>26/08/24 Recruitment Policy drafted and under review. Staff performance review policy drafted &amp; under review. Training Policy in existence 2.39. Code of conduct under review as part of policy manual.</b></p>	CEO	February-24 Jun-24	20%

Item #	Date Initiated	Item Title	Findings or other Statutory Requirements	Risk Factor	Officer Status Update	Assigned to	Estimated Due Date	% Completed
7.2.2	Apr-23	Leave Testing Exceptions	Leave forms be retained for all leave taken by employees and all leave forms specify the hours of leave taken; Leave forms be updated to include the number of hours of leave taken; and Long service leave owing from other Local Government Councils be recorded in Synergy to ensure adequate records are maintained relating to accurate leave provision balances as any point in time.	Low	Leave forms have been amended to include hours taken. A Fortnightly Payroll Checklist is currently being implemented to ensure all leave forms retained for leave taken. LSL is not currently detailed in SynergySoft, a manual spreadsheet is kept and reviewed annually which provides details of liability owed to other council's and owed by other council's providing a net balance reported in our Annuals. 12/12/23 LSL Liabilities are now accounted for in our accounting software.	MCC	Oct-23	100%
7.2.3	Apr-23	Fuel Reconciliation	Fuel held in service tanks be included in the fuel reconciliation each month; and The Shire introduce a monthly tolerance variance for fuel and investigate variances above the tolerance each month.	Low	Fuel held in the service tank is currently included in the monthly reconciliation. We will develop a policy for a fuel tolerance of 50 Litres per month and implement as soon as resource are available, all associated documents amended to reflect the level. The Infrastructure Department will be responsible to investigate any discrepancies and communicate this to the appropriate staff. <a href="#">26/08/24 In progress.</a>	MIW	Dec-23	20%
7.2.4	Apr-23	Termination checklist	We recommend a formal termination checklist be developed which is required to be completed upon termination and signed off once completed.	Low	The finding relates to a termination prior to the implementation of the Termination Checklist in June 2022. Council has been progressing with a range of improvements to address issues, the Termination Checklist has been amended to be prepared by the Payroll Officer and reviewed by the Manager Corporate & Community.	MCC	Apr-23	100%

Item #	Date Initiated	Item Title	Findings or other Statutory Requirements	Risk Factor	Officer Status Update	Assigned to	Estimated Due Date	% Completed
7.2.5	Apr-23	Payroll Testing Exceptions	The monthly payroll reconciliation include a reconciliation to the payroll YTD report; authorised superannuation deduction forms be retained for all employees; and all payrun reports be signed by the preparer.	Low	A fortnightly Payroll Reconciliation has been implemented to include reconciliation of payroll YTD. The Engagement Checklist has been amended to include the Senior Finance Officer to dual sign new employee details into the SynergySoft System. Procedures have been amended to ensure all changes to the Payroll accounting system are dual signed by the Finance Officer - Payroll and Manager Corporate & Community.	MCC	Apr-23	100%
8.2.1	Apr-23	Fraud Management Policy	We recommend the Shire develop and implement a Fraud Management Policy and Framework. This Framework would provide a system of detection and prevention of fraud, reporting of any fraud or suspected fraud and appropriate dealing of issues relating to fraud. Once documented, this Framework should be implemented and appropriately communicated to staff.	Medium	The Shire does not have a policy or framework for Fraud management. This will be implemented at the earliest time subject to resources being available. Once adopted it will be communicated to the appropriate staff. <a href="#">26/08/24 Policy drafted &amp; under review.</a>	MCC	Dec-23	20%
8.2.2	Apr-23	Compliance Audit Return Lodgement Date	We recommend in accordance with Regulation 15(1) of the Local Government (Audit) Regulations 1996, the compliance audit return be submitted to the Departmental CEO by 31 March each year. We noted the 2022 compliance audit return	Low	High staff turnover in the 2021/22 financial year has adversely impacted the timelines for the Shire of Brookton. New procedures have been put into place to ensure all future key reporting dates are met ensuring compliance requirements with Regulation 15 (1) of the Local Government (Audit) Regulations 1996.	CEO	Apr-23	100%

Item #	Date Initiated	Item Title	Findings or other Statutory Requirements	Risk Factor	Officer Status Update	Assigned to	Estimated Due Date	% Completed
			was lodged by 31 March 2023.					
8.2.3	Apr-23	Risk Management Framework and Risk Management Policy	We recommend the Shire review and update the Risk Management Framework incorporating all risk related policies to reflect the updated standard.	Low	The Risk Management Framework and Policy will be reviewed as soon as practical and presented at the next available Audit & Risk Committee and Ordinary Council Meeting for endorsement. 12/12/23 Presented at the 13 July 2023 Audit & Risk Committee Meeting and 20 July 2023 OCM.	MCC	Dec-23	100%
2.2.1	Dec-23	Risk Management Policies and Procedures	Risk Management Framework -policy refers to the former AS/NZS 3100:2009 Risk Management - Principles and Guidelines on page 3	Moderate	Amendment presented at the 07 February 2024 Audit & Risk Committee Meeting and 14 February 2024 Ordinary Council Meeting.	MCC	Dec-24	100%
2.2.1	Dec-23	Risk Management Policies and Procedures	Public Interest Disclosure (PID) Procedure - procedure does not currently allow for internal or external parties to report concerns anonymously. In addition, the procedure states the person holding the position of Deputy Chief Executive Officer (DCEO) is the designated PID officer, however the Shire of Brookton DCEO position is currently vacant.	Moderate	PID Policy/procedure will be reviewed as part of a total review of the Shire of Brookton Policy Manual to be reviewed by Council after the October 2023 Elections.	CEO	Jun-24	20%
2.2.1	Dec-23	Risk Management Policies and Procedures	Occupational Safety and Health Policy - was due for review in June 2023. The policy also contains an old ref to AS/NZS 4801.	Moderate	Occupational Safety and Health Policy will be reviewed as HR Policies will be in a total review of the Shire of Brookton Policy Manual to be reviewed by Council after the October 2023 Elections. <a href="#">26/08/24 Policy reviewed &amp; updated.</a>	CEO	Jun-24	20%

Item #	Date Initiated	Item Title	Findings or other Statutory Requirements	Risk Factor	Officer Status Update	Assigned to	Estimated Due Date	% Completed
2.2.1	Dec-23	Risk Management Policies and Procedures	Local Recovery Plan - plan requires updating, contacts in the Plan have not been updated and an outdated reference to AS/NZS Standard 4360:1999 Risk Management is quoted in the policy.	Moderate	Local Recovery Plan updated by Council at December 2023 OCM.	CEO	Dec-24	100%
2.2.1	Dec-23	Risk Management Policies and Procedures	Shire of Brookton Bushfire Risk Management Plan 2021 - 2026 - refers to outdated AS/NZ ISO 31000:2009 Risk Management-Principles and Guidelines.	Moderate	The Shire of Brookton Bushfire Risk Management Plan 2021 - 2026 is expected to be reviewed in 2026	CEO	Dec-26	0%
2.2.1	Dec-23	Risk Management Policies and Procedures	An audit of the Safety Plan has not been conducted - Safety Management System	Moderate	The Safety Management System is scheduled to be reviewed at the new Administration Toolbox Meeting to be held on 13th February 2024	CEO	Dec-24	0%
2.2.1	Dec-23	Risk Management Policies and Procedures	Employee Code of Conduct dated June 2021 does not have a next scheduled review date noted.	Moderate	The CEO will review the Shire of Brookton Employees Code of Conduct by 30 June 2024. <b>26/08/24 Code of conduct under review as part of policy manual.</b>	CEO	Dec-24	20%
2.2.1	Dec-23	Risk Management Policies and Procedures	Use of Corporate Credit Cards - unclear if fuel cards are included in the policy.	Moderate	<b>26/08/24 Fuel Card Policy created &amp; under review.</b>	MCC	Dec-24	20%
2.2.1	Dec-23	Risk Management Policies and Procedures	No policies or procedures are in place in respect to Fraud Management, Events Management, Specimen signature for officers with delegate authority and Community surveys.	Moderate	<b>26/08/24 Fraud Management Policy created &amp; under review.</b>	CEO/MCC	Dec-24	20%

Item #	Date Initiated	Item Title	Findings or other Statutory Requirements	Risk Factor	Officer Status Update	Assigned to	Estimated Due Date	% Completed
2.2.1	Dec-23	Risk Management Policies and Procedures	Policies are potentially out of date and may require review - Procurement Policy, Use of Corporate Credit Cards, Social Media Policy and IT Security and Use Policy.	Moderate	These policies will be reviewed as part of a total review of the Shire of Brookton Policy Manual to be reviewed by Council after the October 2023 Elections. <a href="#">26/08/24 Policy manual under review &amp; changes to policy format.</a>	CEO/MCC	Dec-24	20%
2.2.2	Dec-23	Business Continuity Plan	The Shire of Brookton's Business Continuity Plan (Plan) identified the Plan is dated October 2019 and has not been reviewed since this date. Furthermore the Plan contains outdated contacts and the Plan has not been tested.	Moderate	PID Policy/procedure will be reviewed as part of a total review of the Shire of Brookton Policy Manual to be reviewed by Council after the October 2023 Elections.	MCC	Dec-24	0%
2.2.3	Dec-23	Tender, Contract and Lease Management	The tender register has not been published on the website	Moderate		MCC/CEO	Dec-24	0%
2.2.3	Dec-23	Tender, Contract and Lease Management	The Shire does not have a contract management framework outlining the consistent approach to be undertaken for all Shire contracts.	Moderate		CEO/GO	Dec-24	0%
2.2.3	Dec-23	Tender, Contract and Lease Management	The lease register did not record insurance details of lessees.	Moderate		MCC	Dec-24	
4.2.1	Dec-23	Audit and Risk Committee	For the period under review, risk reports had not presented to the Audit and Risk Committee.	Moderate	Procedures have been reviewed and updated to ensure risk reports completed are presented to the Audit and Risk Committee annually.	MCC	Dec-23	100%
4.2.2	Dec-23	Internal Audit	The Shire does not currently have a formal documented internal audit program in place.	Low	<a href="#">26/08/24 Policy 2.43 in existence. Will be reviewed as part of the Policy manual review.</a>	MCC	Dec-24	80%



**11.09.24 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING**

Nil.

**12.09.24 CONFIDENTIAL ITEMS FOR DISCUSSION**

Nil.

**13.09.24 CLOSURE OF MEETING**

With no further business, the Presiding Member declared the Meeting closed at 4:15pm.