



# Unconfirmed Minutes

Audit and Governance Committee  
Wednesday, 21 August 2024

Date	Wednesday 21 August 2024
Time	12:30pm
Location	Shire of Wickepin Council Chambers 77 Wogolin Road, Wickepin WA 6370
Distribution Date	Friday 23 August 2024



## Notice of Meeting

Please be informed an Audit and Governance Committee Meeting will be held at 12.30 pm on Wednesday 21 August 2024 at the Shire of Wickepin Council Chambers, 77 Wogolin Road, Wickepin WA 6370.

Kellie Bartley  
Chief Executive Officer

### Disclaimer

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## Terms of Reference

### 1. Name

Audit and Governance Committee

### 2. Members

Cr Julie Russell

Cr Fran Allan

Cr Wes Astbury

Cr John Mearns

Cr Tyron Miller

Cr Lindsay Corke

Cr Peter Thompson

### 3. Objectives

The following objectives are to be considered by the Committee:

- To exercise responsibility for the annual external audit and liaise with the local government's auditors so that Council can be satisfied with the performance of the local government in managing its financial affairs.
- To assist Council in discharging its legislative responsibilities of controlling the local government's affairs and overseeing the allocation of the local government's finances and resources.
- To provide an independent oversight of the financial systems of the Shire of Wickepin on behalf of the Council. As such, the Committee will operate to assist Council to fulfil its corporate governance, stewardship, leadership and control responsibilities in relation to the Shire of Wickepin's financial reporting and audit responsibilities.
- To support Council in its endeavours to provide effective corporate governance and fulfil its responsibilities.
- To facilitate improvements to internal/external financial reporting, management of risk, development/maintenance of internal controls and compliance with legislation.

### 4. Function of the Committee

To provide guidance and assistance to the Shire of Wickepin;

- As to the carrying out of its functions in relation to audits;
- As to the development of a process to be used to select and appoint a person to be the auditor;
- As to its functions under Part 6 of the Act that relate to financial management; and
- As to the carrying out of its functions relating to other audits and other matters related to financial management.

### 5. Role and Scope of the Committee

1. Audit –

- a) Provide guidance and assistance to Council as to the carrying out of the functions of the local government in relation to audits.
- b) Develop and recommend to Council an appropriate process for the selection and appointment of a person as the local government's auditor.
- c) Develop and recommend to Council – a list of those matters to be audited; and the scope of the audit to be undertaken.
- d) Recommend to Council the person or persons to be appointed as auditor.

- e) Develop and recommend to Council a written agreement for the appointment of the auditor, which is to include –
  - the objectives of the audit;
  - the scope of the audit;
  - a plan of the audit;
  - details of the remuneration and expenses to be paid to the auditor; and
  - method/s to be used by the local government to communicate with, and supply information to, the auditor.
- f) Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions.
- g) Liaise with the CEO to ensure that the local government does everything in its power to –
  - assist the auditor to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
  - ensure that audits are conducted successfully and expeditiously.
- h) Examine the reports of the auditor after receiving a report from the CEO on the matters and –
  - determine if any matters raised require action to be taken by the local government; and
  - ensure that appropriate action is taken in respect of those matters.
- i) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time.
- j) Review the scope of the audit plan and program and its effectiveness.
- k) Review the local government's draft annual financial report, focusing on:
  - accounting policies and practices;
  - changes to accounting policies and practices;
  - the process used in making significant accounting estimates; - significant adjustments to the financial report (if any) arising from the audit process;
  - compliance with accounting standards and other reporting requirements; - significant variances from prior years.

## **6. Appointment of Committee Members**

A chairperson is appointed at the first Committee Meeting at the beginning of each year by the committee members.

## **8. Meeting Frequency**

The Committee shall meet 3 times per annum – February, June and December – actual dates to be determined by the Presiding Member in consultation with Committee Members and applicable Shire Officers.

## **9. Delegated Powers.**

The Committee has no delegated powers and is an advisory committee to Council only. Recommendations of Committee meetings are to be presented to Council by Shire officers for noting or consideration as soon as practicable after unconfirmed minutes of Committee meetings are available.

## **Contents**

<b>1</b>	<b>Declaration of Opening</b> .....	<b>6</b>
<b>2</b>	<b>Attendance</b> .....	<b>6</b>
	2.1 Present .....	6
<b>3</b>	<b>Public Question Time</b> .....	<b>6</b>
	3.1 Responses to Previous Public Questions Taken On Notice .....	6
	3.2 Public Question Time .....	6
<b>4</b>	<b>Apologies and Leave of Absence</b> .....	<b>6</b>
	4.1 Apologies .....	6
	4.2 Previously Approved Leave of Absence .....	6
	4.3 Requests for Leave of Absence .....	6
<b>5</b>	<b>Petitions, Memorials and Deputations</b> .....	<b>7</b>
	5.1 Petitions .....	7
	5.2 Memorials .....	7
	5.3 Deputations .....	7
<b>6</b>	<b>Declarations of Councillors and Officers Interest</b> .....	<b>7</b>
<b>7</b>	<b>Confirmation of Minutes of Previous Meetings</b> .....	<b>7</b>
	7.1 Minutes of the Governance, Audit and Community Services Meeting held on 21 March 2024 .....	7
<b>8</b>	<b>Status Report</b> .....	<b>8</b>
<b>9</b>	<b>Motions of Which Notice Has Been Given</b> .....	<b>8</b>
<b>10</b>	<b>Receipt of Committee Minutes or Reports and Consideration of Recommendations</b> .....	<b>8</b>
<b>11</b>	<b>Notices of Motions for the Following Meeting</b> .....	<b>8</b>
<b>12</b>	<b>Reports and Information</b> .....	<b>8</b>
	12.1 Interim Audit Management Letter .....	9
	12.2 Fraud & Corruption Plan & Policy .....	11
	12.3 Information & Communication Technology (ICT) Strategic Plan 2024-2029 .....	15
<b>13</b>	<b>Confidential Reports and Information</b> .....	<b>18</b>
<b>14</b>	<b>Urgent Business</b> .....	<b>18</b>
<b>15</b>	<b>Closure</b> .....	<b>18</b>

# 1 Declaration of Opening

The Presiding Member, Cr Allan declared the meeting open at 1.35pm and welcomed everyone to the meeting.

## 2 Attendance

### 2.1 Present

#### Councillors

W Astbury	Deputy Shire President
J Mearns	Councillor
T Miller	Councillor
F Allan	Councillor - Chair
L Corke	Councillor

#### Employees

K Bartley	Chief Executive Officer
E Clement	Deputy Chief Executive Officer
G Hedditch	Manager Works & Services

#### Leave of Absence/Apologies

P Thompson	Councillor (Leave of Absence)
J Russell	Shire President (Apology)

## 3 Public Question Time

### 3.1 Responses to Previous Public Questions Taken On Notice

Nil

### 3.2 Public Question Time

Nil

## 4 Apologies and Leave of Absence

### 4.1 Apologies

Cr Russell

### 4.2 Previously Approved Leave of Absence

Cr Thompson

### 4.3 Requests for Leave of Absence

Nil

## 5 Petitions, Memorials and Deputations

### 5.1 Petitions

Nil

### 5.2 Memorials

Nil

### 5.3 Deputations

Nil

## 6 Declarations of Councillors and Officers Interest

A member or officer who has an impartiality, proximity or financial interest in any matter to be discussed at this meeting must disclose the nature of the interest either in a written notice given to the Chief Executive Officer prior to the meeting or at the meeting immediately before the matter is discussed.

A member who makes a disclosure in respect to an interest must not preside at the part of the meeting which deals with the matter, or participate in, or be present during, any discussion or decision-making process relative to the matter, unless the disclosing member is permitted to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995*.

The following declarations of interest have been disclosed – **Nil interests disclosed**.

## 7 Confirmation of Minutes of Previous Meetings

### 7.1 Minutes of the Governance, Audit and Community Services Meeting held on 21 March 2024

#### Officer Recommendation

*That Council –*

*Confirm the minutes of the Audit and Governance Committee Meeting held on Wednesday 21 March 2024, as attached, as a true and accurate record.*

#### Committee Decision

**Resolution** AGC-210824-01

**Moved** Cr Miller

**Seconded** Cr Astbury

**That the Audit and Governance Committee recommends Council,**

*That Council –*

*Confirm the minutes of the Audit and Governance Committee Meeting held on Wednesday 21 March 2024, as attached, as a true and accurate record.*

**Carried** 5/0

**For**                *Cr W Astbury, Cr F Allan, Cr L Corke, Cr J Mearns, Cr T Miller*  
**Against**        *Nil*

## 8        **Status Report**

Item	Subject	Progress	Status	Action

Where a resolution is formal, procedural or lost it has not been recorded (e.g. confirmation of minutes, meeting behind closed doors, lapsed, etc.

### Key

○ = in progress    ✓ = completed    ✕ =superseded

## 9        **Motions of Which Notice Has Been Given**

Nil

## 10      **Receipt of Committee Minutes or Reports and Consideration of Recommendations**

Nil

## 11      **Notices of Motions for the Following Meeting**

Nil

## 12      **Reports and Information**



## 12.1 Interim Audit Management Letter

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<b>Submission To</b>	Audit and Governance Committee Meeting
<b>Location / Address</b>	-
<b>Name of Applicant</b>	-
<b>File Reference</b>	FM.AUD.1200
<b>Author</b>	E Clement - Deputy Chief Executive Officer
<b>Interest Disclosures</b>	The author has no financial, proximity or impartiality interests in this item.
<b>Report Written Date</b>	12 August 2024
<b>Attachments</b>	<b>12.1.1 - Interim Management Letter 2024</b>

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### Summary

The 2023/2024 Draft Interim Audit Management Letter with Management's response for discussion and to be received by the Audit and Governance Committee.

### Background

Accounting firm AMD Chartered Accountants, on behalf of Council's Auditors – the Office of The Auditor General, finalised the interim audit of the 2023/2024 financial year in June 2024.

### Comments

As part of the audit process the auditors have issued an Interim Audit Management Letter on their findings from the interim audit, the auditor's also requested management to respond on each finding. The findings are detailed below.

The responses are contained in **Attachment 12.1.1** for the Committee's information, these responses have already been sent back to AMD Chartered Accountants. The Interim Audit Management Letter and management responses are attached for the Committee and Council to receive.

Shire officers have responded to the questions in the 2024 Interim Audit Results.

1. Fuel Card Policy
2. Month end Checklists
3. Daily Banking

### Statutory Environment

*Local Government Act 1995 Section 7.12(A)*

*Local Government (Audit) Regulations 1996 Regulation 16*

*Local Government (Financial Management) Regulations 1996*

### Policy Implications

There are no policy implications related to this item.

### Financial Implications

The only financial implication to this item is the Auditor's fee, which forms part of the annual budget and is budgeted for each financial year.

## Strategic Implications

### Theme - Governance

Objective: 10 Our organisation is well positioned and had capacity for the future  
Strategy: 10.1 Attract, train, develop and retain a skilled and effective workforce

### Voting Requirement

Simple Majority

### Officer Recommendation

That the Audit and Government Committee recommends Council receive the 2023/2024 Interim Audit Management Letter and Management responses to the findings as contained in **Attachment 12.1.1**.

### Committee Decision

**Resolution** AGC-210824-02  
**Moved** Cr Astbury  
**Seconded** Cr Corke

**That the Audit and Governance Committee recommends Council,**

*That the Audit and Government Committee recommends Council receive the 2023/2024 Interim Audit Management Letter and Management responses to the findings as contained in **Attachment 12.1.1**.*

**Carried** 5/0  
**For** Cr W Astbury, Cr F Allan, Cr L Corke, Cr J Mearns, Cr T Miller  
**Against** Nil

## 12.2 Fraud & Corruption Plan & Policy

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<b>Submission To</b>	Audit and Governance Committee Meeting
<b>Location / Address</b>	-
<b>Name of Applicant</b>	-
<b>File Reference</b>	CM.POL.403, CM.PCD.2
<b>Author</b>	E. Clement - Deputy Chief Executive Officer
<b>Interest Disclosures</b>	The author has no financial, proximity or impartiality interests in this item.
<b>Report Written Date</b>	12 August 2024
<b>Attachments</b>	<b>12.2.1</b> - Fraud & Corruption Plan <b>12.2.2</b> – New Fraud & Corruption Prevention Policy

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### Summary

This item seeks Council to consider the adoption of a Fraud and Corruption Prevention Policy and Plan.

### Background

In 2019, the WA Office of Auditor General (OAG) released Report 5:2019-20 Fraud Prevention in Local Government. The OAG Report was based on feedback drawn from a questionnaire sent to all local governments. The Report was investigating policies, plans, processes and procedures, and was not investigating specific incidents. The Shire of Wickepin does not have a formal Fraud Prevention Policy and Plan.

### Comment

The Office of Auditor General recommended that a Fraud and Corruption Prevention Control Plan be developed and adopted, and then reviewed at least every two years. A Fraud and Corruption Prevention Policy and Plan is not specifically required by legislation, however the purpose of both the Policy and Plan closely aligns with the Chief Executive Officer's (CEO) responsibilities in accordance with:

- *Local Government (Financial Management) Regulations 1996, Regulation 5* – CEO's duties as to financial management
- *Local Government (Audit) Regulations 1996, Regulation 17* – CEO to review certain systems and procedures

The Plan provides a structure for the implementation of activities designed to implement fraud and corruption prevention and control activities, covering the four crucial areas outlined in the OAG Report and Australian Standards.

- Planning
- Prevention
- Detection and
- Response.

The Plan is not intended to limit the extensive range of actions that may be taken. Other actions or initiatives may be identified at times and then implemented as deemed appropriate by Council or CEO. This is in accordance with a wide range of legislation that may have application in specific circumstances that includes, but is not limited to:

- *Corruption, Crime and Misconduct Act 2003*
- *Criminal Code*
- *Local Government Act 1995 and Regulations*
- *Public Sector Management Act 1994*

The Shire of Wickepin Fraud & Corruption Plan and Fraud & Corruption Prevention Policy can be found in **Attachments 12.2.1 & 12.2.2** respectively. This plan and policy along with staff understanding is to assist the Shire in prevention or reducing the Shire's risk, seeking controls in place to assist in the reduced likelihood for fraud and corruption to occur.

### **Consultation**

The Policy and Plan has been discussed with the Chief Executive Officer and the Deputy Chief Executive Officer.

### **Statutory Environment**

This item has the following areas that are aligned with the current legislation that assists on these matters. These are listed below:

*Local Government Act 1995*

*Corruption, Crime and Misconduct Act 2003*

*Public Interest Disclosures Act 2003*

*Local Government (Model Code of Conduct) Regulations 2021*

*Shire of Wickepin's Codes of Conduct*

Furthermore, Regulation 5 – CEO's duties as to financial management - *Local Government (Financial Management) Regulations 1996*, states,

- 1) *Efficient systems and procedures are to be established by the CEO of a local government –*
  - (a) *for the proper collection of all money owing to the local government; and*
  - (b) *for the safe custody and security of all money collected or held by the local government; and*
  - (c) *for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process); and*
  - (d) *to ensure proper accounting for municipal or trust –*
    - (i) *revenue received or receivable; and*
    - (ii) *expenses paid or payable; and*
    - (iii) *assets and liabilities; and*
  - (e) *to ensure proper authorisation for the incurring of liabilities and the making of payments; and*
  - (f) *for the maintenance of payroll, stock control and costing records; and*
  - (g) *to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.*
- (2) *The CEO is to –*
  - (a) *ensure that the resources of the local government are effectively and efficiently managed; and*

- (b) *assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and*
- (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.*

Regulation 17 (1) – CEO to review certain systems and procedures - *Local Government (Audit) Regulations 1996*

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –*
  - (a) *risk management; and*
  - (b) *internal control; and*
  - (c) *legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 3 calendar years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

### **Policy Implications**

The following Council Policies are associated with this item.

Policy 2.1.6 – Code of Conduct for council members, committee members and candidates

Policy 3.1.6 – Purchasing

Policy Employees Code of Conduct

Policy & Procedures for Employees 1.19 - Disciplinary action

### **Financial Implications**

There is no financial implication to this item.

### **Strategic Implications**

#### **Theme - Governance**

Objective: 10 Our organisation is well positioned and had capacity for the future

Strategy: 10.1 Attract, train, develop and retain a skilled and effective workforce

### **Voting Requirements**

Simple Majority

### **Officer's Recommendation**

That the Audit and Governance Committee recommends to Council, with respect to fraud and corruption prevention;

1. That Council adopts the Fraud and Corruption Prevention Policy as contained in **Attachment 12.2.2**; and
2. That Council notes the Fraud and Corruption Prevention Plan as contained in **Attachment 12.2.1**.

**Committee Decision****Resolution** AGC-210824-03**Moved** Cr Astbury**Seconded** Cr Miller**That the Audit and Governance Committee recommends Council,**

*That the Audit and Governance Committee recommends to Council, with respect to fraud and corruption prevention;*

- 1. That Council adopts the Fraud and Corruption Prevention Policy as contained in **Attachment 12.2.2**; and*
- 2. That Council notes the Fraud and Corruption Prevention Plan as contained in **Attachment 12.2.1**.*

**Carried** 5/0**For** Cr W Astbury, Cr F Allan, Cr L Corke, Cr J Mearns, Cr T Miller**Against** Nil

## 12.3 Information & Communication Technology (ICT) Strategic Plan 2024-2029

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<b>Submission To</b>	Audit and Governance Committee Meeting
<b>Location / Address</b>	-
<b>Name of Applicant</b>	-
<b>File Reference</b>	CM.POL.403, CM.PCD.2
<b>Author</b>	E Clement - Deputy Chief Executive Officer
<b>Interest Disclosures</b>	The author has no financial, proximity or impartiality interests in this item.
<b>Report Written Date</b>	12 August 2024
<b>Attachments</b>	<b>12.3.1</b> - Information & Communication Technology (ICT) Strategic Plan 2024-2029

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### Summary

The purpose of this report is to present to Council the Shire of Wickepin's proposed Information and Community Technology (ICT) Strategic Plan 2024-2029.

### Background

It has been recognised as essential planning tool to have an ICT Strategic Plan and Framework in place to guide the Shire's ICT decision making in this ever evolving environment and was a key outcome of the internal ICT audit that was carried out.

### Comment

The Shire's ICT outlines key projects and actions for each five year cycle of the ICT Strategy. Recognising the long-term of the current software and the needs for the future of outputs that will be required. The intent of the strategy is to guide the Shire's future investment in Information and Communications Technology to provide a stable, robust and secure ICT platform that will adequately support the operational requirements of the Shire into the future.

Ultimately, acquisition and implementation of a new EPR system will be a very significant project for the Shire, in terms of financial and operational capacity, which will need be to incorporated into the LTFP and a project management plan that Council and officers will need to support.

The Shire will need to further investigate the best way forward in relation to the system that financially meets the needs for the Shire, that the technical expertise can be provided for staff, the process and data perspectives taking into consideration the planning and project delivery over a period of time.

It is expected that the ICT Strategic Plan 2024-2029 will guide the Shires decision making over the coming five years. It will be reviewed as required to ensure it remains relevant with best practice. It has a number of recommendations that will be tracked with the progress reported to the Audit and Risk Management Committee.

The ICT Strategy 2024-2029 is contained in **Attachment 12.3.1**.

## Consultation

The plan has been discussed and reviewed with Executive Management Team, External ICT providers and with regards to recent changes in reporting on the current status of the Shire's ICT through annual reporting requirements.

## Statutory Environment

The *Local Government Act 1995*, section 5.41, specifies the functions of the CEO.

### 5.41. Functions of CEO

The CEO's functions are to —

- (a) advise the council in relation to the functions of a local government under this Act and other written laws; and
- (b) ensure that advice and information is available to the council so that informed decisions can be made; and
- (c) cause council decisions to be implemented; and
- (d) manage the day to day operations of the local government; and
- (e) liaise with the mayor or president on the local government's affairs and the performance of the local government's functions; and
- (f) speak on behalf of the local government if the mayor or president agrees; and
- (g) be responsible for the employment, management supervision, direction and dismissal of other employees (subject to section 5.37(2) in relation to senior employees); and
- (h) ensure that records and documents of the local government are properly kept for the purposes of this Act and any other written law; and
- (i) perform any other function specified or delegated by the local government or imposed under this Act or any other written law as a function to be performed by the CEO.

## Policy Implications

There is no current ICT policy associated with this item.

## Financial Implications

Council will need to discuss and make an decision once officers have the details for an appropriate plan and long term financial investment for the ICT strategic direction that the shire will need to considered. Associated costs and plan will be presented to Council for consideration.

## Strategic Implications

### Theme - Governance

Objective: 10 Our organisation is well positioned and had capacity for the future  
 Strategy: 10.1 Attract, train, develop and retain a skilled and effective workforce

## Voting Requirements

Simple Majority



**Officer's Recommendation**

That the Audit & Governance Committee recommends to Council to:

1. Endorses the ICT Strategy 2024-2029 as contained in **Attachment 12.3.1**, and
2. Request the Chief Executive Officer to report to the Committee on the progress towards the recommended actions from the ICT Strategic Plan 2024-2029.

**Committee Decision**

**Resolution** AGC-210824-04

**Moved** Cr Corke

**Seconded** Cr Miller

**That the Audit and Governance Committee recommends Council,**

*That the Audit & Governance Committee recommends to Council to:*

1. *Endorses the ICT Strategy 2024-2029 as contained in **Attachment 12.3.1**, and*
2. *Request the Chief Executive Officer to report to the Committee on the progress towards the recommended actions from the ICT Strategic Plan 2024-2029.*

**Carried** 5/0

**For** Cr W Astbury, Cr F Allan, Cr L Corke, Cr J Mearns, Cr T Miller

**Against** Nil

**13 Confidential Reports and Information**

**14 Urgent Business**

**15 Closure**

There being on further business, the Chair declared the meeting closed at 1.10pm.

I certify that these minutes were confirmed at the Audit and Governance Committee

held on \_\_\_\_\_

.....

Presiding Member – Cr Fran Allan

.....Date