

SHIRE OF KOJONUP

Kojonup



Audit & Risk Committee Minutes

2 June 2020

TERMS OF REFERENCE

AUDIT & RISK COMMITTEE

Function:

This Committee is responsible for assisting Council in recommending appropriate actions to Council with regards to audit, risk and governance management to ensure accountability to the community in its responsibilities.

Duties and Responsibilities:

- Receive and review the biannual reports from the Chief Executive Officer (CEO) regarding the appropriateness and effectiveness of the Shires risk management, internal controls and legislative compliance and make recommendations to Council;
- Recommend and review the Shires Risk Appetite Statement in order to set the Risk Tolerance of the Council;
- Monitor and receive reports concerning the development, implementation and on-going management of the Shires Risk Management Plan and the effectiveness of its Risk Management Framework;
- Provide advice and assistance to Council as to the carrying out of its functions in relation to audits and recommend;
 - a) a list of those matters to be audited; and
 - b) the scope of the audit to be undertaken;
- Meet with the auditor yearly and provide a report to Council on the matters discussed and the outcome of the discussions;
- Liaise with the (CEO) to ensure that the Shire does everything in its power to:
 - a) assist the auditor to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
 - b) ensure that audits are conducted successfully and expeditiously;
- Examine the reports of the auditor after receiving a report from the CEO on the matters and:
 - a) determine if any matters raised require action to be taken by the Shire; and
 - b) ensure that appropriate action is taken in respect of those matters;
 - c) Review the report prepared by the CEO in respect of any matters raised in the report of the auditor and present the report to Council for adoption prior to the end of the next financial year or six months after the last report prepared by the auditor is received, whichever is the latest;
- Review the scope of the Audit Plan and its effectiveness;
- Consider and recommend adoption of the Annual Financial Report to the Council;
- Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference;
- Seek information or obtain expert advice through the CEO on matters of concern within the scope of the Committee's terms of reference following authorisation from the Council; and
- Review the annual Statutory Compliance Return and make a recommendation on its adoption to Council.

Membership

Four (4) Councillors; and
Two (2) Community Members.

AGENDA FOR THE AUDIT AND RISK COMMITTEE MEETING
HELD ON 2 JUNE 2020

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MINUTES

1 DECLARATION OF OPENING

The Chairman, Cr Gale declared the meeting open at 9:40 am and alerted the meeting of the procedures for emergencies including evacuation, designated exits and muster points.

2 ATTENDANCE, APOLOGIES & LEAVE OF ABSENCE

MEMBERS

Cr Kevin Gale	Member
Cr Parminder Singh	Member
Cr Cindy Wieringa	Member
Cr Felicity Webb	Member
Roger House	Community Member

STAFF (OBSERVERS)

Anthony Middleton	Manager of Corporate & Community Services
Heather Marland	Senior Finance Officer
Judy Stewart	Senior Administration Officer

VISITOR:

Russell Harrison	Lincolns Accountants (until 10:40am)
Efthalia Samaras	Office of the Auditor General (until 10:40am)

APOLOGIES

James Hope	Community Member
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3 PUBLIC QUESTION TIME

Nil

4 SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil.

5 CONFIRMATION OF MINUTES

Audit & Risk Committee Meeting held 17 March 2020 ([Attachment 5.1](#))

OFFICER RECOMMENDATION/COMMITTEE DECISION

Moved Cr Wieringa, seconded Cr Singh that the minutes of the Audit & Risk Committee Meeting held on 17 March 2020 be confirmed as a true and accurate record.

Carried 5/0

6 DECLARATIONS OF INTEREST

Nil

7 MEETING WITH THE SHIRE'S AUDITOR

The purpose of this meeting is to enable the Committee to meet with the Council's auditor. With changes to the *Local Government Act 1995* now requiring the *Office of the Auditor General* (OAG) to conduct all audits, this meeting will be for the first time with both:

- Russell Harrison from Lincoln's Accountants in Albany; and
- Efthalia Samaras from the Office of the Auditor General.

This meeting will be conducted via teleconference.

Two documents were distributed via email on 29 May 2020 relating to this teleconference. These documents are also attached to this agenda and are as follows:

7.1 Report to the Audit Committee for the year ended 30 June 2019

7.2 Audit Plan for the year ended 30 June 2020.

Meeting Notes

Mr Russell Harrison from Lincolns Accountants and Efthalia Samaras from the Office of the Auditor General briefed the committee on the 2018/2019 Financial Audit and the adverse ratio trends, the committee was given the opportunity to ask questions. Russell Harrison also gave an outline of the 2019/2020 audit plan.

Russell Harrison and Efthalia Samaras disconnected from the meeting at 10:40am.

Mr Middleton advised the committee of the \$469,000 grant from the Federal Government and how the money is spent (renewal/new) will have implications to the Asset Consumption Ratio.

8 COMMITTEE TIMETABLE

As a guide and subject to availability, each Audit & Risk Committee agenda will contain the following **(list to be expanded at the suggestion of members)**:

1st Quarter (January – March)

- Committee Status Report
- Compliance Audit Return
- Summary of Risk Management
- Volunteer Management
- Leave Provision Adequacy

2nd Quarter (April – June)

- Committee Status Report
- Summary of Risk Management
- Fees & Charges Review
- Business Continuity Plan Review
- Shire President's Vehicle Log Book

3rd Quarter (July – September)

- Committee Status Report
- Interim Audit Report
- Summary of Risk Management
- Insurance Overview

4th Quarter (October – December)

- Committee Status Report
- Audit Report & Management Letter
- Annual Financial Report
- Annual Report
- Financial Management Review (each 3 years – 2018, 2021...)
- Risk, Legal Compliance & Internal Controls review (each 3 years – 2018, 2021...)
- Summary of Risk Management

OFFICER COMMENT

The above list will remain at the commencement of each Committee agenda to act as a timetable and enable members to add to the items to be considered.

9 COMMITTEE STATUS REPORT

Date	Item Number & Title	Issue	Response	Status
No Items Outstanding				

10. SUMMARY OF RISK MANAGEMENT

10.1. BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN REVIEW

(Attachment 10.1.1 – Business Continuity and Disaster Recovery Plan [BCDRP] April 2020)

(Attachment 10.1.2 – Addendum to BCDRP April 2020 – COVID-19 Pandemic Response Plan 2020)

The Council's Business Continuity and Disaster Recovery Plan (Plan) is reviewed annually by the Audit and Risk Committee (Committee), usually at the Committee's May meeting before being presented to Council. The Plan provides guidance at a time when an organisation may be under considerable duress following a disaster that has affected, or, in the event of a pandemic, continues for some time to affect, its ability to provide essential or required services.

Due to the level of urgency associated with managing the COVID-19 Pandemic, the declaration of a State of Emergency in Western Australia in March 2020 and social distancing requirements, it was necessary to update the Shire's Plan as a matter of urgency in order to better prepare and inform the organisation's operational requirements with regard to the Pandemic, rather than delay the Plan's review until May 2020. Accordingly, the Plan was updated and endorsed by Council at its April 2020 Ordinary Meeting. The updated Plan now contains an addendum: ***COVID-19 Pandemic Response Plan*** and, within this document, a ***Springhaven Lodge Outbreak Management Plan***.

A copy of the reviewed Plan and its addendums are attached for the Committees information.

10.2 COVID-19 PANDEMIC RESPONSE

- Whilst there have been no physical gatherings of regional staff at Local Government Insurance Service forums since December last year, there has been a multitude of webinars, online based meetings, information sessions and hard copy information made available to staff (and, on occasion, Councillors) that has focussed on management of the COVID-19 Pandemic risk at local government operational and community levels. Presentations have been conducted and information provided by the Department of Local Government, Sport and Cultural Industries; Western Australian Local Government Association; Local Government Insurance Services; Local Government Professionals WA; and other associated organisations. Training has been undertaken and meetings attended via video conference that have focussed on the following areas:

- Initial and ongoing Pandemic response;
- impact on contracts;
- working from home;
- social welfare (assisting communities);
- business continuity;
- personal hygiene practices;
- safety plans (Sport and Recreation, Food Businesses and Other Business);
- occupational safety and health risk;
- recovery;
- barrier installation;

- telephone and online meetings;
- provision of sanitiser for staff, clients and visitors;
- facilitation of debrief meetings, recording of visitors for contact tracing.

All training by external providers has been conducted online by webinars or via online meetings attended using technology applications such as Zoom.

- At an operational level, a COVID-19 Working Group has been formed and meets weekly to consider and address the status of actions within the Business Continuity and Disaster Recovery Plan's Pandemic Response Plan.
- At a community level, the Shire's Community Development Officer is in contact with local community groups and those members of the community considered to be vulnerable due to the Pandemic and the restrictions imposed.
- At an Emergency Management level, the Local Emergency Management Committee (LEMC) has been meeting regularly (via telephone conference and physical distancing). Each LEMC agency provides updates to other agencies on any actions they have taken, changes made to their operations or anticipated future actions to be taken or prepared for in line with State of Emergency legislated requirements that impact at a local level.
- The Shire's resources in regards to COVID-19 are ready to move into the recovery phase.

10.3 GENERAL RISK MANAGEMENT UPDATE

(Attachment 10.3.1 – Risk Profiles – Dashboard Report)

Please refer to the attached risk dashboard report.

11. OFFICER REPORTS

11.1 DRAFT LIST OF FEES & CHARGES

AUTHOR	Anthony Middleton – Manager Corporate & Community Services
DATE	Friday, 29 May 2020
FILE NO	FM.FEE.1
ATTACHMENT(S)	11.1.1 – Draft List of Fees & Charges 2020/2021

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
KP3 – Performance	3.4 – Be organised and transparent with our financial management.	3.4.1 - Increase regularity of readable financial reporting to the community. 3.4.2 – Act with sound longterm and transparent financial management and deliver residents considered value for money.

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to consider a draft list of fees and charges for the 2017/2018 financial year to give staff an indication of expected revenue levels to enable the draft budget to be compiled.

BACKGROUND

The Council is required by the Local Government Act 1995 to adopt a list of fees and charges annually. This item does not adopt the list but merely acts as the Committee’s opportunity to have input into this important process.

COMMENT

The draft list of fees and charges for the 2020/2021 financial year are attached. This list has undergone a review from all relevant staff and the Council. In response to the COVID-19 pandemic, the State Government has recommended to all local governments a freeze on fees and charges for the coming financial year. This request has been accommodated within the attached list.

CONSULTATION

All relevant staff have been given the opportunity to provide input. The attachment was also considered by the Council at its 19 May 2020 Council meeting.

STATUTORY REQUIREMENTS

Section 6.15 to 6.19 of the Local Government Act 1995 legislates the imposition of fees and charges for a local government. Section 6.19 of this Act requires a local government to advertise the imposition of fees and charges that are not included in the annual budget.

Some fees are adopted under or provided by, other legislation, such as:

- Dog Act 1976;
- Public Health Act 2016;
- Cemeteries Act 1986; and
- Waste Avoidance and Resources Recovery Act 2007

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

The list of fees and charges, when adopted at the July 2020 Council Meeting, sets the level of many revenue items contained within the budget. Significant consideration needs to be given when setting each fee and charge and the effect that it will have on the usage of that facility and therefore the total revenue level obtained. For example: simply doubling a fee may not double the revenue as the number of 'sales' may be affected by increased prices.

RISK MANAGEMENT IMPLICATIONS

A thorough and complete list of fees and charges assists with legislative compliance and ensures the generation of adequate revenue.

ASSET MANAGEMENT IMPLICATIONS

An appropriate list of fees and charges can assist to fund the required asset management activities.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COMMITTEE DECISION

Moved Cr Wieringa, seconded Cr Singh that it be recommended to the Council that the list of fees and charges, as attached, be adopted as part of the 2020/2021 Annual Budget process.

Carried 5/0

12 OTHER ITEMS FOR DISCUSSION OR FURTHER RESEARCH AS RAISED BY MEMBERS
Nil.

13 NEXT MEETING

Subject to receipt of the audit report for the year ended 30 June 2019, the next meeting will be held on Tuesday, 16 June 2020 at 9:00am.

14 CLOSURE

There being no further business to discuss, the Chairman Cr Gale thanked members for their attendance and declared the meeting closed at 11:16 am.

15 ATTACHMENTS (SEPARATE)

- 5.1 Audit & Risk Committee Minutes 17 March 2020
- 7.1 Report to the Audit Committee for the year ended 30 June 2019
- 7.2 Audit Plan for the year ended 30 June 2020.
- 10.1.1 Business Continuity and Disaster Recovery Plan (BCDRP) April 2020
- 10.1.2 Addendum to BCDRP – COVID-19 Pandemic Response Plan 2020
- 10.3.1 Risk Profiles – Dashboard Report
- 11.1.1 Draft List of Fees & Charges 2020/2021


Presiding Member

16 JUNE 2020
Date