

SHIRE OF KOJONUP

Kojonup



Audit & Risk Committee

Minutes

5 February 2025

TERMS OF REFERENCE

AUDIT & RISK COMMITTEE

Established under Section 7.1 of the *Local Government Act 1995 (Act)* - every local government must have an Audit and Risk Committee (ARC).

Terms of Reference

ARC is responsible for assisting and independently advising Council in recommending appropriate actions and controls with regards to audit, risk oversight, governance, finances and systems of internal control.

Its role is to provide oversight related to significant risk exposures and control issues, including fraud risks, governance issues and other matters as necessary or requested by the CEO or Council. This is to ensure the Shire's activities are fully compliant with legislation, regulations, accounting and reporting Standards and that the Shire is executing its responsibility to the community in efficiently utilising their assets.

The ARC is not responsible for the executive management of these functions. The ARC will engage with management in a constructive and professional manner in discharging its advisory responsibilities and formulating its advice to Council.

Duties and Responsibilities:

Members of the ARC are expected to observe the legal and regulatory obligations of the Local Government.

Committee members must not use or disclose information obtained through the ARC except in meeting the ARC's responsibilities, or unless expressly agreed by the President of the Shire.

Committee Members must adhere to the Code of Conduct for Council Members, Committee Members and Candidates and demonstrate behaviour which reflects the Shire's desired culture.

ARC Members are expected to:

1. act in the best interests of the Shire as a whole;
2. apply good analytical skills, objectivity and good judgement;
3. express opinions constructively and openly, raise issues that relate to the ARC's responsibilities and pursue lines of enquiry in relation to the "Risk Controls" the Shire has in place;
4. contribute the time required to meet their responsibilities; and
5. exercise due care, diligence and skill when performing their duties.

Member Duties/Responsibilities:

- Oversee the Shire's risk management, through:
 - a) Biennial review of the Shire's Risk Management Policy;
 - b) Recommending and reviewing the Shire's Risk Appetite Statement in order to recommend the organisation's Risk Tolerance to the Council;
 - c) Reviewing reports on the movement of the Shire's current strategic risks, and the emergence of new strategic risks;
 - d) Overseeing strategic risks which sit outside of the Shire's Risk Appetite ; and
 - e) Monitor and receive reports concerning the development, implementation and on-going management of the Shire's Risk Management Plan and the effectiveness of its Risk Management Framework;
- Overseeing the Shire's processes for managing fraud and corruption, by:
 - a) Performing oversight responsibilities and advising Council;

- b) Enquiring with the CEO and the Office of the Auditor General (OAG) about whether they are aware of any actual, suspected, or alleged fraud or corruption affecting the Shire; and
- c) Reviewing summary reports from the CEO on communication from external parties including regulators that indicate problems in the internal control system or inappropriate management actions.
- Overseeing the Shire's financial management and legislative compliance, by:
 - a) Reviewing the Shire's annual Compliance Audit Return and reporting the results of that review to Council, in accordance with the Local Government (Audit) Regulations 1996;
 - b) Receiving and reviewing reports from the CEO regarding the appropriateness and effectiveness of the Shire's legislative compliance and ensuring any non-compliances are rectified on a timely basis;
 - c) Considering and recommending adoption of the annual financial report to Council;
 - d) Receive and review the biannual reports from the Chief Executive Officer (CEO) regarding the appropriateness and effectiveness of the Shire's risk management, internal controls and legislative compliance and make recommendations to Council; and
 - e) Consider and recommend adoption of the Annual Financial Report to the Council;
- Overseeing the internal audit function, by;
 - a) Assessing and making a recommendation to Council on an Internal Audit Plan to ensure that it comprehensively covers material business risks that may threaten the achievement of strategic objectives and which identifies key risks and control mechanisms;
 - b) Reviewing the quality and timeliness of internal audit reports;
 - c) Monitoring the implementation of internal audit recommendations; and
 - d) Considering the implications of internal audit findings on the organisation, its risks, and controls.
- Fulfilling responsibilities pertaining to external audit, by:
 - a) Reviewing reports from the OAG, including auditor's reports, closing reports and management letters;
 - b) Reviewing management's response to OAG findings and recommendations;
 - c) Monitoring the implementation of recommendations from external audits;
 - d) Reviewing results of relevant OAG audit reports and better practice publications for guidance on good practices, including any assessment by the CEO; and
 - e) 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.

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.

Membership

Four (4) Councillors; and

Two (2) Community Members

Supporting Team Members

Manager Financial and Corporate Services
Governance and Rates Officer
Chief Executive Officer or delegated nominee

Meetings

Quarterly for ordinary meetings and as required related to audit functions.

Open to Public: No

Voting: Voting is in accordance with Section 5.21 of the *Act*.

Confidentiality: All Committee members will be required to adhere to the Shire's confidentiality requirements as per the Code of Conduct for Council Members, Committee Members and Candidates.

Conduct of Meetings: ARC Meetings will be held in accordance with the *Act*, subsidiary legislation, and the Shire's Standing Orders.

Committee Sitting Fees and Reimbursements

The Shire is prohibited under Section 5.98-5.99 of the *Act*, and Regulation 30 of the Local Government (Administration) Regulations 1996, to pay a council member a fee for attending the ARC.

Currently, the Shire is prohibited from remunerating independent committee members; however, reimbursement of approved expenses for independent members may be paid to each independent external member in accordance with Section 5.100 of the *Act*.

The rules regarding remuneration for independent committee members are currently under review as part of the Local Government Reforms (2023). These guidelines are subject to any legislation changes.

MINUTES OF AN AUDIT AND RISK COMMITTEE MEETING
HELD ON 5 FEBRUARY 2025

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MINUTES

1 DECLARATION OF OPENING

The Chairman will declare the meeting open at 9.04am and alert the meeting of the procedures for emergencies including evacuation, designated exits and muster points.

1a. Selection of Interim Independent Chairperson

Under recent changes to the *Local Government Act 1995 regulations*, the Shire is now obligated to advertise, and Council select, an independent Chairperson for the ARC.

In the interim, whilst the selection process is underway, it is advised to appoint a community member as the interim independent chair until the role can be filled:

1. Presiding Member to request nominations. **Cathrine Ivey nominated by Cr Mick Mathwin**
2. Committee selects the Chairperson

COMMITTEE RECOMMENDATION/DECISION

AR1 Moved Cr Mathwin Seconded Cr Mickle

That the Committee declare Cathrine Ivey as the interim independent chair, until the role has been advertised and filled.

CARRIED 5/0

For: Cr Bilney, Cr Mathwin, Cr Mickle, Cr Webb, C. Ivey

3. Presiding Member hands over Chair

2 ATTENDANCE, APOLOGIES & LEAVE OF ABSENCE

MEMBERS

Cr Roger Bilney	Member
Cr Mick Mathwin	Member
Cr Kerry Mickle	Member
Cr Paul Webb	Member
Cathrine Ivey	Community Member (Chairperson)

STAFF (OBSERVERS)

Grant Thompson	Chief Executive Officer
Tonya Pearce	Governance and Rates Officer
Jill Johnson	Manager Financial and Corporate Services

APOLOGIES

Jill Mathwin	Community Member
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3 SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil

4 CONFIRMATION OF MINUTES

Audit & Risk Committee Meeting held 5 November 2024 (Attachment 4.1)

OFFICER RECOMMENDATION/COMMITTEE DECISION

AR2 Moved Cr Bilney

Seconded Cr Mathwin

That the minutes of the Audit & Risk Committee Meeting held on 5 November 2024 be confirmed as a true and accurate record.

CARRIED 5/0

For: Cr Bilney, Cr Mathwin, Cr Mickle, Cr Webb, C. Ivey

5 BUSINESS ARISING

- Insurance policies – LGIS property costings are different to the audited financial report. Manager Financial and Corporate Services to follow up.

6 DECLARATIONS OF INTEREST

Nil

7 SENIOR MANAGEMENT TEAM DISCUSSION

In accordance with the Financial Management Review adopted in February 2019, one senior manager will attend the Audit & Risk Committee on a rotational basis to discuss the following:

- Update on Manager's areas of responsibility and current projects/issues;
- Questions on Notice from the Audit and Risk Committee;
- Management's own recommendations for improvement in key areas.

Jill Johnson – Manager Finance & Corporate Services

Jill Johnson briefed the Committee on how the recent audit performed, from both the Office of Auditor General (OAG) and Lincoln Auditors.

The financials, currently working on the statutory budget review and cashflow to be presented to Council end of February.

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
- Business Continuity Plan Review

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 – 2021, 2024...)
- Risk, Legal Compliance & Internal Controls review (each 3 years – 2021, 2024...)
- Summary of Risk Management

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 ISSUES/ACTION STATUS REPORT

Issue / Action #	Issue Description	Actions	Actions Assigned Owner	Due By Date	Category	Priority	Urgency	Action Approved	Risk	Comments/Variance Reporting on progress	Status	Estimated Completion Date	Closed Date	% ACTION COMPLETE
1	Risk Management Framework, Risk Register and Key Organisational Risks Review.	To progress by September 2024	CEO	1/09/2024	Risk Management	HIGH	Must Have - 6 months	YES	HIGH	CEO has commenced internal review as presented in the meeting.	Closed	1/09/2024	1/09/2024	100%
2	The recommendations and observations raised within the Report be reported back to the Audit and Risk Committee for monitoring.	FMR adopted by Council, issues currently being addressed by Manager Financial & Corporate Services	CEO	1/12/2024	Financial Reporting	HIGH	Required before 12 months	YES	HIGH	Ongoing	Closed	1/12/2024	1/12/2024	100%
3	CEO and MFCS to look into feasibility of reduction in insurance premiums if the Shire was to increase insurance excesses	Requested with Insurer, assessing impact, not a straight correlation. MFCS to update ARC at next meeting	MFCS	1/04/2025	Insurance	LOW	Urgent - 2 months	NO	LOW	Commenced, requested status verification from LGIS in writing. Ongoing risk assessment	In Process	1/05/2025		50%
4	Boscabel Hall	MPS – check if people camping in grounds, arrange Boscabel Hall playground check.	MPS	1/01/2025	Asset	VERY HIGH	Urgent - 2 months	YES	HIGH	Referred to Police.	In Process	1/03/2025		85%
5	Volunteers insurance	CEO to research.	CEO	1/04/2025	Insurance	LOW	Urgent - 2 months	NO	LOW	Ongoing assessment of the value proposition versus the risk, discussion with LGIS	In Process	1/05/2024		50%
6	DFES & LGIS Coverage	As a result of unfavourable Yalgoo Media the Shire to determine its asset insurance cover for disaster or minor disaster damage particularly on road damage.	MFCS	30/05/2025	Insurance	HIGH	Urgent - 2 months	YES	HIGH		In Process	30/05/2025		5%
7	WATC Schedule	Provide the Audit Committee with visibility over the WATC Schedule	MFCS	30/05/2025	Financial Reporting	MEDIUM	Must Have - 6 months	YES	LOW		In Process	30/05/2025		5%

10 SUMMARY OF RISK MANAGEMENT

10.1 RISK MANAGEMENT UPDATE

Please refer to the following attachments:

10.1.1 Risk Control Register

- Updated the register to reflect the updated risks and risk ratings.

10.2 WORK HEALTH AND SAFETY

10.2.2 CEO Safety update

- Depot implementing new safety procedures.
- Alcohol and Drug policy to be implemented in March.

11 OFFICER REPORTS**11.1 ANNUAL FINANCIAL REPORT 2023/2024 AND GENERAL MEETING OF ELECTORS**

AUTHOR	Grant Thompson – Chief Executive Officer
DATE	Tuesday, 23 January 2024
FILE NO	FM.AUD.2 & FM.FNR.1
ATTACHMENT(S)	11.1.1 - Annual Financial Report - Shire of Kojonup - 30 June 2024 11.1.2 - Final Management Letter - Shire of Kojonup - 30 June 2024 11.1.3 - Transmittal Letter to CEO - Shire of Kojonup - 30 June 2024 11.1.4 - Opinion - Shire of Kojonup - 30 June 2024

‘PLACEMAKING’ STRATEGIC COMMUNITY PLAN JULY 2023 TO JUNE 2033 To be <i>“The Cultural Experience Centre of the Great Southern”</i> STRATEGIC/CORPORATE IMPLICATIONS		
Key Strategic Pillar/s	Community Goal/s	Corporate Objective/s
Performance	12. A High Performing Council	12.1 SoK finances and funding 12.2 SoK monitoring and reporting

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to consider the 2023/2024 Audited Annual Financial Report, incorporating the Audit Report and associated correspondence and consider whether to recommend to the Council to adopt the 2023/2024 Audited Reports.

BACKGROUND

Each local government is to prepare an annual financial report for each financial year. The report is a record of the Shire of Kojonup’s (Shire) activities for the financial year and is an integral part of the accountability principles established for local governments in Western Australia.

COMMENT

The Audit Report and Annual Financial Report will be considered by the Council at its 25 February 2025 Ordinary Meeting. The Auditor’s Management Letter is provided as additional information to the Committee and Council for transparency and full disclosure. It is suggested that the Audited Annual Financial Report, incorporating the aforementioned documents, be considered by Council at an Ordinary Council Meeting to be called for 3.00pm, Tuesday, 25 February 2025.

The Annual Electors Meeting must be held within 56 days of the Council accepting the Annual Financial Report, with appropriate time being allowed after adoption to give notice of the meeting, say 14 days. This effectively means that the Annual Electors Meeting needs to be held by 22 April 2025. In previous years, the Annual Electors Meeting has been held in the evening following the Ordinary Council Meeting (OCM). However, as the OCM is in late April it is recommended that the Annual Electors Meeting be held on Wednesday 9 April 2025 at the Kojonup Sporting Complex.

The Annual Electors Meeting will be publicised in the Great Southern Herald, on the Shire website and Shire Facebook page as soon as possible after the date is set, and in the next available Kojonup News and Shire mediums.

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Employee related provisions	No	✓			✓
2. Credit card transactions not reported to council	No			✓	
3. Asset register – land & buildings	No		✓		

Key to ratings

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

Contained within the 2023/2024 Audit Report were matters identified as significant by the Auditor. The matters raised as significant by the Auditor were as follows:

1. *Employee related provisions*

Finding

This issue was first raised in 2023.

From our review of employee long-service leave provisions at 30 June 2024 we noted

provisions balances still exist for 76 employees that are no longer employed by the Shire. The estimated overstatement of the Shire's long service leave provision was \$162,721 at 30 June 2024. Subsequently this finding was corrected in the financial report.

Rating: Significant (2023 Significant)

Implication

Where inaccurate employee data is used to estimate the Shire's employee related provisions, there is an increased risk of material errors occurring in the annual financial report.

Recommendation

The Shire should review the employee data used to develop and recognise employee related provisions and ensure this is current and up to date each year. Adjustments should be recognised to reduce the liability balances for any entitlements paid or where the entitlement is no longer required to be recognised.

Management comment

The Shire will enforce an exit process and checklist when employees leave the Shire to ensure their entitlements are removed from the payroll system. In 2025 the Shire intends to hire a Human Resource Coordinator to coordinate with payroll on exiting the employee from the Shire.

2. Credit card transactions not reported to council

Finding

During our review of the minutes from the Shire Council meetings, we observed that the accounts paid listing presented to the council did not include transactions made using credit cards or purchasing cards. This omission is not in compliance with Section 13A of the Local Government Act (Financial Management) Regulations 1996, which mandates that all accounts paid, including credit card transactions, must be listed. We did not identify any fraudulent transactions in our review of credit card or purchasing card transactions.

Rating: Minor

Implication

The exclusion of credit card and purchasing card transactions constitutes a Non-compliance with the Local Government (financial management) Regulations 1996 requirements and limits visibility into these transactions, increasing the risk of undetected errors, misuse, or fraud.

Recommendation

All corporate credit and purchasing card transactions be submitted to the council for review and approval at the meeting immediately following the payment of these cards. This practice will ensure compliance with the Local Government Financial Management Regulations and enhance transparency and accountability to both the council and the public.

Management comment

The Shire recognises that more information is required to be reported and will improve the reporting process to include the data in the agenda report for Council at the same time the monthly payment listings are provided.

3. Asset register – land & buildings

Finding

During our review asset records and the asset register we noted the following:

- *We were unable to identify or locate the following properties in order to confirm ownership via Landgate online enquiry:*
 - *LB0097 – Harper Road – Townsite (\$38,000)*
 - *LB0236 – Lot 19 Bowler Place – Townsite (\$14,000).*
- *The following properties are included in the Shire’s asset register, but are not owned by the Shire:*
 - *LB0221 – 33 Newstead Road – Townsite (\$35,000)*
 - *LB0235 – Lot 107A Albany Highway - Townsite (\$500).*
- *Land additions totalling \$10,661 that were included in the general ledger were not reflected in the additions to the asset register.*

The lots identified above have been reported as uncorrected errors in the management representation letter and should be subject to further review & adjustment if required in 2024- 25.

Rating: *Moderate*

Implication

Asset transactions that are not recorded correctly or in a timely manner can result in the misstatement of asset values in the financial report.

Recommendation

Management should ensure that asset records and registers are regularly reviewed and movements during the period have been appropriately reflected on the registers. Where assets that are not owned by the Shire are identified, they should be removed from the asset register using the appropriate accounting treatment. We also recommend that adequate detail be included for all assets in order to enable these assets to be identified easily.

Management comment

The Shire will implement a verification process of ownership. Once ownership determined the Shire will either remove them from the asset register or confirm Shire ownership. Secondary the Shire will implement a review process for the asset register to verify the Shires assets at least once per financial year or as required when assets are purchased or disposed of.

Greater detail of all findings can be read in the management letter and correspondence attached.

CONSULTATION

Auditors – Lincolns Accountants Albany
The Office of the Auditor General
Manager Financial and Corporate Services

STATUTORY REQUIREMENTS

Section 5.26 to 5.33; 5.53 & 5.54 of the *Local Government Act 1995*
Section 7.12A (Duties of local government with respect to audits) of the *Local Government Act 1995*
Regulation 50(1) (c) of the Local Government (Financial Management) Regulations 1996

POLICY IMPLICATIONS

There are no policy implications for this report.

FINANCIAL IMPLICATIONS

This item reports on the financial position of the Shire as at 30 June 2024. The recommendation does not in itself have a financial implication.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications for this report.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications for this report.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION/COMMITTEE DECISION

AR3 Moved Cr Mickel

Seconded Cr Mathwin

That the Audit & Risk Committee present the 2023/24 Audited Annual Financial Report to the Council and recommend to Council that:

1. The 2023/2024 Audited Annual Financial Report, and accompanying correspondence, be adopted;
2. The Chief Executive Officer be requested to forward a copy of this Audit Committee recommendation, and the Council agenda item, to the Minister for Local Government and place them on the Shire of Kojonup website in accordance with Section 7.12A (Duties of local government with respect to audits) of the *Local Government Act 1995*;
3. The matters raised in the Auditor's Management Letter be noted, a report produced internally on how the significant items will be addressed, and those actions be included in the Committee Status Report of future Audit and Risk Committee agendas; and
4. The Council direct the Chief Executive Officer to complete the Annual Report compilation and:

- present the finalized 'Electors Annual Report' for consideration to the March Ordinary Council Meeting held at 3.00pm, Tuesday, 25 March 2025; and
- schedule an Annual Electors Meeting to be held at 6.00pm, Wednesday, 9 April 2025 at the Kojonup Sporting Complex.

CARRIED 5/0

For: Cr Bilney, Cr Mathwin, Cr Mickle, Cr Webb, C. Ivey

Jill Johnson left the meeting 10.34am

11.2 COMPLIANCE AUDIT RETURN 2024

AUTHOR	Tonya Pearce – Governance and Rates Officer
DATE	Monday, 20 January 2025
FILE NO	CM.REP.1
ATTACHMENT(S)	11.2.1 - Compliance Audit Return 2024

‘PLACEMAKING’ STRATEGIC COMMUNITY PLAN JULY 2023 TO JUNE 2033 To be “The Cultural Experience Centre of the Great Southern” STRATEGIC/CORPORATE IMPLICATIONS		
Key Strategic Pillar/s	Community Goal/s	Corporate Objective/s
Performance	12. A High Performing Council	12.2 SoK monitoring and reporting

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is for the Audit and Risk Committee to consider, and recommend to Council, the adoption of the Compliance Audit Return for 2024.

BACKGROUND

Completion of the Compliance Audit Return (CAR) is mandatory for each local government. Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996* require a local government to carry out a compliance audit for each calendar year. A local government’s Audit and Risk Committee must review the CAR and report same to Council to adopt after which a certified copy, together with a copy of the section of Council minutes adopting the CAR plus any other relevant information, must be submitted to the Department of Local Government, Sport and Cultural Industries (Department) by 31 March each year.

Items of note for the Committee in the previous 2023 CAR included the following:

- all relevant persons to have lodged an annual return by 31 August annually;
- delayed receipt of the Shire’s Audit Report;
- the need to complete a report on the training completed by Council members in the 2022/2023 year, by 31 July 2023; and
- the need for Council to adopt and publish a policy dealing with attendance of Council members and the Chief Executive Officer (CEO) at events.

It should be noted that all of the above matters were dealt with accordingly. A policy dealing with Councillor and CEO attendance at events was adopted by Council at its 12 December 2023 Ordinary Meeting (CM 141/23).

COMMENT

The 2024 CAR has been completed following a review of processes and documentation for each activity/area in which compliance is being assessed against the *Local Government Act 1995* and its associated regulations.

There are three items of Non-Conformance for the Audit Committees consideration in the 2024 CAR:

Question #	Section of the Act	Question	Response	Comment
Optional Questions # 8	s6.4(3)	By 30 September 2024, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2024?	No	However, an Exemption was applied for, supported by the auditors, and extension granted to 31/10/2024
Finance Questions # 5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	Yes/No	Significant item actions were completed and letter outlining remedies sent to Auditors and OAG, but inadvertently not sent to the Minister. The Shire will rectify this in the coming audit outcomes.
Finance Questions # 6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the <i>Local Government Act 1995</i> , did the CEO publish a copy of the report on the local government's official website?	No	Significant item actions were completed and letter outlining remedies was sent to Auditors and OAG, but inadvertently not sent to the Minister. The Shire will rectify this in the coming audit outcomes.

This item is for the Audit and Risk Committee's consideration and recommendation to the Council for adoption and subsequent submission to the Department by 31 March 2025.

CONSULTATION

Chief Executive Officer

Governance and Rates Officer

STATUTORY REQUIREMENTS

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 14 inserted: Gazette 23 Apr 1999 p. 1724-5; amended: Gazette 30 Dec 2011 p. 5580-1.]

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.

[Regulation 15 inserted: Gazette 23 Apr 1999 p. 1725; amended: Gazette 26 Jun 2018 p. 2386.]

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

RISK MANAGEMENT IMPLICATIONS

RISK MANAGEMENT FRAMEWORK			
Risk Profile	Risk Description/Cause	Key Control	Current Action
3. Failure to Fulfil Compliance Requirements (Statutory/Regulatory)	Failure to correctly identify, interpret, assess, respond and communicate	Compliance Audit Report	Internal and External Layered Audits Process Reviews

	laws and regulations as a result of an inadequate compliance framework.		
Risk rating – High Control Rating - Adequate			
IMPLICATIONS			
Maximising compliance with legislation mitigates risk of damage to image and reputation as well as penalties associated with non-compliance; compliance demonstrates good practice methodology is in place.			

ASSET MANAGEMENT IMPLICATIONS

Nil

GREAT SOUTHERN ALLIANCE (FORMERLY VROC) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COMMITTEE DECISION

AR4 Moved Cr Bilney

Seconded Cr Mickle

That the Audit and Risk Committee recommend to Council that:

- i. a certified copy of the Compliance Audit Return for 2024, as attached, and
- ii. the relevant section of the Council minutes, and
- iii. any additional information explaining or qualifying the compliance audit, be adopted and submitted to the Departmental CEO by 31 March 2025.

CARRIED 5/0

For: Cr Bilney, Cr Mathwin, Cr Mickle, Cr Webb, C. Ivey

11.3 REVIEW OF VOLUNTEER HANDBOOK

AUTHOR	Tonya Pearce – Governance and Rates Officer
DATE	Tuesday, 21 February 2025
FILE NO	CM.POL.1
ATTACHMENT(S)	11.3.1 - Volunteer Handbook –2025 Review showing changes

‘PLACEMAKING’ STRATEGIC COMMUNITY PLAN JULY 2023 TO JUNE 2033 To be “The Cultural Experience Centre of the Great Southern” STRATEGIC/CORPORATE IMPLICATIONS		
Key Strategic Pillar/s	Community Goal/s	Corporate Objective/s
Performance	12. A High Performing Council	12.2 SoK monitoring and reporting

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to review the Shire of Kojonup’s (Shire) Volunteer Handbook.

BACKGROUND

The Shire’s Volunteer Management Handbook (Handbook) was originally produced in 2016 in line with Council’s adoption of its Volunteer Management Policy (Policy 2.3.8). Significant changes were made in November 2018 to form a less cumbersome and more user friendly Handbook and further reviews have been undertaken on an annual basis.

With the exception of volunteer firefighters who are recognised and supported via the Bush Fire Advisory Committee and relevant legislation, the Handbook represents a detailed point of reference for other Shire volunteers, provides guidance to managers overseeing volunteer programs and recognises volunteers as an integral part of our organisation. The provision of a Handbook for volunteers is also in keeping with Work Health and Safety best practice principles, working to protect the employer and the volunteer.

The Shire has many different activities that volunteers engage in (mainly at the Kodja Place precinct, the Kojonup Library and as Friends of Myrtle Benn) working alongside staff to deliver and enhance services and initiatives offered by the Shire. Without the support and contribution provided by volunteers, some of these services and initiatives would be difficult to sustain into the future.

COMMENT

The main suggested updates as of this review are to remove references to Springhaven Lodge as a place to volunteer for the Shire, as this is now directly through Hall and Prior (attachment 11.3.1).

CONSULTATION

Chief Executive Officer
Governance and Rates Officer

STATUTORY REQUIREMENTS

Section 5.40 (e) of the *Local Government Act 1995*

5.40. Principles affecting employment by local governments

The following principles apply to a local government in respect of its employees —

(e) employees are to be provided with safe and healthy working conditions in accordance with the Work Health and Safety Act 2020;

Division 4, Subdivision 1 - 4. - *Work Health and Safety Act 2020 (replacing OSH Act 1984)* - Definitions –

volunteer means a person who is acting on a voluntary basis (irrespective of whether the person receives out-of-pocket expenses);

Section 7. Meaning of worker

(1) A person is a worker if the person carries out work in any capacity for a person conducting a business or undertaking, including work as —

(h) a volunteer;

POLICY IMPLICATIONS

Policy 2.3.8 – Volunteer Management

FINANCIAL IMPLICATIONS

In addition to the social and community benefits associated with volunteering, the value adding that occurs without incurring wage expenses contributes to the ongoing provision of services and initiatives that otherwise may not happen.

RISK MANAGEMENT IMPLICATIONS

RISK MANAGEMENT FRAMEWORK			
Risk Profile	Risk Description/Cause	Key Control	Current Action
5 - Employment Practices	Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers). Inadequate induction practices.	Induction process	Nil
14 - Safety and Security	Inadequate policy, frameworks, systems and structure to prevent the injury of visitors, staff, volunteers, contractors and/or	Contractor/Staff/Volunteer site inductions	Nil

	tenants.		
Risk rating – Adequate/Adequate			
IMPLICATIONS			
A Volunteer Handbook ensures that the Shire’s volunteers, and their managers, are provided with the necessary information to ensure duties are undertaken in a safe manner and volunteers are informed of their rights and obligations.			

ASSET MANAGEMENT IMPLICATIONS

Nil

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COMMITTEE DECISION

AR5 Moved Cr Mickle

Seconded Cr Bilney

That the revised Volunteer Handbook 2025, as attached, be adopted.

CARRIED 5/0

For: Cr Bilney, Cr Mathwin, Cr Mickle, Cr Webb, C. Ivey

12 CEO UPDATES

- 12.1 Myrtle Benn Reserve Update
- 12.2 Contracts, Leases and Agreements Register Update
 - Register has now been updated.
- 12.3 Thornbury Close Development
 - Further discussion to come back to Council and there will be a Development Application soon.
- 12.4 Great Southern Housing Strategy 2025
- 12.5 Regional Aged Accommodation Program (RAAP) Grant Acquittal
 - Update on procedure for the outstanding grant acquittal

13 OTHER ITEMS FOR DISCUSSION OR FURTHER RESEARCH AS RAISED BY MEMBERS

Additional Audit and Risk Committee Meeting to be held Thursday, 6 March 2025 at 9.00am

14 NEXT MEETING

The next meeting of the Audit and Risk Committee is scheduled to be held Wednesday, 7 May 2025 at 9:00am.

15 CLOSURE

There being no further business to discuss, the Chairperson thanked members for their attendance and declared the meeting closed at 11.58am.

ATTACHMENTS (SEPARATE)

4.1 - Unconfirmed Audit & Risk Committee Minutes 5 November 2024

10.1.1 - Risk Control Register

11.1.1 - Annual Financial Report - Shire of Kojonup - 30 June 2024

11.1.2 - Final Management Letter - Shire of Kojonup - 30 June 2024

11.1.3 - Transmittal Letter to CEO - Shire of Kojonup - 30 June 2024

11.1.4 - Opinion - Shire of Kojonup - 30 June 2024

11.2.1 - Compliance Audit Return 2024


11.3.1 - Volunteer Handbook –2025 Review showing changes

12.2 - Contracts Leases and Agreements Register

Confirmed on 7 May 2025 as a true record –



Presiding Member



Date