



AUDIT AND RISK MANAGEMENT COMMITTEE MEETING

MINUTES

SECTION 5.9(2)(a) LGA 1995

Committee Brief

1. *Provide guidance and assistance to the local government -*
 - a) *as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
 - b) *as to the development of a process to be used to select and appoint a person to be an auditor; and*
2. *May provide guidance and assistance to the local government as to -*
 - a) *matters to be audited; and*
 - b) *the scope of audits; and*
 - c) *its functions under Part 6 of the Act; and*
 - d) *the carrying out of its functions relating to other audits and other matters related to financial management; and*
3. *Is to review a report given to it by the CEO under Regulation 17(3) (the CEO's report) and is to -*
 - a) *report to the Council the results of that review; and*
 - b) *give a copy of the CEO's report to the Council.*

A meeting of the Audit and Risk Management Committee
was held in the Committee Room,
Lowood Road, Mount Barker WA 6324
at 12.45pm Tuesday 25 October 2022.


Cameron Woods
CHIEF EXECUTIVE OFFICER

Committee Members

C Pavlovich, Cr A Fraser, Cr M O'Dea and Cr K Woltering (Council 171/21)

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS	3
2	RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE	3
3	CONFIRMATION OF MINUTES	3
4	DISCLOSURE OF INTEREST	3
5	REPORTS OF COMMITTEE MEMBERS AND OFFICERS	4
5.1	WORKPLACE HEALTH AND SAFETY	4
5.2	PROPOSED MODEL FINANCIAL STATEMENTS AND REGULATORY AMENDMENTS	7
6	GENERAL BUSINESS	10
6.1	STRATEGIC RISK REGISTER	10
7	NEXT MEETING	10
8	CLOSURE OF MEETING	10

Membership

C Pavlovich (Presiding Member)

Cr A Fraser

Cr M O'Dea

Cr K Woltering

Cr J Oldfield (Deputy for any member)

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

12.45pm The Presiding Member declared the meeting open.

2 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCEMembers Present

Cr C Pavlovich – Presiding Member
Cr A Fraser
Cr M O'Dea
Cr K Woltering

Visitors

Cr L Handasyde
Cr J Oldfield
Kate Ryan-Taylor (WHS consultant)

Staff

Mr C Woods – Chief Executive Officer
Mr J Fathers – Deputy Chief Executive Officer

3 CONFIRMATION OF MINUTES

Moved Cr K Woltering, seconded Cr M O'Dea:

That the Minutes of the Ordinary meeting of the Audit and Risk Management Committee, held on 23 August 2022 as circulated, be taken as read and adopted as a correct record.

CARRIED

4 DISCLOSURE OF INTEREST

Part 5 Division 6 Local Government Act 1995

Nil

5 REPORTS OF COMMITTEE MEMBERS AND OFFICERS

5.1 WORKPLACE HEALTH AND SAFETY

File Ref:	N58046
Attachment	Shire of Plantagenet Work Health and Safety Audit Findings and Recommendations
Responsible Officer:	Cameron Woods Chief Executive Officer
Author:	Cameron Woods Chief Executive Officer
Proposed Meeting Date:	25 October 2022

PURPOSE

The purpose of this report is to present the Audit and Risk Management Committee with the Work Health and Safety audit findings and recommendations.

BACKGROUND

The Audit and Risk Management Committee has the Strategic Risk Register listed as a permanent fixture on its agenda. At its meeting held on 26 May 2022, the Committee was made aware of the new Work Health and Safety Act which came into effect from March 2022. The Committee was made aware that the most urgent strategic risk was the organisations limited understanding of the new legislation and the preparedness for managing workplace health and safety as per the regulations.

On this basis, Tribal Safety Solutions were engaged to conduct an organisation wide audit and to make recommendations that would be effective in developing a safety culture whilst meeting all legislative responsibilities.

STATUTORY ENVIRONMENT

Regulation 17 of the Local Government (Audit) Regulations 1996 requires the CEO to review risk management controls every three years and report to the Audit Committee the results of that review.

The Work Health and Safety Act 2020 took effect from March 2022.

FINANCIAL IMPLICATIONS

The Shire has withdrawn from the LGIS Risk Program and it is proposed that an occupational health and safety (OHS) professional be appointed to oversee the Shire's OHS framework, one day per week for 12 months. The costs associated with this appointment can be met within the LGIS amount, although a pro-rata of that sum (\$14,900.00) will need to be reallocated to Budget Item Administration – Employee Costs.

BUDGET IMPLICATIONS

The Budget includes a sum of \$22,500.00 for 'LGIS Risk Expenditure'. The changes above will be submitted to the Council for approval in a budget review on 25 October 2022.

POLICY IMPLICATIONS

The Council has the following policy in place:

- C/RM/1 Risk Management.

LEGAL IMPLICATIONS

The new WHS legislation has increased penalties and responsibilities for all employees. The actions taken in response to this audit are aimed at reducing and managing risks including compliance with all legal responsibilities so that organisational exposure to liability is diminished.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications as no assets are being created or acquired.

STRATEGIC IMPLICATIONS

There are no strategic implications for this report.

STRATEGIC RISK IMPLICATIONS

The proposals in this report will mitigate a significant risk in the Shire's Strategic Risk Register, that being 'Safety and Security Practices'.

REGIONAL IMPLICATIONS

There are no regional implications for this report.

OFFICER COMMENT.

During the month of August and September 2022 the WHS audit was conducted at the following work sites.

- Works depot.
- Shire Administration.
- Saleyards.
- Library.
- Recreation Centre.
- Pool.
- All waste transfer stations and waste sites.
- Middle ward Fire Station.

The audit included site inspections to review policies and procedures; interviewed staff to determine current knowledge and the safety culture; reviewed site processes and conducted detailed site safety inspections.

The audit and its findings are comprehensive and the key strategic corrective actions that have been immediately actioned are:

- The subscription to WHS Management System, SiteDocs.
- The appointment of Tribal Safety Solutions for a 12-month fixed term contract for one day per week to install and train staff in the use of SiteDocs; develop a new workplace safety committee and to ensure all corrective actions outlined in the report are completed.

This action is considered the most effective method for ensuring the organisation addresses the corrective actions required whilst building organisational capacity to manage workplace health and safety.

VOTING REQUIREMENTS

Simple Majority

A presentation was made by Kate Ryan-Taylor in regard to the Shire of Plantagenet Work Health and Safety Audit Findings and Recommendations.

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr M O'Dea, seconded Cr K Woltering:

That the Audit and Risk Management Committee:

- 1. Accepts the Work Health and Safety Audit findings and recommendations.**
- 2. Supports the implementation of the new WHS management system SiteDocs; and**
- 3. Supports the fixed term appointment of a dedicated work health and safety contractor to implement the new management system and address the corrective actions.**

CARRIED

5.2 PROPOSED MODEL FINANCIAL STATEMENTS AND REGULATORY AMENDMENTS

File Ref:	N59414
Attachment	Proposals to amend the Model Financial Statements and Associated Regulations
Responsible Officer:	Cameron Woods Chief Executive Officer
Author:	John Fathers Deputy Chief Executive Officer
Proposed Meeting Date:	25 October 2022

PURPOSE

The purpose of this report is to notify the Audit and Risk Management Committee about proposed model financial statements and summary of associated regulatory amendments.

BACKGROUND

The Department of Local Government, Sport and Cultural Industries (DLGSC) has sent through the amendments to model financial statements and a summary of proposed regulatory amendments for feedback and comments.

The model financial statements will not be prescribed documents. However, they have been developed in consultation with the Office of the Auditor General (OAG) to provide a template that addresses the annual financial statements information that is required to comply with the statutory requirements.

STATUTORY ENVIRONMENT

Amendments to the Local Government (Financial Management) Regulations 1996 and Local Government (Administration) Regulations 1996 will be required to introduce model financial statements and increased transparency in financial reporting.

FINANCIAL IMPLICATIONS

There are no financial implications for this report.

BUDGET IMPLICATIONS

There are no budget implications for this report.

POLICY IMPLICATIONS

There are no policy implications for this report.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications as no assets are being created or acquired.

STRATEGIC IMPLICATIONS

There are no strategic implications for this report.

STRATEGIC RISK IMPLICATIONS

It will be important to keep abreast of changes to regulations in order to minimise the risk of failing to fulfil statutory compliance requirements.

REGIONAL IMPLICATIONS

There are no regional implications for this report.

OFFICER COMMENT

The proposed changes to the model financial statements and regulations are detailed in the attachment. For band 3 and 4 local governments, the changes will result in a reduction in the amount of detail in some parts of the reporting and therefore the effort involved in preparing them. The minor changes throughout are considered appropriate. The parts proposed to be removed are generally highly technical and considered to be of little relevance to local governments and interest to report readers.

The regulation amendments are being drafted to establish a transparent link between the annual budget, monthly financial reporting, prescribed budget review and annual financial statements. This is consistent with the approach being recommended by the various Audit Offices responsible for local government audits in Australia.

The following feedback has been provided to WALGA in regard to the proposed changes:

Model financial statements (reductions specifically for Band 3 and 4 LGs).

Changes to reduce the reporting requirements for band 3 and 4 local governments are very much supported. No objections are raised to any of the proposals. In particular, the following are well received:

- Amendment of definitions.
- The removal of requirements to report on financial risk management.
- Rounding of figures.
- Defining Net Current Assets.
- Clarify use of adopted budget figures.
- Moving trading undertakings and major land transactions to the unaudited section of the Annual Report.

Proposed regulation amendments

- No objection to Annual Budget Amendments
- No objection to Budget Review Amendments
- Generally no objections to Monthly Financial Reporting, except the suggestion to prepare a statement of financial position each month. No major objections, but the values that are likely to change each month, such as current asset & liability figures are shown elsewhere.
- No objection to the proposed 2nd tranche amendments to Local Government (Administration) Regulations 1996

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr M O'Dea, seconded Cr K Woltering:

That the feedback provided to the Western Australian Local Government Association in respect to proposed model financial statements and summary of associated regulatory amendments, be noted.

CARRIED

6 GENERAL BUSINESS**6.1 STRATEGIC RISK REGISTER**

This is a permanent item on the agenda for the Audit and Risk Management Committee.

7 NEXT MEETING

To be advised.

8 CLOSURE OF MEETING

1.22 pm The Presiding Member declared the meeting closed.

CONFIRMED: PRESIDING MEMBER _____ DATE: ____/____/____