



## **Shire of Menzies**

### **AUDIT & RISK COMMITTEE AGENDA**

**Thursday 23 June 2022**

**Commencing at 11:00 am**

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## 1 DECLARATION OF OPENING

The Chairperson declared the meeting open at \_\_\_\_\_ am.

## 2 ANNOUNCEMENT OF VISITORS

## 3 RECORD OF ATTENDANCE

Councillors: Cr I Baird, Chairperson  
Cr J Dwyer, Deputy Chairperson  
Cr G Dwyer  
Cr S Sudhir

Staff: Mr B Joiner, Chief Executive Officer  
Ms E Reitmajer, Executive Officer (Minutes)  
Mr T Rusere, Administration Officer

## 4 DECLARATIONS OF INTEREST

## 5 CONFIRMATION/RECEIVAL OF MINUTES

CONFIRMATION of the Minutes of the Audit and Risk Committee Meeting held on 24 March 2022.

*(Provided under Separate Cover)*

### OFFICER RECOMMENDATION

That the Minutes of the Audit and Risk Committee Meeting held on 24 March 2022 be confirmed as a true and correct record.

### COUNCIL DECISION:

<b>Council Resolution Number</b>	
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<b>Moved</b>		<b>Seconded</b>	
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<b>Carried</b>	
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## 6 REPORTS OF OFFICERS

<b>6.1</b>	<b>Interim Audit 2021/2022</b>
<b>LOCATION</b>	<b>Shire of Menzies</b>
<b>APPLICANT</b>	<b>Internal</b>
<b>DOCUMENT REF</b>	<b>NAM746</b>
<b>DATE OF REPORT</b>	<b>16 June 2022</b>
<b>AUTHOR</b>	<b>Executive Officer, Eve Reitmajer</b>
<b>RESPONSIBLE OFFICER</b>	<b>Chief Financial Officer, Antonio Giometti</b>
<b>OFFICER DISCLOSURE OF INTEREST</b>	<b>Council officers contributing to the preparation and approval of this report have no conflicts of interest to declare</b>
<b>ATTACHMENT</b>	1. CONFIDENTIAL REDACTED - Annual Audit Planning Report - Shire of Menzies F Y 2022 (final) [6.1.1 - 30 pages]

### **SUMMARY:**

A verbal update will be provided to the Committee on the status of the Shire's audit, being conducted by RSM Australia.

### **BACKGROUND:**

RSM Australia has been engaged by the Office of the Auditor General (OAG) Western Australia to perform the audit of the Shire of Menzies for the year ending 30 June 2022. RSM Australia presented the Audit Planning Report which outlined the proposed audit strategy including the audit timeline and areas of audit focus at a meeting with Shire staff on 21 April 2022.

### **COMMENT:**

RSM Australia auditors attended Shire offices in the week beginning 23 May 2022. Feedback to Shire staff indicated RSM's initial review "noted that the Shire has shown significant improvement from previous FYs audit, so far, only noting the three Management Letter Points (MLPs) during our interim audit". Each MLP was responded to by Shire staff.

A verbal update will be provided to the Committee on the status of the Shire's audit, being conducted by RSM Australia.

### **CONSULTATION:**

RSM Australia.

**STATUTORY AUTHORITY:**

Nil.

**POLICY IMPLICATIONS:**

Nil.

**FINANCIAL IMPLICATIONS:**

Nil.

**RISK ASSESSMENT:**

Risk Statement	Level of Risk	Risk Mitigation Strategy
N/A		

**STRATEGIC IMPLICATIONS:**

4.2 An efficient and effective organisation.

4.2.1 Maintain a high level of corporate governance, responsibility and accountability.

**VOTING REQUIREMENTS:**

Simple Majority

**OFFICER RECOMMENDATION:**

That the Audit and Risk Committee recommends Council notes the audit is on schedule as per the proposed audit timetable presented at the audit entrance meeting held on 21 April 2022.

**COMMITTEE RECOMMENDATION:**

<b>Council Resolution Number</b>	
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<b>Moved</b>		<b>Seconded</b>	
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<b>Carried</b>	
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<b>6.2</b>	<b>Debtors Report May 2022</b>
<b>LOCATION</b>	<b>Shire of Menzies</b>
<b>APPLICANT</b>	<b>Internal</b>
<b>DOCUMENT REF</b>	<b>NAM747</b>
<b>DATE OF REPORT</b>	<b>14 June 2022</b>
<b>AUTHOR</b>	<b>Chief Financial Officer, Antonio Giometti</b>
<b>RESPONSIBLE OFFICER</b>	<b>Chief Financial Officer, Antonio Giometti</b>
<b>OFFICER DISCLOSURE OF INTEREST</b>	<b>Council officers contributing to the preparation and approval of this report have no conflicts of interest to declare</b>
<b>ATTACHMENT</b>	1. CONFIDENTIAL REDACTED - Rate arrears 12 months plus - May 2022 [6.2.1 - 4 pages]

### **SUMMARY:**

A list of overdue rates of more than 12 months, through to three years plus, as of 31 May 2022 to be received by the Audit and Risk Committee.

### **BACKGROUND:**

Overdue rates comprise 181 properties, totalling \$463,188 with the following breakdown:

- 12 months arrears, totalling \$71,118
- 2 years arrears, totalling \$77,691
- 3 years plus arrears, totalling \$314,379.

A total of 20% of these (\$103,879) are with debt collector AMPAC for collection.

### **COMMENT:**

The Shire is progressing overdue rate payments for the 181 properties noted above, which total \$1,000 or more, to debt collectors for collection.

The report also shows the "Current" payments that are due for these long outstanding rate debtors. This has been provided to the Audit and Risk Committee to give an understanding that these rate payers appear to have ongoing arrears situations.

The report shows property details and rate payers' names, hence needs to be treated as confidential.

Collection in some cases is difficult or not possible due to the tenements becoming "dead tenements". These are recommended for write-off leading up to end of financial year processing.

Finance Officer Rates is continually progressing actions and processes as per policy to have overdue rates paid.

**CONSULTATION:**

Kristy Van Kuyl, Team Leader Finance.  
Carol McAllan, Finance Officer Rates.

**STATUTORY AUTHORITY:**

*Local Government (Financial Management) Regulations 1996 – Part 5 Rates and Service Charges r71.*

**POLICY IMPLICATIONS:**

POLICY – 4.6 Debt Recovery – Outstanding Rates and Sundry Debtors

**FINANCIAL IMPLICATIONS:**

Unpaid Overdue Rates total \$463,188. While these remain unpaid, financial implications, apart from possible cashflow implications, are the ongoing costs associated with debt collection, staff time and an unacceptable 20% of rates not collected on an ongoing basis.

**RISK ASSESSMENT:**

<b>Risk Statement</b>	<b>Level of Risk</b>	<b>Risk Mitigation Strategy</b>
There is always a certain risk in outstanding Sundry Debtors and Overdue Rates from a cashflow liquidity and councils' requirement to collect rates for the provision of services across the shire's communities.	Medium	Debt recovery progressed as per Policy 4.6 Debt Recovery.  Engagement of Debt Collection Agency.  Charging of interest.

**STRATEGIC IMPLICATIONS:**

4.2 An efficient and effective organisation.

4.2.1 Maintain a high level of corporate governance, responsibility and accountability.



**VOTING REQUIREMENTS:**

Simple Majority

**OFFICER RECOMMENDATION:**

That the Audit and Risk Committee recommends Council receives the list of overdue rates for the month of May 2022 totalling \$463,188.

**COMMITTEE RECOMMENDATION:**

<b>Council Resolution Number</b>	
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<b>Moved</b>		<b>Seconded</b>	
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<b>Carried</b>	
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<b>6.3</b>	<b>IT Audit Report</b>
<b>LOCATION</b>	<b>Shire of Menzies</b>
<b>APPLICANT</b>	<b>Internal</b>
<b>DOCUMENT REF</b>	<b>NAM748</b>
<b>DATE OF REPORT</b>	<b>14 June 2022</b>
<b>AUTHOR</b>	<b>Chief Financial Officer, Antonio Giometti</b>
<b>RESPONSIBLE OFFICER</b>	<b>Chief Financial Officer, Antonio Giometti</b>
<b>OFFICER DISCLOSURE OF INTEREST</b>	<b>CFO's son works for Entire IT, which completed the report, and was on site undertaking the audit</b>
<b>ATTACHMENT</b>	<ol style="list-style-type: none"> <li>1. CONFIDENTIAL REDACTED - Entire Tech T Audit - Discovery - Shire of Menzies v 1.0 [6.3.1 - 20 pages]</li> <li>2. CONFIDENTIAL REDACTED - Shire of Menzies IT Audit - response by IT consultant [6.3.2 - 3 pages]</li> </ol>

#### **SUMMARY:**

To provide an update following an information technology (IT) audit undertaken 28 February 2022 by Entire Tech (Australia) Pty Ltd, to assess systems reliability, access, and storage. The audit was carried out on-site.

#### **BACKGROUND:**

An IT audit was undertaken to assess and check the integrity of both physical information and communications technology (ICT) resources and software infrastructure. A number of recommendations have been made to update, replace, and/or extend the current ICT platform, to provide a level of improved security, accessibility and strengthen the system's use.

#### **COMMENT:**

Internal and external environments of the Shire of Menzies are changing and technology is a critical supporter of the development, implementation and enhancement of its services. The Shire of Menzies Strategic ICT Plan and liaison with Moore Australia highlighted areas that required further investigation, which led to the IT audit.

Recommendations from the audit are listed on page 12 of the attached confidential attachment and include the following:

- Wireless Site coverage – extending coverage to staff homes, more so with the increasing needs/likelihood of staff working from home.

- Passwords – this has been recognised previously. The recommendation in the report is for changes to be monthly. The Shire has been in contact with its current IT consultant Netlogic to have this implemented. It is currently pending as Netlogic works on a solution for all platforms, including SynergySoft, Microsoft, Adobe, etc.
- Mobile Device (Device Management) – recommendation to strengthen mobile security on mobile devices, especially in the current environment of increased cybersecurity risks.
- Backup strategies – recommendation for changes to improve and strengthen data backup.
- Anti-virus – passwords need to be enabled/established, as noted in the report.
- Internet service provider – report sets out several points to secure failover protection, back-ups, Telstra pricing and separation of staff office use internet from home use internet.
- Uninterruptible power supply (UPS) – run times in power outages are just 15 minutes. At least an hour is recommended. Annual testing of all UPS should be undertaken.
- Server hardware – storage space issues have been identified. There are four detailed recommendations listed for the server, mainly around configuration and addition of additional memory and RAM.
- Desktop / laptops – PC ages vary from 8 years to 2 months. Recommendation to introduce a standard PC build and units, develop a computer replacement policy, update one Windows 7 PC to Windows 10, replace outdated POS at Visitor Centre and PC off-boarding processes.

The Chief Financial Officer will be seeking quotes to undertake the works as noted in the recommendations.

#### **CONSULTATION:**

Brad Gawronski, Netlogic Information Technology.

#### **STATUTORY AUTHORITY:**

*Local Government Act 1995 – Part 3 Functions of local governments Div 3 Executive functions of local government.*

#### **POLICY IMPLICATIONS:**

POLICY – 1.7 - Enterprise Risk Management.

POLICY – 3.6 - Information Technology – Access and Use.

#### **FINANCIAL IMPLICATIONS:**

Budget required to undertake sourcing of suitable suppliers/contractors and upgrading of systems, inclusive of hardware and software. To be determined through RFQ to market.

**RISK ASSESSMENT:**

Risk Statement	Level of Risk	Risk Mitigation Strategy
<p>Business interruption from system failure. Software conflicts due to system updates or other system failure could accidentally shut down your network and lead to lost sales and lost business income.</p>	<p>Medium</p>	<p>Daily backups of the system to enable restoration.</p>
<p>Hardware and software failure. Malfunction, capacity overrun, failure, disruption, impairment, misuse, loss or other type of malicious or non-malicious event - which, if materialised, may compromise the security of the network and information systems, of any technology-dependent tool or process, of the operation and process' running, or of the provision of services, thereby compromising the integrity or availability of data, software or any other component of ICT services and infrastructures, or causing a breach of confidentiality, a damage to physical ICT infrastructure or other adverse effects.</p>	<p>Medium</p>	<p>Daily backups of the system to enable restoration.</p>

**STRATEGIC IMPLICATIONS:**

- 4.2 An efficient and effective organisation.
- 4.2.1 Maintain a high level of corporate governance, responsibility and accountability.

**VOTING REQUIREMENTS:**

Simple Majority

**OFFICER RECOMMENDATION:**

That the Audit and Risk Committee recommends Council receives the IT Audit Report.

**COMMITTEE RECOMMENDATION:**

<b>Council Resolution Number</b>	
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<b>Moved</b>		<b>Seconded</b>	
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<b>Carried</b>	
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<b>6.4</b>	<b>Audit and Risk Committee annual work plan</b>
<b>LOCATION</b>	<b>Shire of Menzies</b>
<b>APPLICANT</b>	<b>Internal</b>
<b>DOCUMENT REF</b>	<b>NAM749</b>
<b>DATE OF REPORT</b>	<b>20 May 2022</b>
<b>AUTHOR</b>	<b>Executive Officer, Eve Reitmajer</b>
<b>RESPONSIBLE OFFICER</b>	<b>Chief Executive Officer, Brian Joiner</b>
<b>OFFICER DISCLOSURE OF INTEREST</b>	<b>Council officers contributing to the preparation and approval of this report have no conflicts of interest to declare</b>
<b>ATTACHMENT</b>	1. Audit and Risk Committee Annual Work Plan 2022 [6.4.1 - 1 page]

#### **SUMMARY:**

To present the Audit and Risk Committee with a summary of potential report items for upcoming meetings, for discussion and review.

#### **BACKGROUND:**

At the previous Audit and Risk Committee meeting, in March, there was some discussion on what reports were appropriate for the Committee to review. An annual work plan is one way for committee members to have greater input into upcoming committee agenda items.

#### **COMMENT:**

The annual work plan is a tool to help schedule activities across the year. The Committee currently prepares a high level forward meeting plan that confirms the meeting dates for the upcoming year and that agenda items will include items with respect to external audits, internal audits, annual financial reports, risk management, governance and compliance and other relevant items as determined. The attached example, prepared for the Committee's consideration, provides greater detail of the agenda items and the planned timing of these across the year. It has been based on the financial year schedule.

The template is from the Office of the Auditor General's Better Practice Guide for Public Sector Audit Committees (June 2020).

#### **CONSULTATION:**

Brian Joiner, Chief Executive Officer.

**STATUTORY AUTHORITY:**

Nil.

**POLICY IMPLICATIONS:**

Nil.

**FINANCIAL IMPLICATIONS:**

Nil.

**RISK ASSESSMENT:**

<b>Risk Statement</b>	<b>Level of Risk</b>	<b>Risk Mitigation Strategy</b>
N/A		

**STRATEGIC IMPLICATIONS:**

4.1 A strategically focused Council, leading our community.

4.1.1 Provide strategic leadership and governance.

4.2 An efficient and effective organisation.

4.2.1 Maintain a high level of corporate governance, responsibility and accountability.

**VOTING REQUIREMENTS:**

Simple Majority

**OFFICER RECOMMENDATION:**

That the Audit and Risk Committee recommends Council receives the attached annual work plan for the Audit and Risk Committee.

**COMMITTEE RECOMMENDATION:**

<b>Council Resolution Number</b>	
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<b>Moved</b>		<b>Seconded</b>	
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<b>Carried</b>	
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Audit and Risk Committee Annual Work Plan 2022				
Functions, responsibilities and associated activities	Mar	Jun	Sep	Dec
<b>1. Governance arrangements</b>				
Review membership and appoint chair of committee at next meeting after each local government election (biennially).				X (next due 2023)
New members induction.				X
Review the Committee's Terms of Reference (TOR) and suggest improvements where appropriate.				X
<b>2. Risk management</b>				
Review the risk management strategy and policy to ensure they support the strategic direction of the Shire, and meet legislative compliance and better practice principles.	X			
Review fraud and corruption control plans.			X	
Review the Shire's strategic risk register.	X	X	X	X
Review the Shire's operational risk register.			X	
<b>3. Systems of internal control</b>				
Receive the CEO's review of appropriateness and effectiveness of the systems and procedures in relation to Risk Management, Internal Control and Legislative Compliance as per reg 17 of Audit Regs (triennially).				X (next due 2024)
Receive CEO's review of the appropriateness and effectiveness of the financial management systems and procedures of the City as per reg 5 F&M regs (triennially).				X (next due 2024)
<b>4. Compliance</b>				
Receive and endorse the Shire's Compliance Audit Return for the period 1 January to 31 December as per the Audit Regs.	X			
<b>5. Internal audit</b>				
Nominate a topic to brief committee on re compliance /business improvement	X	X	X	X
Review internal audit reports and provide advice to Council on significant issues identified and actions required (when applicable).	X	X	X	X
Review the implementation status of internal audit recommendations.	X	X	X	X
Review of OAG audit reports to self-assess the Shire's performance against OAG best practice recommendations (when applicable).	X	X	X	X
<b>6. Financial reporting</b>				
Mid-year Budget Review.	X			
Review progress in preparing the financial statements.			X	
Outstanding debtors	X	X	X	X
<b>7. External audit</b>				
Discuss audit entry brief / planning timetable for annual financial audit.		X		
Review interim management letter for the financial audit and assess the appropriateness of management's response to recommendations (if available - otherwise review at next meeting)		X		
Discuss audit exit brief and final management letter for the financial audit and assess the appropriateness of management's response to recommendations.				X
Receive Annual Financial Report and accompanying Audit Report for the year ended 30 June.				X
Receive the Auditors Management Report / Findings Report in respect of the audit for the financial year.				X
Approve report prepared by CEO addressing matters identified as significant by the audit in the audit report and the proposed actions the City intends to take with respect to each matter and give a copy to the Minister as per s7 of the Act.				X
Receive updates on issues arising from annual financial audits.	X	X	X	X
<b>8. WHS</b>				
Review the WHS Committee minutes.	X	X	X	X
<b>9. Committee operations</b>				
Agree on the annual work plan; and set priority areas (internal audits) for the coming year.			X	
Recommend meeting dates for following year.			X	

<b>6.5</b>	<b>Risk management updates</b>
<b>LOCATION</b>	<b>Shire of Menzies</b>
<b>APPLICANT</b>	<b>Internal</b>
<b>DOCUMENT REF</b>	<b>NAM750</b>
<b>DATE OF REPORT</b>	<b>13 June 2022</b>
<b>AUTHOR</b>	<b>Executive Officer, Eve Reitmajer</b>
<b>RESPONSIBLE OFFICER</b>	<b>Chief Executive Officer, Brian Joiner</b>
<b>OFFICER DISCLOSURE OF INTEREST</b>	<b>Council officers contributing to the preparation and approval of this report have no conflicts of interest to declare</b>
<b>ATTACHMENT</b>	<ol style="list-style-type: none"> <li>1. CONFIDENTIAL REDACTED - Shire of Menzies - Risk updates summary June 2022 [6.5.1 - 2 pages]</li> <li>2. CONFIDENTIAL REDACTED - Shire of Menzies - Risk Profiles June 2022 [6.5.2 - 6 pages]</li> <li>3. CONFIDENTIAL REDACTED - Shire of Menzies - Risk Register June 2022 [6.5.3 - 2 pages]</li> </ol>

### **SUMMARY:**

Summary of risk management activities since March 2022, including risk profile updates and summary report (as included in confidential attachments to the agenda).

### **BACKGROUND:**

Prior to 30 June 2018, meetings with the Chief Executive Officers (CEO's) for the Shires of Leonora, Laverton, Menzies and Wiluna were held, where opportunities for collaboration and service sharing were discussed. From these meetings, it was considered a viable opportunity to further explore the possibility of engaging the services of a consultancy company to perform the Statutory Compliance Services for the four local governments, given many already engaged consultants to assist with a variety of work.

The Shires of Leonora, Laverton, Menzies and Wiluna supported proceeding to the tender stage for Statutory Compliance Services and subsequently the tender was awarded to Moore Stephens (now known as Moore Australia). This tender included risk management support services, and the delivery of statutory support and compliance services.

Since the service with Moore Australia commenced in 2018/19, the Shire has adopted an updated risk management policy which aligns to AS/NZS ISO 31000:2018 Risk Management Guidelines. A Risk Management Strategy was also prepared utilising the Principles, Framework and Process as defined within the

standard. The Strategy considers the context of the Shire and conforms to the requirements of the standard by providing the necessary guidance and direction to be followed by the Shire in its risk management activities, and is aligned with the risk management policy.

## **COMMENT:**

The Risk Management Strategy provides guidance and direction around risk management activities, including the assessment, prioritisation and communication of risk. This includes the reporting of risks through the Audit and Risk Committee. The tender response from Moore Stephens also set out the delivery of risk management services through quarterly 'dash board reports', bi-annual 'summary reports' and an annual 'risk control assurance workshop'.

A risk control assurance workshop was held with the Northern Goldfields Compliance Group (NGCG) in February 2019, which assisted to set out activities over the next twelve months. The workshop included discussions around the examination, review and updating of risks, as well as themes/profiles, controls and frameworks. The group requested a generic set of 'risk profiles' be developed by Moore Australia which could then be reviewed and updated to apply to individual local governments. These draft risk profiles were utilised to develop a draft risk register, which was created and populated as an extension to existing online registers service provided by Moore Australia. These activities formed the foundation for risk management activities to be reported and monitored to the Audit Committee.

In February and March 2021, Moore Australia conducted a site visit with the NGCG to review and update the risk profiles for each local government, and to populate the risk register with updated controls to calculate residual risks to be reported to the Audit Committee. Reviews were also performed for the Shire of Menzies offsite in June and August 2021, an on site review in late September 2021 and most recently an offsite workshop with the executive team in March 2022.

Updates resulting from the most recent review to risk profiles have been utilised to further update the risk register. A summary of updates to the risk profiles, the risk register and risk profiles up to March 2022 are included as confidential attachments to this agenda item. These documents are not circulated with agenda documents, as they include the controls to be implemented / actioned by the Shire in an effort to reduce risk levels. Publication of such information may adversely impact on risk management activities if published.

The risk summary report is intended to be provided bi-annually to the committee. This report enables analysis of what has changed for the organisation, and whether these changes result in new or emerging risks against each risk profile. This subsequently allows for the risk register to be updated, and to summarise new risks or changes to existing risks for the committee. The risk summary report highlighting risk changes identified against each profile since the last review, including actions and treatments in place for high level risks, is attached.

A quarterly dashboard report is essentially a progress report informing the committee with a summary of the current number of risks, unaddressed high level risks, total

new risks etc. The table below demonstrates the format of quarterly reports to the committee communicating risk movements.

<b>Risk Category</b>	<b>No. of High or Extreme Rated Risks Identified</b>	<b>No. of High or Extreme Rated Risks after Treatment</b>	<b>No. of New Risks Identified (March 2022)</b>	<b>No. of Risks Closed (March 2022)</b>
Performance	2	1	0	0
Environmental	2	1	0	0
Reputational Damage	2	0	0	0
Financial	4	1	0	0
Service Delivery / Business Interruption	5	2	0	0
Legislative / Regulatory / Policy/ Occupational Safety and Health	3	1	0	0

#### **CONSULTATION:**

Brian Joiner, Chief Executive Officer.  
 Antonio Giometti, Chief Financial Officer.  
 Moore Australia (Consultants).

#### **STATUTORY AUTHORITY:**

Regulation 17.1 of the *Local Government (Audit) Regulations 1996* requires the CEO to monitor the appropriateness and effectiveness of systems and procedures in regard to risk management, internal controls and legislative compliance.

#### **POLICY IMPLICATIONS:**

Policy 1.7 - Enterprise Risk Management outlines the Shire's commitment and approach to managing risks impacting on day-to-day operations and the delivery of strategic objectives.

#### **FINANCIAL IMPLICATIONS:**

Provision is included in the 2021/22 Adopted Budget for Moore Australia to deliver Statutory Compliance Services, including risk management, in line with the awarded tender.

**RISK ASSESSMENT:**

Risk Statement	Level of Risk	Risk Mitigation Strategy
This item has been evaluated against the Shire of Menzies' Risk Management Strategy, Risk Assessment Matrix.	The perceived level of risk is high prior to treatment.	The progression of risk management activities aligned with the Risk Management Strategy will reduce the risk to low.

**STRATEGIC IMPLICATIONS:**

- 4.1 A strategically focused Council, leading our community.
  - 4.1.1 Provide strategic leadership and governance.
- 4.2 An efficient and effective organisation.
  - 4.2.1 Maintain a high level of corporate governance, responsibility and accountability.

**VOTING REQUIREMENTS:**

Simple Majority

**OFFICER RECOMMENDATION:**

That the Audit and Risk Committee recommends Council receives the summary of updates to the risk profiles, the risk register and risk profiles up to June 2022, and the above report updating risk management activities undertaken to date.

**COMMITTEE RECOMMENDATION:**

<b>Council Resolution Number</b>	
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<b>Moved</b>		<b>Seconded</b>	
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<b>Carried</b>	
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<b>6.6</b>	<b>Audit Recommendations Progress Report</b>
<b>LOCATION</b>	<b>Shire of Menzies</b>
<b>APPLICANT</b>	<b>Internal</b>
<b>DOCUMENT REF</b>	<b>NAM751</b>
<b>DATE OF REPORT</b>	<b>20 May 2022</b>
<b>AUTHOR</b>	<b>Executive Officer, Eve Reitmajer</b>
<b>RESPONSIBLE OFFICER</b>	<b>Chief Executive Officer, Brian Joiner</b>
<b>OFFICER DISCLOSURE OF INTEREST</b>	<b>Council officers contributing to the preparation and approval of this report have no conflicts of interest to declare</b>
<b>ATTACHMENT</b>	1. CONFIDENTIAL REDACTED - Audit Recommendations Progress Report [6.6.1 - 14 pages]

#### **SUMMARY:**

For the Committee to note the actions taken following the 2020 – 2021 Office of the Auditor General annual audit, and other internal and external reviews.

#### **BACKGROUND:**

At the March Audit and Risk Committee meeting, members recommended the inclusion of the Audit Recommendations Progress Report as a standing item, to be reviewed at each meeting. The report is attached for review.

#### **COMMENT:**

The report is designed to assist the Committee with monitoring the implementation of recommendations from the OAG, internal audit and external reviews.

The attached report includes the findings from the 2020 – 2021 annual audit. All but two of the findings have been actioned by the Shire, with work on the remaining two ongoing. This year's audit will determine whether they have been resolved.

Also included are findings / recommendations from the Financial Management and Regulation 17 reviews completed by Avant Edge Consulting in October 2021, the 2021 Compliance Audit Return and the IT Audit carried out by Entire Tech in February 2022.

#### **CONSULTATION:**

Brian Joiner, Chief Executive Officer.  
Antonio Giometti, Chief Financial Officer.

**STATUTORY AUTHORITY:**

*Local Government Act 1995 Part 7 - Audit  
Local Government (Financial Management) Regulations 1996 r5(2)(c)  
Local Government (Audit) Regulations 1996 r17*

**POLICY IMPLICATIONS:**

Nil.

**FINANCIAL IMPLICATIONS:**

Nil.

**RISK ASSESSMENT:**

Risk Statement	Level of Risk	Risk Mitigation Strategy
N/A		

**STRATEGIC IMPLICATIONS:**

- 4.2 An efficient and effective organisation.
- 4.2.1 Maintain a high level of corporate governance, responsibility and accountability.

**VOTING REQUIREMENTS:**

Simple Majority

**OFFICER RECOMMENDATION:**

That the Audit and Risk Committee recommends Council receives the attached Audit Recommendations Progress Report.

**COMMITTEE RECOMMENDATION:**

<b>Council Resolution Number</b>	
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<b>Moved</b>		<b>Seconded</b>	
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<b>Carried</b>	
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## **7 INFORMATION REPORTS**

Nil.

## **8 ELECTED MEMBER MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil.

## **9 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING**

## **10 NEXT MEETING**

The next Audit and Risk Committee meeting will be held on 22 September 2022 at 11am in Menzies.

## **11 CLOSURE OF MEETING**

The Chairperson declared the meeting closed at \_\_\_\_\_ .