



# MINUTES

## AUDIT AND RISK COMMITTEE MEETING

11 SEPTEMBER 2024

TIME: 6.30PM

CITY OF STIRLING

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*Constituent Members: Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo  
Towns of Cambridge and Victoria Park*



**MINDARIE REGIONAL COUNCIL**

**NOTICE OF MEETING**

03 September 2024

Members are advised that the Audit and Risk Committee meeting will be held at the City of Stirling, 25 Cedric Street, Stirling, WA 6065, on Wednesday 11 September 2024, at 6.30pm.

Yours faithfully



**SCOTT CAIRNS**  
Chief Executive Officer

**AUDIT AND RISK COMMITTEE MEMBERS:**

Cr Chris Hatton	<b>CHAIR</b>	(City of Stirling)
Cr Joe Ferrante	<b>DEPUTY CHAIR</b>	(City of Stirling)
Cr Paul Miles		(City of Wanneroo)
Mr Aswin Kumar		External Member

**MRC REPRESENTATIVES:**

Mr Scott Cairns	Chief Executive Officer
Ms Adnana Arapovic	Executive Manager Corporate Services
Ms Sonia Cherico	Human Resources Manager
Ms Deborah Toward	Executive Assistant

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## 1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chair declared the meeting open at 6.45 pm

The Chair thanked the CEO for providing an agenda briefing, and acknowledged the substantial time spent reviewing the agenda papers in detail before the Audit and Risk Committee meeting.

## 2 ATTENDANCE / APOLOGIES

### ATTENDANCE:

Cr Chris Hatton	<b>CHAIR</b>	(City of Stirling)
Cr Joe Ferrante	<b>DEPUTY CHAIR</b>	(City of Stirling) <i>attended on line (audio)</i>
Mr Aswin Kumar		External Member

### APOLOGIES:

Cr Paul Miles	(City of Wanneroo)
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### MRC REPRESENTATIVES:

Mr Scott Cairns	Chief Executive Officer
Ms Adnana Arapovic	Executive Manager Corporate Services
Ms Sonia Cherico	Human Resources Manager
Ms Deborah Toward	Executive Assistant

### VISITORS

Nil

## 3 TERMS OF REFERENCE

At an Ordinary Council Meeting held on 26 May 2022, Council adopted the Terms of Reference for the Audit and Risk Committee, as follows:

### Terms of Reference – Audit and Risk Committee

#### 1. Objectives of Audit Committee

*In line with Function 16 of the Local Government (Audit) Regulations 1996, the objective of the Audit and Risk committee is to:*

- Support Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management and external audit functions and ethical accountability.*
- Critically examine the annual external audit and liaise with the Office of the Auditor General (OAG) so that Council can be satisfied with the performance of the local government in managing its financial affairs.*
- Receive and review reports prepared by the Chief Executive Officer in accordance with the Regulations, and present a report to Council on its findings and recommendations.*

*Reports from the Committee will assist Council in discharging its legislative responsibilities of controlling the Council's affairs, determining the Council's policies and overseeing the*

*allocation of the Council's finances and resources. The Committee will ensure openness in the Council's financial reporting and will liaise with the Chief Executive Officer (CEO) to ensure the effective and efficient management of the Council's financial accounting systems and compliance with legislation.*

*The Committee is to facilitate:*

- the enhancement of the credibility and objectivity of external financial reporting;*
- effective management of financial and other risks and the protection of Council assets;*
- compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;*
- the provision of an effective means of communication between the OAG, the CEO and the Council.*

## **2. Powers of the Audit Committee**

*The Committee is a formally appointed committee of Council and is responsible to that body. The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The Committee does not have any management functions and cannot involve itself in management processes or procedures.*

*The Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference in order to facilitate*

*informed decision-making by Council in relation to the legislative functions and duties of the Council that have not been delegated to the CEO.*

## **3. Membership**

*The Committee will consist of a minimum of three elected members. The Council may also appoint an external member. All members shall have full voting rights.*

*External persons appointed to the Committee will be a member of CPA Australia or the Institute of Chartered Accountants (Australia), have the requisite financial, risk, commercial and/or business experience, and will be sufficiently conversant with governance, financial and other reporting requirements to allow them to fulfil the role.*

*Appointment of external persons shall be made by Council by way of a public advertisement and be for a maximum of two years.*

*Reimbursement of approved expenses will be paid to each external person who is a member of the Committee, up to an annual limit set as part of the annual budget process.*

*The CEO and employees are not members of the committee.*

*The CEO or his/her nominee is to attend all meetings to provide advice and guidance to the Committee.*

*The Council shall provide secretarial and administrative support to the Committee.*

## **4. Meetings**

*The Committee shall meet at least once a year. Additional meetings shall be convened at the discretion of the presiding person. A quorum of the Committee will be constituted by three members.*

*Any decision of the Committee is to be made by simple majority.*

**5. Reporting**

*Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.*

**6. Duties and Responsibilities**

*The duties and responsibilities of the Committee will be –*

- (a) Provide guidance and assistance to Council as to carrying out the function of the Council in relation to audits.*
- (b) Review and recommend to Council –
  - a list of those matters to be audited; and
  - the scope of the audit to be undertaken.*
- (c) Meet with the OAG once in each year and provide a report to Council on the matters discussed and outcome of those discussions.*
- (d) Liaise with the CEO to ensure that the Local Government does everything in its power to –
  - assist the OAG to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and
  - ensure that audits are conducted successfully and expeditiously.*
- (e) Examine the reports of the OAG after receiving a report from the CEO on the matters and –
  - determine if any matters raised require action to be taken by the Council; and
  - ensure that appropriate action is taken in respect of those matters.*
- (f) Review the report prepared by the CEO on any actions taken, in respect of any matters raised in the report of the OAG 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 OAG is received, whichever is the latest in time.*
- (g) Review the scope of the audit plan and program and its effectiveness.*
- (h) Review the appropriateness of special internal audit assignments undertaken at the request of Council or CEO.*
- (i) Review the level of resources allocated to internal audit and the scope of its authority.*
- (j) Review reports of internal audits and monitor the implementation of recommendations made by OAG and review the extent to which Council and management reacts to matters raised.*
- (k) Facilitate liaison between the internal auditor and the OAG to promote compatibility, to the extent appropriate, between their audit programs.*
- (l) Review Council's draft annual financial report, focusing on:
  - accounting policies and practices;
  - changes to accounting policies and practices;
  - the process used in making significant accounting estimates;
  - significant adjustments to the financial report (if any) arising from the audit process;
  - compliance with accounting standards and other reporting requirements; and
  - significant variances from prior years.*
- (m) Consider recommending adoption of the financial report to Council.*
- (n) 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.*

- (o) *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.*
- (p) *Review the annual Compliance Audit Return and report to the Council the results of that review.*
- (q) *Consider the CEO review of the appropriateness and effectiveness of the Council's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the Committee,*
- (r) *and report to the Council the results of those reviews, in accordance with regulation 17 of the Local Government (Audit) Regulations 1996.*
- (s) *Monitor the progress of any major lawsuits facing the Council.*
- (t) *Perform an annual review of the MRC Risk Management Framework and the full risk register.*
- (u) *Perform a biannual review of the high risks identified in the Council's Risk Register.*

#### **4 DECLARATION OF INTERESTS**

Nil

#### **5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

The minutes of the Audit and Risk Committee meetings held on 06 March 2024 have been printed and circulated to the Committee.

#### **RECOMMENDATION**

That the Minutes of the Audit and Risk Committee Meeting held on 06 March 2024 be taken as read, confirmed and the Chair invited to sign same as a true record of the proceedings.

**Moved Cr Hatton, seconded Cr Ferrante**

**RESOLVED**

**That the recommendation be adopted**

(CARRIED UNANIMOUSLY 3/0)

*For: Crs Hatton, Ferrante and Mr Kumar*

*Against: Nil*

## 6 REPORTS

6.1 Audit and Risk Committee Terms of Reference Review	
Reference:	GF-23-0000423
Attachment(s):	Attachment 1 and 2
Date:	30 August 2024
Responsible Officer:	CHIEF EXECUTIVE OFFICER

### SUMMARY

The purpose of this report is to review the Audit Committee Terms of Reference.

### BACKGROUND

At an Ordinary Council Meeting held on 7 July 2005 an Audit Committee was established by Council under s7.1A of the Local Government Act 1995. On 27 October 2005 Council adopted the Terms of Reference for the operation of the Audit Committee. These terms of reference were subsequently revised by Council at an Ordinary Council Meeting held on 26 May 2022, together with a name change of the Committee to Audit and Risk Committee.

### DETAIL

In line with Function 16 of the Local Government (Audit) Regulations 1996, the objective of the Audit and Risk committee is to:

- Support Council in fulfilling its governance and oversight responsibilities in relation to financial and performance reporting, internal control structure, risk management and external and internal audit functions and ethical accountability
- Critically examine the annual external audit and liaise with the Office of the Auditor General (OAG) so that Council can be satisfied with the performance of the local government in managing its financial affairs.
- Receive and review reports prepared by the Chief Executive Officer in accordance with the Regulations and present a report to Council on its findings and recommendations.

Reports from the Committee will assist Council in discharging its legislative responsibilities of controlling the Council's affairs, determining the Council's policies and overseeing the allocation of the Council's finances and resources. The Committee will ensure openness in the Council's financial reporting and will liaise with the Chief Executive Officer (CEO) to ensure the effective and efficient management of the Council's financial accounting systems and compliance with legislation.

The Committee is to facilitate:

- the enhancement of the credibility and objectivity of financial reporting;
- effective management of financial and other risks and the protection of Council assets;
- compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;



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- the provision of an effective means of communication between the OAG, the CEO and the Council.

The proposed changes to the terms of reference are as follows:

- **Section 1.** Objectives of the Audit and Risk Committee - to include financial and performance reporting.
- **Section 3.** Membership – inclusion of meeting fees for Independent Members
- **Section 4.** Meeting frequency changed from 'once a year' to 'twice a year'
- **Section 6 (a)** inclusion of risk management
- **Section 6 (p)** inclusion of responsibility relating to Strategic Planning documents reporting - review and recommendation
- **Section 6 (q)** include the words 'and recommendation'
- **Section 6(s)** inclusion of responsibility relating to Regulation 5, *LG (Financial Management) Regulations 1996*

The marked-up version of the Terms of Reference can be found at Attachment 1 to this agenda and the clean copy at Attachment 2.

## **CONSULTATION**

Nil

## **STATUTORY IMPLICATIONS**

Local Government Act 1995

Local Government (Audit) Regulations 1996

Local Government (Financial Management) Regulations 1996

## **FINANCIAL IMPLICATIONS**

Nil

## **STRATEGIC IMPLICATIONS**

Strategic Community Plan:

Objective 3.1 Maintain efficient and equitable governance

3.1.2 Ensure compliance with all legislative, probity, and regulatory requirements

## **COMMENT**

The terms of reference reflect that financial audits of Local Governments are conducted by OAG, in addition, performance audits are now conducted of local governments under similar programs to that of State Government.

## **VOTING REQUIREMENT**

Simple Majority

#### **RESPONSIBLE OFFICER RECOMMENDATION**

**That the Audit and Risk Committee recommend to Council to:**

- 1. Adopts the revised Audit and Risk Committee Terms of Reference.**

**Moved Cr Ferrante, seconded Cr Hatton**

**RESOLVED**

**That the recommendation be adopted**

**(CARRIED UNANIMOUSLY 3/0)**

*For: Crs Hatton, Ferrante and Mr Kumar*

*Against: Nil*

Attachment 1 - Tracked changed copy – Terms of Reference

## AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

### 1. Objectives of Audit and Risk Committee

In line with Function 16 of the Local Government (Audit) Regulations 1996, the objective of the Audit and Risk committee is to:

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The Committee is a formally appointed committee of Council and is responsible to that body. The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The Committee does not have any management functions and cannot involve itself in management processes or procedures.

The Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the Council that have not been delegated to the CEO.

### 3. Membership

The Committee will consist of a minimum of three elected members. The Council may also appoint an external independent member. All members shall have full voting rights.

External persons appointed to the Committee will be a member of CPA Australia or the Institute of Chartered Accountants (Australia), have the requisite financial, risk, commercial and/or business experience, and will be sufficiently conversant with governance, financial and other reporting requirements so as to allow them to fulfil the role.

Appointment of ~~external-independent~~ persons shall be made by Council by way of a public advertisement and be for a maximum of two years.

Independent Committee members will receive an allowance as per the Salaries and Allowances Tribunal (SAT) determination, and reimbursement  
~~Reimbursement~~ of approved expenses will be paid to each ~~external-independent~~ person who is a member of the Committee, up to an annual limit set as part of the annual budget process.

The CEO and employees are not members of the committee.

The CEO or his/her nominee is to attend all meetings to provide advice and guidance to the Committee.

The Council shall provide secretarial and administrative support to the Committee.

#### 4. Meetings

The Committee shall meet at least ~~once~~ twice a year.

Additional meetings shall be convened at the discretion of the presiding person.

A quorum of the Committee will be constituted by three members.

Any decision of the Committee is to be made by simple majority.

#### 5. Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.

#### 6. Duties and Responsibilities

The duties and responsibilities of the Committee will be –

- (a) Provide guidance and assistance to Council as to carrying out the function of the Council in relation to audits and risk management.
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  - a list of those matters to be audited; and
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- (c) Meet with the OAG once in each year and provide a report to Council on the matters discussed and outcome of those discussions.
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- assist the OAG to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
  - ensure that audits are conducted successfully and expeditiously.
- (e) Examine the reports of the OAG after receiving a report from the CEO on the matters and –
- determine if any matters raised require action to be taken by the Council; and
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- (f) Review the report prepared by the CEO on any actions taken, in respect of any matters raised in the report of the OAG 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 OAG is received, whichever is the latest in time.
- (g) Review the scope of the audit plan and program and its effectiveness.
- (h) Review the appropriateness of special internal audit assignments undertaken at the request of Council or CEO.
- (i) Review the level of resources allocated to internal audit and the scope of its authority.
- (j) Review reports of internal audits and monitor the implementation of recommendations made by OAG and review the extent to which Council and management reacts to matters raised.
- (k) Facilitate liaison between the internal auditor and the OAG to promote compatibility, to the extent appropriate, between their audit programs.
- (l) Review Council's draft annual financial report, focusing on:
- accounting policies and practices;
  - changes to accounting policies and practices;
  - the process used in making significant accounting estimates;
  - significant adjustments to the financial report (if any) arising from the audit process;
  - compliance with accounting standards and other reporting requirements; and
  - significant variances from prior years.
- (m) Consider recommending adoption of the financial report to Council.
- (n) 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.
- (o) 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.
- ~~(o)~~(p) Review the Strategic Planning documents and report to the Council the results and recommendation of that review.
- ~~(p)~~(q) Review the annual Compliance Audit Return and report to the Council the results and recommendation of that review.

~~(a)~~(r) Consider the CEO review of the appropriateness and effectiveness of the Council's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the Committee, and report to the Council the results of those reviews, in accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*.

(s) Consider the CEO review of the appropriateness of the Council's financial management systems and procedures and report to the Council the results of those reviews, in accordance with regulation 5 of the *Local Government (Financial Management) Regulations 1996*.

~~(f)~~(t) Monitor the progress of any major lawsuits facing the Council.

~~(s)~~(u) Perform an annual review of the MRC Risk Management Framework and the full risk register.

~~(t)~~(v) Perform a biannual review of the high risks identified in the Council's Risk Register.

Attachment 2 - Clean copy – Terms of Reference



## **AUDIT AND RISK COMMITTEE TERMS OF REFERENCE**

### **1. Objectives of Audit and Risk Committee**

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  - assist the OAG to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
  - ensure that audits are conducted successfully and expeditiously.

- (e) Examine the reports of the OAG after receiving a report from the CEO on the matters and –
  - determine if any matters raised require action to be taken by the Council; and
  - ensure that appropriate action is taken in respect of those matters.
- (f) Review the report prepared by the CEO on any actions taken, in respect of any matters raised in the report of the OAG 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 OAG is received, whichever is the latest in time.
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- (l) Review Council's draft annual financial report, focusing on:
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  - changes to accounting policies and practices;
  - the process used in making significant accounting estimates;
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  - compliance with accounting standards and other reporting requirements; and
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- (m) Consider recommending adoption of the financial report to Council.
- (n) 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.
- (o) 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.
- (p) Review the Strategic Planning documents and report to the Council the results and recommendation of that review.
- (q) Review the annual Compliance Audit Return and report to the Council the results and recommendation of that review.
- (r) Consider the CEO review of the appropriateness and effectiveness of the Council's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the Committee,

and report to the Council the results of those reviews, in accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*.

- (s) Consider the CEO review of the appropriateness of the Council's financial management systems and procedures and report to the Council the results of those reviews, in accordance with regulation 5 of the *Local Government (Financial Management) Regulations 1996*.
- (t) Monitor the progress of any major lawsuits facing the Council.
- (u) Perform an annual review of the MRC Risk Management Framework and the full risk register.
- (v) Perform a biannual review of the high risks identified in the Council's Risk Register.

6.2 Corporate Business Plan Periodical Reporting for period ending June 2024	
File No:	GF-23-0000310
Attachment (s)	Nil
Date:	29 August 2024
Responsible Officer:	Chief Executive Officer

### PURPOSE

To provide the Audit and Risk Committee a periodical reporting overview of the Corporate Business Plan performance, for endorsement to Council.

The report provides information on achievements and performance against the milestones outlined in the MRC's 4-year Corporate Business Plan 2023-2027 (CBP). The CBP is the MRC's medium-term planning document which contains the services, projects and activities which have been developed in response to the Vision, Mission and Objectives of the organisation's 10-year Strategic Community Plan 2023-2032.

### BACKGROUND

The MRC's CBP 2023-2027 (CBP) was adopted by Council at its meeting on 22 June 2023. The CBP is required to be reviewed every four years under the requirements of the *Local Government (Administration) Regulations 1996*.

On 27 April 2023 Council adopted the Strategic Community Plan 2023-2032 (SCP) providing the MRC with its long term strategy which informed the CBP together with the informing plans: Long Term Financial Plan, Asset Management Plan and Workforce Plan.

The CBP Strategic Objective 3.1.2, Ensure compliance with all legislative probity and regulatory requirements, requires the introduction of CBP periodical reporting to the Audit and Risk Committee.

### DETAIL

The MRC Leadership Team completed a periodical review of the CBP for the quarter ending 30 June 2024, at a meeting held on 12 July 2024. This review tracks the status of individual key actions to ensure activities are in progress to meet the planned timeframes.

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Performance is ranked using the following coloured traffic lights status:

Completed	Action completed, with no further action required.
In progress – on track	Action commenced and on track to be completed within timeframe.
In progress – belated	Action commenced and belated, risk of not meeting timeframe.
Not Commenced	Action due not commenced, risk of not meeting timeframe.
Scheduled 2024/25	Action not due in the reporting period.

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The following table provides the full CBP review as at 12 July 2024

Key Actions	Status	Planned Actions				Comments
		23/24	24/25	25/26	26/27	
Review completed 12 July 2024						
1.1 Operate waste management activities effectively						
1.1.1 Operate activities in line with licence conditions, as a minimum						
Review landfill cell fill sequence plans quarterly, reported annual basis	In progress - on track	√	√	√	√	Reviewed fortnightly with Ops team.
Review Surface Water Management Plans quarterly, reported annual basis	In progress - on track	√	√	√	√	Reviewed fortnightly with Ops team.
Review fit for purpose landfill leachate management plans quarterly, reported annual basis	In progress - on track	√	√	√	√	Reviewed fortnightly with Ops team.
Establish an Odour Management Key Stakeholder (OMKS) working group.	Completed	√				Established and operating.
1.1.2 Ensure infrastructure meets future needs and invest in emerging technologies						
Establishment of a fit for purpose Strategic Fleet Management Plan (SFMP), solution	In progress - belated	√	√			Planned for Financial Year (FY) Quarter 3 delivery Quarter 4.
1.2 Utilise the best practice waste diversion and resource recovery solutions						
1.2.1 Continually assess solutions used						
Investigated opportunities to increase landfill airspace utilisation	In progress - on track	√	√	√	√	Ewaste contract renewed in line with legislative changes. WtE commissioning with have positive impacts.

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Identify and access the highest resource recovery solutions for member councils key waste streams	Scheduled 2024/25		√	√		
Identify and develop processes and procedures to improve waste to landfill diversion rates	In progress - on track	√	√			E-waste and HHW contracts renewed alongside ongoing upgrades of Ewaste reception services on site.
Implement a quarterly fleet and plant utilisation and maintenance reporting system	Completed	√				
Monitor and continuously update quarterly fleet and plant utilisation and maintenance reports	Scheduled 2024/25		√	√	√	
Develop internal systems, which are consistent with the WA Government Fleet Policy and Guidelines, to document MRC's fleet related procedures and practices	Scheduled 2024/25		√			
Key Actions	Status	Planned Actions				Comments
		23/24	24/25	25/26	26/27	
						Review completed 12 July 2024
<b>1.3 Maintain responsive business practices and systems</b>						
<b>1.3.1 Evaluate the effectiveness of systems and procedures in light of changing business requirements</b>						
Review market options for a facility management software system which integrates with Weighbridge functions	Completed	√	√			Internal review of options has been undertaken, upgrade to existing system to implemented 24/25.
Implementation a facility management software system which integrates with Weighbridge functions	Scheduled 2024/25	√	√			
<b>1.3.2 Ensure quality value proposition for members</b>						
Establish member's key metrics for Tamala Park services.	Scheduled 2025/26			√		



Survey members views on Tamala Park services and develop recommendations report	Scheduled 2024/25		√	√	√	Operations managers' forum to commence as referenced at SWG.
<b>1.4 Promote the organisation's profile with external stakeholders</b>						
<b>1.4.1 Engage through formal industry memberships</b>						
Maintain relevant industry memberships to keep up with the trends in Waste Management	In progress - on track	√	√	√	√	The MRC maintains memberships with the Waste Management and Resource Recovery Association of Australia (WMRR), Australian Landfill Owners Association, Australian Organics Recycling Association and the Green Deal Alliance. MRC representatives sit on the WMRR WA State Branch, WA FOGO Working Group and the Green Deal Alliance Leadership Team.
<b>1.4.2 Broaden the MRC's wider industry profile through collaboration and partnership</b>						
Actively participate in the wider industry committees, advisory groups, workshops and seminars	In progress - on track	√	√	√	√	Mid-Year Budget Review included provision for a new Media & Communications Officer position to fulfil these requirements. Position Description development and Recruitment process now under way. This position will work on the delivery of this action.
Promote MRC and member council waste achievements / key activities / website links	In progress - on track	√	√	√	√	
Promote state waste reduction initiatives	Not commenced	√	√	√	√	
<b>Key Actions</b>	<b>Status</b>	<b>Planned Actions</b>				<b>Comments</b>
		23/24	24/25	25/26	26/27	<b>Review completed 12 July 2024</b>
<b>1.4.3 Neighbourhood stakeholder engagement</b>						

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Establish a Neighbourhood stakeholder communication plan	Scheduled 2025/26			√		Mid Year Budget Review included provision for a new Media & Communications Officer position to fulfil these requirements. Position Description development and Recruitment process now under way. This position will work on the delivery of this action.
<b>1.5 Enhance organisational environmental sustainability</b>						
<b>1.5.1 Measure the MRC's environmental impact including carbon footprint</b>						
Develop report on the MRC's environmental impact and provide recommendation for improvement	Scheduled 2024/25		√			Business case under development 24/25 budget.
<b>1.5.2 Develop an implementation action plan to reduce the MRC's environmental impact</b>						
Develop an environmental sustainability action plan	Scheduled 2024/25		√			Business case under development 24/25 budget.
<b>1.5.3 Allocate budget to address implementation plan</b>						
Deliver environmental sustainable recommendations endorsed by Council	Scheduled 2025/26			√	√	Business case under development 24/25 budget.
<b>2.1 Identify and access infrastructure for the resource recovery of member councils' materials in alignment with the state waste strategy</b>						
<b>2.1.1 Assess processing facilities within the district for the following streams (FOGO, Residual Waste, and Commingled Recyclables)</b>						
Research and identify alternative waste processing opportunities within the district (FOGO)	In progress - on track	√	√			FOGO on track, tender closed. Evaluation now ongoing.

Research and identify alternative waste processing opportunities within the district (District Residual WtE Solution)	In progress - belated	√	√			WTE preferred tenderer nominated, contract negotiations on going for completion September 2024
Research and identify alternative waste processing opportunities within the district (District Commingled Recyclables)	Scheduled 2025/26			√	√	
<b>2.1.2 Deliver opportunities above, as resolved by Council</b>						
Deliver recommendations endorsed by Council	Scheduled 2025/26			√	√	Pending above outcomes FOGO, WtE
<b>Key Actions</b>	<b>Status</b>	<b>Planned Actions</b>				<b>Comments</b>
		23/24	24/25	25/26	26/27	<b>Review completed 12 July 2024</b>
<b>2.2 Build the circular economy within the district</b>						
<b>2.2.1 Investigate potential and feasibility of other revenue generating resource recovery facilities within the district (Tamala Park, MRC Neerabup site, etc.)</b>						
Develop a waste resource flow model for MRC and its member councils	Scheduled 2024/25		√	√		Business case under development 24/25 budget. Waste Audit considered Quarter 4 / Quarter 1 2025
Develop Circular Economy Options Report for Tamala Park	Scheduled 2024/25		√	√		Business case under development 24/25 budget
Develop Circular Economy Options Report for Neerabup Site	Scheduled 2024/25		√	√		Business case under development 24/25 budget
Develop a Circular Economy Master Plan	Scheduled 2025/26			√		Business case under development 24/25 Budget
<b>2.2.2 Deliver opportunities above, as resolved by Council</b>						

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Deliver circular economy Master Plan as endorsed by Council	Scheduled 2025/26			√	√	Pending above
2.2.3 MRC to advocate for the establishment of a circular economy						
Support the member Councils advocacy for their circular economy objectives through digital platforms	In progress - on track	√	√	√	√	Mid-Year Budget Review included provision for a new Communications Officer position to fulfil these requirements. Position Description development and Recruitment process now under way. This position will work on the delivery of this action.
2.2.4 Collaborate with external stakeholders including federal and state government, private sector, and not-for-profit sector						
Utilise CEO forums to actively participate in the circular economy establishment within the wider industry	In progress - on track	√	√	√	√	CEO attends WALGA Regional Council Working Group with all other Perth and Peel Regional Council CEOs. Regular MRC CEO Meetings initiated.
2.3 Maximise use of MRC’s assets and technical capabilities						
2.3.1 Future options appraisal of the Tamala Park site						
Develop Future Use Feasibility Study for Tamala Park	In progress - on track	√	√			Progress made on action Council deferred report on CIP at May OCM.
Key Actions	Status	Planned Actions				Comments
		23/24	24/25	25/26	26/27	Review completed 12 July 2024
2.3.2 Develop and agree a post-closure plan for the Tamala Park site						
Develop and agree a post-closure plan for the Tamala Park site	In progress - belated	√				CIP Endorsed at the OCM 24 June 2024, Tamala Park post closure management plan in progress.

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<b>2.3.3 Identify and deliver highest value outcome for the MRC's Neerabup site</b>						
Develop future use options report for Neerabup site	Scheduled 2024/25		√	√		
Deliver Neerabup future use recommendations endorsed by Council	Scheduled 2025/26			√	√	
<b>3.1 Maintain efficient and equitable governance</b>						
<b>3.1.1 New Establishment Agreement</b>						
Review of MRC Services and desired outcomes	In progress - belated	√	√			Councillor workshop discussed potential future options alongside requirements for agreement on the future of the current operations at Tamala Park. Progress unlikely until final Tamala Park Master Plan is completed. Still on track, however, to be completed within timelines that are set.
Assessment of stakeholder arrangements	In progress - belated		√	√		
<b>3.1.2 Ensure compliance with all legislative, probity, and regulatory requirements</b>						
Review and deliver Integrated planning framework	Completed	√	√			
Deliver External Reporting and Regulatory Audit Programs	In progress - on track	√	√	√	√	
Review the Risk Management Plan and Appetite Statement and maintain reporting systems	In progress - on track	√	√	√	√	

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Introduce Corporate Business Plan periodical reporting to the Audit and Risk Committee	In progress - on track	√	√			Investigating a system that provides greater clarification on progress against individual project targets and allows for input from project officers.
Introduce a Fraud and Misconduct Control and Resilience Policy	Completed		√			

Key Actions	Status	Planned Actions				Comments
		23/24	24/25	25/26	26/27	Review completed 12 July 2024
3.2 Ensure responsible use of organisational resources						
3.2.1 Resources will be deployed in line with the objectives of the Strategic Community Plan						
Develop project management framework.	In progress - on track	√				Monday.com for project management, internally deployed. Training has been undertaken for all staff.
Implement the contract management system	In progress - on track	√	√	√	√	Decision not to include WHS in the system. RFQ Under evaluation for standalone contract management system.
Review future infrastructure needs and emerging technologies	In progress - on track	√	√	√	√	Pending Post closure management plan
Strategically plan and manage MRC plant and equipment and fleet to gain the best value and efficiencies	Completed	√	√	√	√	

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Review and consolidate Tamala Park Waste management facility plans into one single master plan.	In progress - on track	√	√		√	Pending Post closure management plan
Implement a Pollution Incident Response Management Plan (PIRMP) and update the plan on an annual basis.	Not commenced	√				Not started
Review and update the Workforce Plan, Asset Management and Long Term Financial Plan	In progress - belated	√	√	√	√	LTFP endorsed by council 27 June 2024 AMP and WP pending outcome and council decision regarding CIP.
<b>3.3 Retain financial sustainability with a commercial focus</b>						
<b>3.3.1 Operate in alignment with the organisation's Long Term Financial Plan</b>						
Review of MRC Services and desired outcomes Review of previous Draft Establishment Agreement with consideration given to a regional authority model	In progress - belated	√	√	√	√	Business units reviewed, currently awaiting CIP outcomes
Develop New Establishment Agreement for Council endorsement	Not commenced		√	√		Awaiting outcome of WtE, FOGO and CRC structures.
<b>Key Actions</b>	<b>Status</b>	<b>Planned Actions</b>				<b>Comments</b>
		23/24	24/25	25/26	26/27	
						<b>Review completed 12 July 2024</b>
<b>3.3.2 Explore opportunities for alternative revenue generation and return to members</b>						
Based on endorsed circular economy / commercial opportunities, maintaining positive unrestricted cash and investment balance	In progress – on track	√	√	√	√	LTFP is pending outcome and council decision regarding CIP and AMP. External consultant has provided a high level review of energy generation, storage and supply

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						opportunities of landfill. Further assessment of the whole site is planned for 24/25.
<b>3.3.3 Promote and support greener supply chains</b>						
Review and deliver procurement processes that support sustainable procurement objectives	In progress - on track	√	√	√	√	Policy updated and endorsed by Council May 2024.



**STATUTORY ENVIRONMENT**

The SCP is a requirement of the Local Government Act 1995 and the Local Government (Administration) Regulations 1996

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

The CBP 2023-2027 details the services, projects and capital programs to be delivered, and is informed by the Long Term Financial Plan and annual budgets covering the period of the plan.

**STRATEGIC IMPLICATIONS**

Strategic Community Plan:

Objective 3.1 Maintain efficient and equitable governance

3.1.2 Ensure compliance with all legislative, probity, and regulatory requirements

- Introduce Corporate Business Plan periodical reporting to the Audit and Risk Committee

**COMMENT**

Nil.

**RESPONSIBLE OFFICER RECOMMENDATION**

**That the Audit and Risk Committee recommends that Council endorse the Corporate Business Plan progress report, as presented.**

**Moved Cr Hatton, seconded Mr Kumar**

**RESOLVED**

**That the recommendation be adopted**

(CARRIED UNANIMOUSLY 3/0)

*For: Crs Hatton, Ferrante and Mr Kumar*

*Against: Nil*

**Moved Cr Hatton, seconded Cr Ferrante**

**Procedural Motion:**

That the Audit and Risk Committee:

1. Closes the meeting to the members of the public at 7.10 pm to consider items 7.1, 7.2 and 7.3 in accordance with section 5.23 (f)(ii) of the Local Government Act 1995.
2. Permits the MRC Chief Executive Officer and MRC staff to remain in the meeting during discussions for items 7.1, 7.2 and 7.3

(CARRIED UNANIMOUSLY 3/0)

*For: Crs Hatton, Ferrante and Mr Kumar*

*Against: Nil*

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<b>7</b>	<b>MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC</b>
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This report is confidential and dealt with in a confidential session, under Section 5.23 (2) (f)(ii) of The *Local Government Act 1995* as the report deals with matters concerning risks to the MRC.

7.1 FULL RISK REGISTER	
File No:	GF-20-0000408
Attachment (s)	Attachment 1- Full Risk Register
Date:	29 August 2024
Responsible Officer:	CHIEF EXECUTIVE OFFICER

#### RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk Committee recommend that Council note the full risk register as presented.

Moved Cr Ferrante, seconded Cr Hatton  
**RESOLVED**  
 That the recommendation be adopted

(CARRIED UNANIMOUSLY 3/0)  
 For: Crs Hatton, Ferrante and Mr Kumar  
 Against: Nil

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This report is confidential and dealt with in a confidential session, under Section 5.23 (2) (f)(ii) of The *Local Government Act 1995* as the report deals with matters concerning risks to the MRC.

## 7.2 DRAFT RISK APPETITE STATEMENT AND RISK MANAGEMENT PLAN

File No:	GF-22-0000456
Attachment (s)	Attachment 1 – Draft Risk Management Plan and Risk Appetite Statement Version 2 Attachment 2 – Draft (Appendix A) MRC Risk Assessment and Acceptance Criteria
Date:	29 August 2024
Responsible Officer:	CHIEF EXECUTIVE OFFICER

### RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk Committee recommends that Council adopt

1. Risk Management Plan and Risk Appetite Statement, and;
2. Risk Appetite Statement and Risk Assessment and Acceptance Criteria

Moved Cr Ferrante, seconded Cr Hatton

**RESOLVED**

That the recommendation be adopted

(CARRIED UNANIMOUSLY 3/0)

*For: Crs Hatton, Ferrante and Mr Kumar*

*Against: Nil*

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<b>This report is confidential and dealt with in a confidential session, under Section 5.23 (2) (f)(ii) of The <i>Local Government Act 1995</i> as the report deals with matters concerning risks to the MRC.</b>	
<b>7.3</b>	<b>CEO's Review of the appropriateness and effectiveness of the financial management systems and procedures</b>
<b>File No:</b>	<b>GF-24-0000131</b>
<b>Attachment (s)</b>	<b>Attachment 1 - Report on the review of the Appropriateness and effectiveness of the financial management systems and procedures</b>
<b>Date:</b>	<b>13 June 2024</b>
<b>Responsible Officer:</b>	<b>CHIEF EXECUTIVE OFFICER</b>

**RESPONSIBLE OFFICER RECOMMENDATION**

That the Audit and Risk Committee recommends that Council:

Endorses the CEO's Review of the appropriateness and effectiveness of the financial management systems and procedures of the Local Government dated 27 May 2024.

**Moved Cr Hatton, seconded Cr Ferrante**

**RESOLVED**

**That the recommendation be adopted**

(CARRIED UNANIMOUSLY 3/0)

*For: Crs Hatton, Ferrante and Mr Kumar*

*Against: Nil*

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Moved Cr Hatton, seconded Mr Kumar  
Procedural motion  
To reopen the meeting to members of the public at 7.39pm  
(CARRIED UNANIMOUSLY 3/0)  
*For: Crs Hatton, Ferrante and Mr Kumar*  
*Against: Nil*

<b>8</b>	<b>NEW BUSINESS</b>
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Nil

<b>9</b>	<b>NEXT MEETING</b>
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21 November 2024 at the City of Stirling

<b>10</b>	<b>CLOSURE</b>
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The Chair closed the meeting at 7.41 pm and thanked the City of Stirling for their hospitality and use of their meeting facilities.

Signed.....Chair

Dated.....day of .....2024

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STATUS OF RESOLUTIONS FOR 2024 ONWARDS

DATE	ITEM NO	TITLE	RESOLUTION	STATUS
06.03.2024	3	Terms of Reference	Meeting Note: The Chair noted that the Terms of Reference is due for review, the review will ensure that the Committee's role in the review and recommendation of CBP reporting is captured.	Review completed
	5.1	Confirmation of Minutes of previous meeting	That the Minutes of the Audit and Risk Committee Meeting held on 23 November 2023 accurately reflect the deliberations and recommendations of the committee on that date and therefore are taken as read, and the Chair invited to sign same as a true record of the proceedings (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i>	For noting
	6.1	Compliance Audit Return	That the Audit and Risk Committee recommends that Council endorse the Compliance Audit return for the 2023 calendar year, as presented. Moved Cr Ferrante, seconded Cr Hatton RESOLVED That the recommendation be adopted (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i>	OCM date: 28.03.2024 Resolved: That the recommendation be adopted

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DATE	ITEM NO	TITLE	RESOLUTION	STATUS
06 March 2024	6.2	MRC Internal Audit Function	<p>That the Audit and Risk committee recommends to Council: That Council:</p> <ol style="list-style-type: none"> <li>1. Endorse the CEO's proposed internal audit function for Mindarie Regional Council.</li> <li>2. Request the CEO to provide a further report detailing the three-year work plan that will be the basis of a contract for the Internal Audit service.</li> </ol> <p>Moved Cr Hatton, seconded Cr Ferrante RESOLVED That the recommendation be adopted (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i></p> <p><b>Meeting note:</b> Question raised by Chair that for item 6.2 Mindarie Regional Council Internal Audit Function, that there be feedback from member councillors regarding the direction of future closure and expenditure on infrastructure and assets.</p>	<p>OCM date: 28.03.2024 Resolved: That the recommendation be adopted</p> <p><b>For Action:</b> Administration to seek guidance from MRC Councillors in relation to the scope for the internal audit function</p>
	7.1	High Risk Register	<p>That the Audit and Risk Committee recommends that Council: Notes the high risk register as presented. Moved Cr Ferrante, seconded Mr Kumar RESOLVED That the recommendation be adopted (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i></p>	<p>OCM date: 28.03.2024 Resolved: That the recommendation be adopted</p>

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DATE	ITEM NO	TITLE	RESOLUTION	STATUS
	7.2	CEO's Review of Risk Management, Internal Controls And Legislative Compliance	<p>That the Audit and Risk Committee recommends that Council: Endorses the CEO's Review of Risk Management, Internal Controls and Legislative Compliance completed 16 February 2024. Moved Cr Ferrante, seconded Cr Hatton RESOLVED That the recommendation be adopted (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i></p>	<p>OCM date: 28.03.2024 Resolved: That the recommendation be adopted</p>
	7.3		<p>That the Audit and Risk Committee recommends that Council: Endorse the Corporate Business Plan progress report, as presented. Moved Cr Kumar, seconded Cr Hatton RESOLVED That the recommendation be adopted (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i></p> <p><b>Meeting note:</b> Noted by external member, Mr Kumar, that there is an opportunity to review the Corporate Business Plan reporting methodology to gain greater clarity on progress against individual targets.</p>	<p>OCM date: 28.03.2024 Resolved: That Council endorse the Corporate Business Plan progress report, as presented</p> <p><b>For action</b> Administration investigations ongoing</p>

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DATE	ITEM NO	TITLE	RESOLUTION	STATUS
11/09/2024	5	Confirmation of Previous Minutes	That the Minutes of the Audit and Risk Committee meetings held on 06 March 2024 be taken as read, confirmed and the Chair invited to sign same as a true record of the proceedings.	For Noting
	6.1	Audit and Risk Committee – Terms of Reference Review	That the Audit and Risk Committee recommend to Council to: 1. Adopt the revised Audit and Risk Committee Terms of Reference. Moved Cr Ferrante, seconded Cr Hatton RESOLVED That the recommendation be adopted (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i>	For action Committee to Recommend to Council (OCM 11.9.2024)
	6.2	Corporate Business Plan Periodical Reporting for period ending June 2024	That the Audit and Risk Committee recommends that Council endorse the Corporate Business Plan progress report, as presented. Moved Cr Hatton, seconded Mr Kumar RESOLVED That the recommendation be adopted (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i>	For action Committee to Recommend to Council (OCM 11.9.2024)

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DATE	ITEM NO	TITLE	RESOLUTION	STATUS
	7.1	Full Risk Register	<p>That the Audit and Risk Committee recommend that Council note the full risk register as presented. Moved Cr Ferrante, seconded Cr Hatton RESOLVED That the recommendation be adopted (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i></p>	<p><b>For action</b> Committee to Recommend to Council (OCM 11.9.2024)</p>
	7.2	Draft Risk Appetite Statement and Risk Management Plan	<p>That the Audit and Risk Committee recommends that Council adopt</p> <ol style="list-style-type: none"> <li>1. Risk Management Plan and Risk Appetite Statement, and;</li> <li>2. Risk Appetite Statement and Risk Assessment and Acceptance Criteria</li> </ol> <p>Moved Cr Ferrante, seconded Cr Hatton RESOLVED That the recommendation be adopted (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i></p>	<p><b>For action</b> Committee to Recommend to Council (OCM 11.9.2024)</p>

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DATE	ITEM NO	TITLE	RESOLUTION	STATUS
	7.3	CEOs Review of the appropriateness and effectiveness of the financial management systems and procedures	<p>That the Audit and Risk Committee recommends that Council: Endorses the CEO's Review of the appropriateness and effectiveness of the financial management systems and procedures of the Local Government dated 27 May 2024. Moved Cr Hatton, seconded Cr Ferrante RESOLVED That the recommendation be adopted (CARRIED UNANIMOUSLY 3/0) <i>For: Crs Hatton, Ferrante and Mr Kumar</i> <i>Against: Nil</i></p>	<p><b>For action</b> Committee to Recommend to Council (OCM 11.9.2024)</p>