



AGENDA

AUDIT AND RISK COMMITTEE MEETING

06 MARCH 2024

TIME: 6.30PM

CITY OF STIRLING

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



MINDARIE REGIONAL COUNCIL

NOTICE OF MEETING

05 March 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 06 March 2024, at 6.30pm.

Yours faithfully



SCOTT CAIRNS
Chief Executive Officer

AUDIT AND RISK COMMITTEE MEMBERS:

| | | |
|-----------------|---------------------|--------------------|
| Cr Chris Hatton | CHAIR | (City of Stirling) |
| Cr Joe Ferrante | DEPUTY CHAIR | (City of Stirling) |
| Cr Paul Miles | | (City of Wanneroo) |

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 |
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| 2 | ATTENDANCE / APOLOGIES |
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| 3 | TERMS OF REFERENCE |
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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, and report to the Council the results of those reviews, in accordance with regulation 17 of the Local Government (Audit) Regulations 1996.*
 - (r) *Monitor the progress of any major lawsuits facing the Council.*
 - (s) *Perform an annual review of the MRC Risk Management Framework and the full risk register.*
 - (t) *Perform a biannual review of the high risks identified in the Council's Risk Register.*
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| 4 | DECLARATION OF INTERESTS |
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Members are required to disclose any interest they may have in items under consideration at this meeting. A Disclosure of Interest form can be found at **Attachment 8** to this the agenda and must be completed where a disclosure of interest is being made.

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| 5 | CONFIRMATION OF MINUTES OF PREVIOUS MEETING |
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The minutes of the Audit and Risk Committee meetings held on 23 November 2023, can be found at **Attachment 1**

RECOMMENDATION

That the Minutes of the Audit and Risk Committee Meeting held on 25 February 2023 be taken as read, confirmed and the Chair invited to sign same as a true record of the proceedings.

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| 6 | REPORTS |
|----------|----------------|

| 6.1 COMPLIANCE AUDIT RETURN 2023 | |
|----------------------------------|---|
| Reference: | GF-23-0000142 |
| Attachment(s): | Attachment 1 - Compliance Audit Return 2023 |
| Date: | 27 February 2024 |
| Responsible Officer: | CHIEF EXECUTIVE OFFICER |

BACKGROUND

The Local Government (Audit) Regulations 1996 require a Local Government to carry out a compliance audit for the period 1 January to 31 December each year. The Compliance Audit Return is to be adopted by the Council and certified by the Chairperson and the Chief Executive Officer.

The certified Compliance Audit Return is to be forwarded to the Department of Local Government by 31 March 2024

DETAIL

There were no areas of non-compliance noted in this year's compliance return.

The completed audit return is included in ***Attachment 1***.

STATUTORY ENVIRONMENT

Local Government Act 1995 – Part 7.

Local Government (Audit) Regulations 1996 – Regulation 14 and 15.

POLICY IMPLICATIONS

Not applicable.

STRATEGIC IMPLICATIONS

Strategic Community Plan

Objective 3. Deliver best practice governance processes and structures

Maintain efficient and equitable governance – Achieve 100% response rate for the Compliance Audit Return responses.

COMMENT

Nil.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk Committee recommends that Council endorse the Compliance Audit return for the 2023 calendar year, as presented.

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| 6.2 | MINDARIE REGIONAL COUNCIL INTERNAL AUDIT FUNCTION |
| File No: | GF-23-0000142 |
| Appendix(s): | Nil |
| Date: | 27 February 2024 |
| Responsible Officer: | Chief Executive Officer |

SUMMARY

The purpose of this report is to advise the Audit and Risk Committee and Council of the proposed extension of the internal audit function.

BACKGROUND

The WA Auditor General recognises that there are four lines of defence which underpin a strong governance framework. Internal audit is the third line of defence; see below:

- First line of defence – internal controls, policies, procedures, information systems and culture and ethics
- Second line of defence – Internal oversight, monitoring and reporting, risk management and compliance, financial reporting and certification
- Third line of defence – Internal Audit CEO financial and non-financial reviews
- Fourth line of defence – Auditor General external audits

The Local Government (Audit) Regulations 1996 regulation 17 (Audit Regulation 17) requires the CEO to undertake a review of the appropriateness and effectiveness of systems and procedures in relation to risk management, internal control and legislative compliance once in every 3 years and report to the audit committee the result of that review. The last review was undertaken in February 2024 by an external consultant, Civic Legal.

In addition, the Local Government (Financial Management) Regulations 1996, regulation 5 (FM Regulation 5) requires the CEO to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures regularly (and not less than once in every three financial years) and report to the local government the results of that review. The last review was undertaken in May 2021 and a review has been scheduled for March 2024 by an external consultant, Macri Partners.

The four lines of defence model assists local governments to understand if there are any gaps in assurance activities that manage key risks or whether they are a duplication of effort, this helps inform the internal audit program, improve efficiencies and assists the Audit and Risk Committee and Council in their oversight responsibilities.

The MRC propose integrating and expanding the existing Internal Audit function of FM Regulation 5 and Audit Regulation 17 to provide a 3 year plan, of independent and objective assurance provided by external consultants, to achieve a continuous audit cycle that is regularly reviewed.

Local governments can use different models for their internal audit services; these can be in-house, co-sourced or fully outsourced. Establishing an in-house audit department is unlikely due to the relatively small size of the MRC, therefore the engagement of internal audit services from an experienced, qualified and reputed accounting professional firm in Western Australia is sought.

The three-year plan will be developed following an analysis of FM Reg 5 and Audit Reg 17 audits and identifying the higher order risks within the risk register. The development of a three-year plan provides assurance that key risks are identified and controlled effectively.

Through this initiative, the MRC seeks to establish a robust internal audit framework that aligns with its commitment to transparency and accountability to provide a richer understanding of financial management, compliance, risk management and internal controls.

The business improvements that result from an effective internal audit function will ultimately add value to the way the MRC runs its business.

This report, in the first instance seeks to gain in principle support for integrating and extending the internal audit function on a three-year rolling plan.

DETAIL

The internal audit function is independent from operational functions, systems and processes.

To be most effective the function must be free from management control that may adversely impact on this independence and the auditing and reporting function.

For local government, responsibility for the internal audit function rests with the CEO, who also reports to the Audit and Risk committee and Council.

The internal audit function will report directly to the CEO to eliminate undue influence on audit activities, findings and reporting. It is good practice for the internal auditor to also have a direct line of communication to the audit and risk committee (a functional reporting relationship). Through the scope, it is proposed that the external auditor will have the ability to liaise directly with the Chair of the Audit and Risk Committee to discuss reports included in Committee agendas, and will be able to communicate with the wider Committee through attendance at Committee meetings.

The Local Government (Financial Management) Regulations 1996 prohibits an employee, to whom responsibility for the day-to-day accounting or financial management operations of a local government is delegated, to also be delegated the responsibility for conducting an internal audit.

The use of independent internal audit provides the following important benefits to the MRC:

- Independent assurance for management, Council and the Office of the Auditor General that internal controls in place are working effectively.
- Provision of advisory information on areas that may need further strengthening.
- Independent review of the efficiency and effectiveness of financial and non-financial controls
- Independent review the MRC's compliance with legislative requirements.

The objectives of the internal audit function are to ensure that MRC attains:

- **Increased Operational Efficiency:** Regular internal audits can identify inefficiencies in processes and recommend improvements, leading to cost savings and resource optimisation.
- **Strengthened Compliance:** Internal audit ensures compliance with applicable laws, regulations, and policies, reducing the likelihood of legal and regulatory penalties. Further, demonstrating a commitment to compliance fosters stakeholders' trust and confidence.
- **Improved Financial Accountability:** Internal audit ensures that financial transactions are conducted in accordance with established policies and procedures, minimising the risk of mismanagement or fraud. By regularly reviewing financial records and internal controls, we can identify and rectify potential issues before they escalate, ensuring the responsible use of public funds.
- **Enhanced Risk Management:** Internal audit helps identify and assess risks associated with various operations, allowing proactive measures to mitigate these risks.
- **Accountability and Transparency:** Internal audit provides an independent and objective evaluation of effective design of internal controls activities, promoting transparency and accountability.
- **Continuous Improvement:** Internal audit fosters a culture of continuous improvement by providing constructive feedback and recommendations for better governance.

Process

The CEO will present to the Audit and Risk Committee, with a subsequent recommendation to Council, a three year internal audit plan which sets out the recommended scope of the internal audit for the period.

The CEO is responsible for the contract management and facilitating the audit and ensuring that staff and resources are available to implement and monitor Internal Audit recommendations.

Reporting and Communication

The internal auditor will provide the CEO with comprehensive audited reports detailing their key observations and findings.

The CEO will provide the reports and a recommended action plan to the Audit and Risk Committee.

The Audit and Risk Committee will receive the reports of the Internal Auditor, consider the CEO's recommendations arising from the reports, and monitor the implementation of agreed recommendations, making recommendations to Council.

Contractual Term

Contract terms will be considered and further advice provided to ensure flexibility in the term of appointment to ensure contract performance can be monitored and managed.

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Audit) Regulations 1996

Local Government (Financial Management) Regulations 1996

POLICY IMPLICATIONS

CP06 – Purchasing Policy

Risk Register

FINANCIAL IMPLICATIONS

Budget for Regulation 5 and 17 is available in 2023/2024 budget, proposed internal audit function if endorsed by Council will form a part of 24/25 budget.

STRATEGIC IMPLICATIONS

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| STRATEGIC COMMUNITY PLAN 2023 – 2032 |
| Strategic Objective 3 : Deliver best practice governance processes and structures |

COMMENT

Nil

VOTING REQUIREMENT

Simple Majority

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk committee recommends to Council:

That Council:

1. Endorse the CEO's proposed internal audit function for Mindarie Regional Council.
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.

7 MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

| | |
|--|---|
| 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. | |
| 7.1 HIGH RISK REGISTER | |
| File No: | GF-22-0000089 |
| Attachment (s) | Attachment 3 - High Risk Register Attachment 4 - Risk Assessment and Acceptance Criteria V3 Attachment 5 - Risk Management Plan and Appetite Statement |
| Date: | 19 February 2024 |
| Responsible Officer: | CHIEF EXECUTIVE OFFICER |

THIS ATTACHMENT IS CONFIDENTIAL AND NOT FOR PUBLIC VIEWING
TO BE SENT UNDER SEPARATE COVER TO THE AUDIT AND RISK COMMITTEE

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|--|--|
| 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. | |
| 7.2 CEO's REVIEW OF RISK MANAGEMENT, INTERNAL CONTROLS AND LEGISLATIVE COMPLIANCE | |
| File No: | GF-22-0000089 |
| Attachment (s) | Attachment 6 - Civic and Legal, Systems and Procedures Review |
| Date: | 27 February 2024 |
| Responsible Officer: | CHIEF EXECUTIVE OFFICER |

THIS ATTACHMENT IS CONFIDENTIAL AND NOT FOR PUBLIC VIEWING
TO BE SENT UNDER SEPARATE COVER TO THE AUDIT AND RISK COMMITTEE

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.

7.3 CORPORATE BUSINESS PLAN PERIODICAL REPORTING

File No: GF-23-0000299

Attachment (s) Nil

Date: 13 November 2023

Responsible Officer: CHIEF EXECUTIVE OFFICER

THIS ATTACHMENT IS CONFIDENTIAL AND NOT FOR PUBLIC VIEWING
TO BE SENT UNDER SEPARATE COVER TO THE AUDIT AND RISK COMMITTEE

8 NEW BUSINESS

Nil

9 NEXT MEETING

20 June 2024 at the City of Stirling

10 CLOSURE

LIST OF ATTACHMENTS

| Attachment | Title | Page Number |
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| 1 | Unconfirmed minutes Audit & Risk Committee 23 November 2023 | 16 |
| 2 | Compliance Audit Return 2023 | 33 |
| 3 | High Risk Register | Contained in Confidential Report |
| 4 | Risk Assessment and Acceptance Criteria V3 | Contained in Confidential Report |
| 5 | Risk Management Plan and Appetite | Contained in Confidential Report |
| 6 | Civic and Legal, Systems and Procedures Review | Contained in Confidential Report |
| 7 | Declaration of Interest Form | 46 |

Audit and Risk Committee Minutes of 23 November 2023

Item
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Attachment 1

Item
5



MINUTES

AUDIT AND RISK COMMITTEE MEETING

23 NOVEMBER 2023

TIME: 7.30 PM

CITY OF STIRLING

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



**MINDARIE REGIONAL COUNCIL
AUDIT AND RISK COMMITTEE MEETING MINUTES
23 NOVEMBER 2023**

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MINDARIE REGIONAL COUNCIL

NOTICE OF MEETING

20 November 2023

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 Thursday 23 November 2023, at 7.30pm.

Yours faithfully



SCOTT CAIRNS
Chief Executive Officer

AUDIT AND RISK COMMITTEE MEMBERS:

Audit and Risk Committee Members to be appointed at the MRC Special Council meeting to be held on 23 November 2023, at 7.30pm.

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:

Office of the Auditor General:

| | |
|---------------|-------------------------------------|
| Mr Kien Neoh | Director, Financial Audit |
| Mr Reagan Lau | Assistant Director, Financial Audit |

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| 7.4 | EXTERNAL AUDIT COMMITTEE MEMBER | 14 |
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AUDIT AND RISK COMMITTEE MEETING MINUTES
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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The CEO declared the meeting open at 7.30pm and welcomed officers from the Office of the Auditor General to the meeting.

The CEO invited nominations from the committee for the position of Chair.

- Cr Miles nominated Cr Hatton
- Cr Ferrante nominated Cr Hatton

The CEO asked Cr Hatton if he accepted the nomination.

Cr Hatton accepted the nomination and was declared elected as the Chair of the Audit and Risk Committee, Cr Hatton assumed the position of Chair.

Cr Hatton invited nominations from the committee for the position of Deputy Chair.

Cr Miles nominated Cr Ferrante

Cr Hatton asked Cr Ferrante if he accepted the position of Deputy Chair.

Cr Ferrante accepted the nomination and was declared elected as Deputy Chair.

2 ATTENDANCE / APOLOGIES

ATTENDANCE

AUDIT AND RISK COMMITTEE MEMBERS

| | |
|--------------------------------|------------------|
| Cr Chris Hatton (Chair) | City of Stirling |
| Cr Joe Ferrante (Deputy Chair) | City of Stirling |
| Cr Paul Miles | City of Wanneroo |

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:

Office of the Auditor General:

| | |
|---------------|-------------------------------------|
| Mr Kien Neoh | Director, Financial Audit |
| Mr Reagan Lau | Assistant Director, Financial Audit |

3 TERMS OF REFERENCE

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Terms of Reference – Audit and Risk Committee

1. Objectives of Audit Committee

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- *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.*
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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.

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AUDIT AND RISK COMMITTEE MEETING MINUTES
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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.

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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*

**MINDARIE REGIONAL COUNCIL
AUDIT AND RISK COMMITTEE MEETING MINUTES
23 NOVEMBER 2023**

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- (g) *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.*
- (h) *Review the scope of the audit plan and program and its effectiveness.*
- (i) *Review the appropriateness of special internal audit assignments undertaken at the request of Council or CEO.*
- (j) *Review the level of resources allocated to internal audit and the scope of its authority.*
- (k) *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.*
- (l) *Facilitate liaison between the internal auditor and the OAG to promote compatibility, to the extent appropriate, between their audit programs.*
- (m) *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.*
- (n) *Consider recommending adoption of the financial report to Council.*
- (o) *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.*
- (p) *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.*
- (q) *Review the annual Compliance Audit Return and report to the Council the results 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) *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.*

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|-----------------------------------|
| 4 DECLARATION OF INTERESTS |
|-----------------------------------|

Nil

**MINDARIE REGIONAL COUNCIL
AUDIT AND RISK COMMITTEE MEETING MINUTES
23 NOVEMBER 2023**

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|---|
| 5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING |
|---|

The minutes of the Audit and Risk Committee meetings held on 15 February 2023, can be found at ***Attachment 1***

RECOMMENDATION

That the Minutes of the Audit and Risk Committee Meeting held on 25 February 2023 be taken as read, confirmed and the Chair invited to sign same as a true record of the proceedings.

Cr Miles moved, Cr Ferrante seconded

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 3/0)

For: Cr Ferrante, Cr Hatton and Cr Miles

Against: Nil

**MINDARIE REGIONAL COUNCIL
AUDIT AND RISK COMMITTEE MEETING MINUTES
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| | |
|----------|----------------|
| 6 | REPORTS |
|----------|----------------|

| |
|--|
| 6.1 ANNUAL FINANCIAL REPORT 2022/2023 |
|--|

| | |
|----------------------|--------------------------------------|
| Reference: | GF-22-0000525 |
| Attachment(s): | Attachment 3 and 4 |
| Date: | 23 November 2023 |
| Responsible Officer: | Executive Manager Corporate Services |

BACKGROUND

The *Local Government Act 1995* (the Act) requires every local government to prepare an Annual Report for each financial year and to accept it prior to 31 December following the end of the financial year (section 5.53 and 5.54 of the Local Government Act 1995). The Act also specifies the contents required to be included in the Annual Report. If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

The Mindarie Regional Council (MRC), in accordance with the Local Government Act 1995 Section 5.53, is required to submit an Annual Report.

The annual audit of the Financial Statements for the financial year ended 30 June 2023 has been completed and the Financial Report is now submitted to the Audit Committee for consideration.

The MRC's Financial Report is included as **Attachment 3** to this agenda.

The full Annual Report, including the Financial Report, will be presented to the Council at its Ordinary Council Meeting on 30 November 2023.

DETAIL

The Auditor, in accordance with the Local Government (Audit) Regulations 1996 Sections 10.2 and 10.3 is required to issue an audit report after the completion of the annual audit that expresses an opinion on the financial position and results of the operations of the local government for each financial year.

The Audit Completion Letter from the Auditor General (OAG) is included as part of **Confidential Attachment 4**. The MRC, in accordance with the Local Government (Financial Management) Regulations 1996 Section 51.1, is required to include in the Annual Financial Report a signed Statement of Declaration by the CEO after this report has been audited in accordance with the Local Government Act 1995. This declaration can be found in **Attachment 3**.

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STATUTORY IMPLICATIONS

The submission of the Financial Report for 2022/2023 is in conformity with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.

The Auditor's Report for 2022/2023 conforms to the requirements of the Local Government (Audit) Regulations 1996.

POLICY IMPLICATIONS

Not applicable.

STRATEGIC IMPLICATIONS

Not applicable.

COMMENT

The Annual Financial Report of the MRC has been prepared in accordance with the requirements of Local Government Act 1995 and applicable Australian Accounting Standards.

Section 51 of the Local Government (Financial Management) Regulations state the following;

(1) After the annual financial report has been audited in accordance with the Act the CEO is to sign and append to the report a declaration in the form of Form 1.

(2) A copy of the annual financial report of a local government is to be submitted to the Departmental CEO within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee recommends that Council accept the Financial Report for year ended 30 June 2023.

Cr Miles moved, Cr Ferrante seconded

The Chair invited the Executive Manager Corporate Services to provide a verbal presentation of the Annual Financial Report.

The Executive Manager Corporate Services presented the Annual Financial Report and took questions from the Committee.

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 3/0)

For: Cr Ferrante, Cr Hatton and Cr Miles

Against: Nil

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In accordance with clause 10.1(h) of the Mindarie Regional Council Meeting Procedures Local Law 2020 and s5.23 of the Local Government Act 1995, the Chair requests the Audit and Risk Committee to meet “behind closed doors” to allow the Committee to consider items 7.1 and 7.2 as the items are of a confidential nature.

No members of the public were present at the meeting.

Moved Cr Miles, Seconded Cr Ferrante

Procedural Motion

1. Closes the meeting to the members of the public at 7.43 pm to consider items 7.1, 7.2, 7.3 and 7.4 in accordance with Section 5.23 of the *Local Government Act 1995*.
2. Permits the MRC Chief Executive Officer, MRC staff, and Officers from OAG, to remain in the meeting during discussions for items 7.1, 7.2, 7.3
3. Permits the MRC Chief Executive Officer and MRC Staff to remain in the meeting for Item 7.4.

| |
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| 7 MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC |
|--|

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|---|
| 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. |
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| 7.1 ANNUAL FINANCIAL REPORT AUDIT PLANNING 2022/2023 |
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| | |
|----------------------|---|
| File No: | |
| Attachment (s) | Attachment 2 – Annual Financial Audit Planning Summary Year Ended 30 June 2023 |
| Date: | 13 November 2023 |
| Responsible Officer: | Executive Manager Corporate Services |

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk Committee note its review of the scope and effectiveness of the 2022/2023 Annual Financial Audit Planning Summary issued by the Auditors.

Cr Ferrante moved, Cr Miles Seconded

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 3/0)

For: Cr Ferrante, Cr Hatton and Cr Miles

Against: Nil

**MINDARIE REGIONAL COUNCIL
AUDIT AND RISK COMMITTEE MEETING MINUTES
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| | |
|---|---|
| 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. | |
| 7.2 AUDIT COMPLETION REPORT | |
| File No: | GF-21-0000314 |
| Attachment (s) | Attachment 4 - Auditor General Independent Auditors Report 2023 Attachment 4a - Annual Financial Audit Exit Brief Year ended 30 June 2023 Attachment 4b - Management Representation Letter Year ended 30 June 2023 |
| Date: | 13 November 2023 |
| Responsible Officer: | Executive Manager Corporate Services |

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk Committee recommends that Council note the Auditor General Independent Auditors Report for year ended 30 June 2023 issued by the Auditors.

That the Audit and Risk Committee recommends that Council note the Annual Financial Audit Exit Brief for year ended 30 June 2023 issued by the Auditors.

That the Audit and Risk Committee recommends that Council note the Representation Letter for the year ended 30 June 2023.

Moved Cr Miles, Seconded Cr Ferrante

The Chair invited Mr Neoh, Director Financial Audit, Office of the Auditor General (OAG), To speak to the item.

Mr Neoh acknowledged the timeliness of the MRC Audit and thanked the CEO and Executive Manager Corporate Services for their assistance during the audit.

Mr Neoh presented to the Committee the key points of the Financial Year 2023 Audit Report and responded to questions from the Committee.

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 3/0)

For: Cr Ferrante, Cr Hatton and Cr Miles

Against: Nil

**MINDARIE REGIONAL COUNCIL
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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.

7.3 FULL RISK REGISTER

| | |
|-----------------------------|--|
| File No: | GF-22-0000089 |
| Attachment (s) | Attachment 5 - Full Risk Register Attachment 5a - Risk Assessment and Acceptance Criteria V3 Attachment 6 - Risk Management Plan and Appetite Statement |
| Date: | 10 November 2023 |
| Responsible Officer: | Chief Executive Officer |

RESPONSIBLE OFFICER RECOMMENDATION

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

**Cr Ferrante moved, Cr Miles Seconded
RESOLVED**

That the recommendation be adopted

(CARRIED UNANIMOUSLY 3/0)

For: Cr Ferrante, Cr Hatton and Cr Miles

Against: Nil

The Chair thanked OAG Officers for their time with the MRC Audit and attending the Audit and Risk Committee meeting.

8.30 pm Mr Neoh and Mr Reagan left the meeting.

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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.

7.4 EXTERNAL AUDIT COMMITTEE MEMBER

| | |
|-----------------------------|--|
| File No: | GF-22-0000089 |
| Attachment (s) | Attachment 7 - Candidate Applications |
| Date: | 10 November 2023 |
| Responsible Officer: | Chief Executive Officer |

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk Committee recommend to Council that _____ be appointed as an external audit committee member, subject to their acceptance of the appointment, for the period ending November 2024.

Cr Miles moved, Cr Ferrante Seconded

RESOLVED

That the Audit and Risk Committee recommend to Council that Mr Aswin Kumar be appointed as an external audit committee member, subject to their acceptance of the appointment, for the period ending November 2024.

(CARRIED UNANIMOUSLY 3/0)

For: Cr Ferrante, Cr Hatton and Cr Miles

Against: Nil

Cr Ferrante moved, Cr Miles Seconded

Procedural Motion:

That Council:

- **Reopen the meeting to members of the public at 8.40 pm**

To re-open the meeting to the public

(CARRIED UNANIMOUSLY 3/0)

For: Cr Ferrante, Cr Hatton and Cr Miles

Against: Nil

Doors re-opened at 8.40 pm, the Chair declared the meeting re-opened. As there were no members of the public present, the Chair noted the resolutions passed behind closed doors.

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AUDIT AND RISK COMMITTEE MEETING MINUTES
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|----------|---------------------|
| 8 | NEW BUSINESS |
|----------|---------------------|

Nil

| | |
|----------|---------------------|
| 9 | NEXT MEETING |
|----------|---------------------|

February 2024 (date to be confirmed)

| | |
|-----------|----------------|
| 10 | CLOSURE |
|-----------|----------------|

The Chair closed the meeting at 8.58 pm and thanked the City of Stirling for their hospitality and use of their meeting facilities.

SignedChair

Dated.....day of2023

LIST OF ATTACHMENTS

| Attachment | Title | Page Number |
|------------|--|---|
| 1 | Unconfirmed minutes Audit & Risk Committee 15 February 2023 | 14 |
| 2 | Annual Financial Audit Planning Summary Year Ended 30 June 2023 | Contained in Confidential Report |
| 3 | MRC Annual Financial Statement Year Ended 30 June 2023 | 57 |
| 4 | Auditor General Independent Auditor's Report 2023 | Contained in Confidential Report |
| 4a | Annual Financial Audit Exit Brief Year Ended 30 June 2023 | Contained in Confidential Report |
| 4b | Management Representation Letter Year Ended 30 June 2023 | Contained in Confidential Report |
| 5 | Full Risk Register | Contained in Confidential Report |
| 5a | Risk Assessment and Acceptance Criteria V3 | Contained in Confidential Report |
| 6 | Risk Appetite Statement and Risk Management Plan | Contained in Confidential Report |
| 7 | Candidate Applications | Contained in Confidential Report |
| 8 | Declaration of Interest Form | 46 |

COMPLIANCE AUDIT RETURN 2023Item
6.1

ATTACHMENT 2

Item
6.1



Mindarie Regional Council – Compliance Audit Return

| Commercial Enterprises by Local Governments | | | | |
|---|-------------------------------------|---|----------|----------|
| No | Reference | Question | Response | Comments |
| 1 | s3.59(2)(a) F&G Regs 7,9,10 | Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2023? | No | |
| 2 | s3.59(2)(b) F&G Regs 7,8A, 8, 10 | Has the local government prepared a business plan for each major land transaction that was not exempt in 2023? | N/A | |
| 3 | s3.59(2)(c) F&G Regs 7,8A, 8,10 | Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2023? | N/A | |
| 4 | s3.59(4) | Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2023? | N/A | |
| 5 | s3.59(5) | During 2022, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority? | N/A | |

| Delegation of Power/Duty | | | | |
|--------------------------|-----------|--|----------|--|
| No | Reference | Question | Response | Comments |
| 1 | s5.16 (1) | Were all delegations to committees resolved by absolute majority? | N/A | The Committees do not have delegated authority |
| 2 | s5.16 (2) | Were all delegations to committees in writing? | N/A | |
| 3 | s5.17 | Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995? | N/A | |
| 4 | s5.18 | Were all delegations to committees recorded in a register of delegations? | N/A | |
| 5 | s5.18 | Has council reviewed delegations to its committees in the 2022/2023 financial year? | N/A | |



| | | | | |
|-----------|--------------------------------|---|-----|--|
| 6 | s5.42(1) & s5.43 Admin Reg 18G | Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995? | Yes | |
| 7 | s5.42(1) | Were all delegations to the CEO resolved by an absolute majority? | Yes | |
| 8 | s5.42(2) | Were all delegations to the CEO in writing? | Yes | |
| 9 | s5.44(2) | Were all delegations by the CEO to any employee in writing? | Yes | |
| 10 | s5.16(3)(b) & s5.45(1)(b) | Were all decisions by the Council to amend or revoke a delegation made by absolute majority? | Yes | |
| 11 | s5.46(1) | Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees? | Yes | |
| 12 | s5.46(2) | Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2022/2023 financial year? | Yes | |
| 13 | s5.46(3) Admin Reg 19 | Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19? | Yes | |

Disclosure of Interest

| No | Reference | Question | Response | Comments |
|-----------|-----------------------------------|---|-----------------|-----------------|
| 1 | s5.67 | Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter? | Yes | |
| 2 | s5.68(2) & s5.69(5) Admin Reg 21A | Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting? | N/A | |
| 3 | s5.73 | Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made? | Yes | |
| 4 | s5.75 Admin Reg 22, Form 2 | Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day? | Yes | |
| 5 | s5.76 Admin Reg 23, Form 3 | Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022? | Yes | |



| | | | | |
|----|---------------------------------------|--|-----|--|
| 6 | s5.77 | On receipt of a primary or annual return, did the CEO, or the Mayor/President, give written acknowledgment of having received the return? | Yes | |
| 7 | s5.88(1) & (2)(a) | Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995? | Yes | |
| 8 | s5.88(1) & (2)(b) Admin Reg 28 | Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28? | Yes | |
| 9 | s5.88(3) | When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person? | Yes | |
| 10 | s5.88(4) | Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return? | Yes | |
| 11 | s5.89A(1), (2) & (3) Admin Reg 28A | Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A? | Yes | |
| 12 | s5.89A(5) & (5A) | Did the CEO publish an up-to-date version of the gift register on the local government's website? | Yes | |
| 13 | s5.89A(6) | When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove from the register all records relating to those people? | N/A | |
| 14 | s5.89A(7) | Have copies of all records removed from the register under section 5.89A(6) of the Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure? | Yes | |
| 15 | s5.70(2) & (3) | Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report? | N/A | |



| | | | | |
|----|-----------------------|---|-----|--|
| 16 | s5.71A & s5.71B(5) | Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application? | N/A | |
| 17 | s5.71B(6) & s5.71B(7) | Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered? | N/A | |
| 18 | s5.104(1) | Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members candidates that incorporates the model code of conduct? | Yes | |
| 19 | s5.104(3) & (4) | Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the Local Government Act 1995? | No | |
| 20 | s5.104(7) | Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website? | Yes | |
| 21 | s5.51A(1) & (3) | Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government? If yes, has the CEO published an up-to-date version of the code of conduct for employees on the local government's website? | Yes | |

Disposal of Property

| No | Reference | Question | Response | Comments |
|----|-----------|--|----------|----------|
| 1 | s3.58(3) | Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)? | N/A | |
| 2 | s3.58(4) | Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property? | N/A | |



| Elections | | | | |
|-----------|-------------------------|---|----------|----------|
| No | Reference | Question | Response | Comments |
| 1 | Elect Regs 30G(1) & (2) | Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997? | N/A | |
| 2 | Elect Regs 30G(3) & (4) | Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997? | N/A | |
| 3 | Elect Regs 30G(5) & (6) | Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997? | N/A | |

| Finance | | | | |
|---------|-----------|--|----------|----------|
| No | Reference | Question | Response | Comments |
| 1 | s7.1A | Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995? | Yes | |
| 2 | s7.1B | Where the council delegated to its audit committee any powers or duties under Part 7 of the Local Government Act 1995, did it do so by absolute majority? | N/A | |



| | | | | |
|----------|-----------------------|---|-----|--|
| 3 | s7.9(1) | Was the auditor's report for the financial year ended 30 June 2023 received by the local government by 31 December 2023? | Yes | |
| 4 | s7.12A(3) | Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters? | Yes | |
| 5 | s7.12A(4)(a) & (4)(b) | Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government? | N/A | |
| 6 | s7.12A(5) | Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website? | Yes | |
| 7 | Audit Reg 10(1) | Was the auditor's report for the financial year ending 30 June 2023 received by the local government within 30 days of completion of the audit? | Yes | |

Local Government Employees

| No | Reference | Question | Response | Comments |
|-----------|-----------------------------------|---|-----------------|---|
| 1 | s5.36(4) & s5.37(3) Admin Reg 18A | Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A? | N/A | The MRC does not have any designated Senior Employees |
| 2 | Admin Reg 18E | Was all information provided in applications for the position of CEO true and accurate? | N/A | |
| 3 | Admin Reg 18F | Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995? | N/A | |
| 4 | s5.37(2) | Did the CEO inform council of each proposal to employ or dismiss senior employee? | N/A | The MRC does not have any designated Senior Employees |
| 5 | s5.37(2) | Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so? | N/A | |



| Official Conduct | | | | |
|------------------|-----------------|---|----------|--|
| No | Reference | Question | Response | Comments |
| 1 | s5.120 | Has the local government designated an employee to be its complaints officer? | Yes | |
| 2 | s5.121(1) & (2) | Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the Local Government Act 1995? | Yes | We have a register - Nil complaints received |
| 3 | s5.121(2) | Does the complaints register include all information required by section 5.121(2) of the Local Government Act 1995? | Yes | |
| 4 | s5.121(3) | Has the CEO published an up-to-date version of the register of the complaints on the local government's official website? | Yes | |

| Tenders for Providing Goods and Services | | | | |
|--|--|---|----------|----------|
| No | Reference | Question | Response | Comments |
| 1 | F&G Reg 11A(1) & (3) | Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less? | Yes | |
| 2 | s3.57 F&G Reg 11 | Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations? | Yes | |
| 3 | F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4) | When regulations 11(1), 12(2) or 13 of the Local Government Functions and General) Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)? | Yes | |



| | | | | |
|----|---------------------|--|-----|--|
| 4 | F&G Reg 12 | Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract? | Yes | |
| 5 | F&G Reg 14(5) | If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents, or each acceptable tenderer notice of the variation? | Yes | |
| 6 | F&G Regs 15 & 16 | Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16? | Yes | |
| 7 | F&G Reg 17 | Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website? | Yes | |
| 8 | F&G Reg 18(1) | Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender? | No | |
| 9 | F&G Reg 18(4) | Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept? | Yes | |
| 10 | F&G Reg 19 | Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted? | Yes | |
| 11 | F&G Regs 21 & 22 | Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22? | Yes | |
| 12 | F&G Reg 23(1) & (2) | Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice? | N/A | |
| 13 | F&G Reg 23(3) & (4) | Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer? | N/A | |



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|----|---------------------------------|---|-----|--|
| 14 | F&G Reg 24 | Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24? | N/A | |
| 15 | F&G Regs 24AD(2) & (4) and 24AE | Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions & General) Regulations 1996 regulations 24AD(4) and 24AE? | N/A | |
| 16 | F&G Reg 24AD(6) | If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation? | N/A | |
| 17 | F&G Reg 24AF | Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application? | N/A | |
| 18 | F&G Reg 24AG | Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG? | N/A | |
| 19 | F&G Reg 24AH(1) | Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications? | N/A | |
| 20 | F&G Reg 24AH(3) | Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept? | N/A | |
| 21 | F&G Reg 24AI | Did the CEO send each applicant written notice advising them of the outcome of their application? | N/A | |
| 22 | F&G Regs 24E & 24F | Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F? | N/A | |



| Integrated Planning and Reporting | | | | |
|-----------------------------------|-------------------------|--|----------|------------|
| No | Reference | Question | Response | Comments |
| 1 | Admin Reg 19C | Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section? | Yes | 27/04/2023 |
| 2 | Admin Reg 19DA(1) & (4) | Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section? | Yes | 22/06/2023 |
| 3 | Admin Reg 19DA(2) & (3) | Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)? | Yes | |

| Optional Questions | | | | |
|--------------------|----------------------------------|---|----------|---|
| No | Reference | Question | Response | Comments |
| 1 | Financial Management Reg 5(2)(c) | Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three financial years prior to 31 December 2023? If yes, please provide the date of council's resolution to accept the report. | Yes | 12/08/2021 Tabled at Audit Committee on 22 July 2021 and presented to Council via the Members Information Bulletin on 12.08.2021 |
| 2 | Audit Reg 17 | Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2023? If yes, please provide date of council's resolution to accept the report. | Yes | 23/02/2023 |
| 3 | s5.87C | Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt | N/A | |



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|----------|---------------------------|--|-----|---|
| | | of the gift? Did the disclosure include the information required by section 5.87C of the Act? | | |
| 4 | s5.90A(2) & (5) | Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events? | Yes | |
| 5 | s5.96A(1), (2), (3) & (4) | Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995? | Yes | Yes, except for 5.96A(1)(a) and (g) which do not apply to Regional Councils |
| 6 | s5.128(1) | Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members? | Yes | The policy, training and reporting requirement of MRC Councillors as required under the Act are fulfilled by their respective Local Governments (our Member Councils) |
| 7 | s5.127 | Did the local government prepare a report on the training completed by council members in the 2022/2023 financial year and publish it on the local government's official website by 31 July 2023? | No | The policy, training and reporting requirement of MRC Councillors as required under the Act are fulfilled by their respective Local Governments (our Member Councils) |
| 8 | s6.4(3) | By 30 September 2023, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2023? | Yes | |
| 9 | s.6.2(3) | When adopting the annual budget, did the local government take into account all its expenditure, revenue and income? | Yes | |

Chief Executive Officer

Date



Mayor/President

Date

| |
|---------------------------------------|
| <p>Declaration of Interest</p> |
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| | <p>Attachment 7</p> | |
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Mindarie Regional Council

DECLARATION OF FINANCIAL INTEREST/INTEREST THAT MAY AFFECT IMPARTIALITY

To: **CHIEF EXECUTIVE OFFICER,
MINDARIE REGIONAL COUNCIL**

| | |
|-----------------------------|--|
| Name & Position | |
| Meeting Date | |
| Item No/ Subject | |
| Nature of Interest | |
| Extent of Interest | |
| Signature | |
| Date | |

Section 5.65(1) of the Local Government Act 1995 states that:

“A member who has an interest in any matter to be discussed at a Council or Committee meeting that will be attended by that member must disclose the nature of the interest:

- (a) in a written notice given to the CEO before the meeting; or
- (b) at the meeting immediately before the matter is discussed