



NOTICE OF MEETING

Dear Committee Members

I respectfully advise that the AUDIT AND RISK COMMITTEE MEETING will be held in Council Chambers, York Town Hall, York on Tuesday, 13 September 2022, commencing at 3.00pm.

MEETING AGENDA ATTACHED

Chris Linnell

CHRIS LINNELL
CHIEF EXECUTIVE OFFICER
Date: 8 September 2022

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MISSION STATEMENT
"Building on our history to create our future"

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1 OPENING**1.1 Declaration of Opening****1.2 Acknowledgement/Disclaimer**

The Presiding Member advises the following:

“The York Shire Council acknowledges the Ballardong people of the Noongar Nation who are the Traditional Owners of this country and recognise their continuing connection to land, water, sky and culture. We pay our respects to all these people and their Elders past, present and emerging.

This meeting is being recorded on a digital audio device to assist with minute taking purposes. The public is reminded that in accordance with Section 6.16 of the Shire of York Local Government (Council Meetings) Local Law 2016 that nobody shall use any visual or vocal recording device or instrument to record the proceedings of Council without the written permission of the presiding member.

I wish to draw attention to the Disclaimer Notice contained within the agenda document and advise members of the public that any decisions made at the meeting today, can be revoked, pursuant to the Local Government Act 1995.

Therefore members of the public should not rely on any decisions until formal notification in writing by Council has been received. Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material.”

1.3 Attendance Via Electronic Means**1.4 Standing Orders****1.5 Announcement of Visitors****1.6 Declarations of Interest that Might Cause a Conflict**

Councillors/Staff are reminded of the requirements of s5.65 of the Local Government Act 1995, to disclose any interest during the meeting when the matter is discussed and also of the requirement to disclose an interest affecting impartiality under the Shire of York's Code of Conduct.

Name	Item No & Title	Nature of Interest (and extent, where appropriate)

1.7 Declaration of Financial Interests

A declaration under this section requires that the nature of the interest must be disclosed. Consequently a member who has made a declaration must not preside, participate in, or be present during any discussion or decision making procedure relating to the matter the subject of the declaration.

Other members may allow participation of the declarant if the member further discloses the extent of the interest and the other members decide that the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.

Name	Item No & Title	Nature of Interest (and extent, where appropriate)
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1.8 Disclosure of Interests that may affect Impartiality

Councillors and staff are required (Code of Conduct), in addition to declaring any financial interest, to declare any interest that might cause a conflict. The member/employee is also encouraged to disclose the nature of the interest. The member/employee must consider the nature and extent of the interest and whether it will affect their impartiality. If the member/employee declares that their impartiality will not be affected then they may participate in the decision making process.

Name	Item No & Title	Nature of Interest (and extent, where appropriate)

2 ATTENDANCE

- 2.1 Members
- 2.2 Staff
- 2.3 Apologies
- 2.4 Leave of Absence Previously Approved
- 2.5 Number of People in the Gallery at Commencement of Meeting

3 QUESTIONS FROM PREVIOUS MEETINGS

4 PUBLIC QUESTION TIME

Public Question Time is conducted in accordance with the Act and Regulations. In addition to this the Shire's *Local Government (Council Meetings) Local Law 2016* states –

6.7 Other procedures for question time for the public

- (1) A member of the public who wishes to ask a question during question time must identify themselves and register with a Council Officer immediately prior to the meeting.
- (2) A question may be taken on notice by the Council for later response.
- (3) When a question is taken on notice the CEO is to ensure that—
 - (a) a response is given to the member of the public in writing; and
 - (b) a summary of the response is included in the agenda of the next meeting of the Council.
- (4) Where a question relating to a matter in which a relevant person has an interest is directed to the relevant person, the relevant person is to—
 - (a) declare that he or she has an interest in the matter; and
 - (b) allow another person to respond to the question.

- (5) Each member of the public with a question is entitled to ask up to 2 questions before other members of the public will be invited to ask their questions.
- (6) Where a member of the public provides written questions then the Presiding Member may elect for the questions to be responded to as normal business correspondence.
- (7) The Presiding Member may decide that a public question shall not be responded to where—
 - (a) the same or similar question was asked at a previous meeting, a response was provided and the member of the public is directed to the minutes of the meeting at which the response was provided;
 - (b) the member of the public uses public question time to make a statement, provided that the Presiding Member has taken all reasonable steps to assist the member of the public to phrase the statement as a question; or
 - (c) the member of the public asks a question that is offensive or defamatory in nature, provided that the Presiding Member has taken all reasonable steps to assist the member of the public to phrase the question in a manner that is not offensive or defamatory.
- (8) A member of the public shall have 2 minutes to submit a question.
- (9) The Council, by resolution, may agree to extend public question time.
- (10) Where any questions remain unasked at the end of public question time they may be submitted to the CEO who will reply in writing and include the questions and answers in the agenda for the next ordinary Council meeting.
- (11) Where an answer to a question is given at a meeting, a summary of the question and the answer is to be included in the minutes.

4.1 Written Questions – Current Agenda

4.2 Public Question Time

5 APPLICATIONS FOR LEAVE OF ABSENCE

6 PRESENTATIONS

7 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

Audit and Risk Committee Meeting - 14 June 2022

Confirmation

That the minutes of the Audit and Risk Committee Meeting held on 14 June 2022 be confirmed as a correct record of proceedings.

8 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

9 OFFICER'S REPORTS

9.1 ROAD RISK REGISTER

File Number:	4.0466
Author:	Sinead McGuire, Executive Manager Infrastructure & Development Services
Authoriser:	Chris Linnell, Chief Executive Officer
Previously before Council:	23 March 2021 (060321) 22 June 2021 (030621) 28 September 2021 (040921) 23 March 2022 (020322)
Disclosure of Interest:	Nil
Appendices:	1. Road Risk Register ↓

NATURE OF COUNCIL'S ROLE IN THE MATTER

Executive

PURPOSE OF REPORT

This report provides a review of the Road Risk Register (the Register) through regular reporting of the Register to Council through the Audit and Risk Committee (the Committee).

BACKGROUND

A key element in the Talis Report - 'Review of Delivery Against Road Design and Construction Guideline Standards, 2016' previously presented to Council, referenced road risk management in its Summary of Findings, as below:

"4. Assessment of Risks to Road Users

The failures to implement appropriate road management practices, particularly given the shortfall in required funding, has the potential to pose risks to road users associated with the failure to use detailed design when necessary, appropriate construction methods and a risk based maintenance strategy to make best use of the available funds. The risks to road users relate to the potential for increased crashes and increased vehicle operating costs associated with lower levels of service from the road system."

Taking on board the Talis comments and previous commitments, Officers developed the Register to assist in tracking road safety risks.

At its March 2021 meeting Council first considered the Register and resolved in part (060321):

"That Council:

- 1. Resolve to adopt the "Road Risk Register", with the understanding that it is a living document that will be updated on an as needs basis.***
- 2. Endorse the use of the Road Risk Register as a method of informing the budget process of the importance of road safety projects.***
- 3. Requests the CEO to present the first formal Road Risk Register to the Audit and Risk Committee in June 2021 and then every six months, commencing with the September 2021 Audit and Risk Committee meeting."***

Most recently, at its March 2022 meeting Council again considered the Register and resolved (020322):

“That, with regard to the Minutes and Recommendations of the Audit and Risk Committee Meetings held on 8 February 2022 and 8 March 2022, Council:

- 1. Receives the Confirmed Minutes of the Audit and Risk Committee Special Meeting held on 8 February 2022, as presented in Appendix 1, noting the recommendations were dealt with at Council’s Special Meeting held on Tuesday 15 February 2022.***
- 2. Receives the Unconfirmed Minutes of the Audit and Risk Committee Meeting held on 8 March 2022, as presented in Appendix 2, and adopts the following recommendations of the Committee:***
 - a. Notes the progress made to date regarding the actions contained in the Risk Register.***
 - b. Requests the Chief Executive Officer to report progress against the Risk Register quarterly to the Audit and Risk Committee.***
 - c. Receives the Road Risk Register with the understanding that it is a living document that will be updated on an as needs basis.***
 - d. Requests the Chief Executive Officer to present the next review of the Road Risk Register to the Audit and Risk Committee in September 2022.***
 - e. Adopts the completed 2021 Compliance Audit Return for certification by the Shire President and the Chief Executive Officer in accordance with Regulation 15(2) of the Local Government (Audit) Regulations 1996.***
 - f. Requests the Chief Executive Officer to submit the 2021 Compliance Audit Return to the Departmental CEO of the Department of Local Government, Sport and Cultural Industries prior to 31 March 2022 in accordance with Regulation 15(1) of the Local Government (Audit) Regulations 1996.***
 - g. Resolves not to advertise for a second External Member of the Audit and Risk Committee at this time.***
 - h. Requests the Chief Executive Officer to readvertise for an external member in six (6) months’ time and report back within nine (9) months to the following Audit and Risk Committee Meeting.***
- 3. Notes the Mid Year Budget Review will be further reviewed and presented to a future Special Audit and Risk Committee Meeting then to Council for consideration before the end of April 2022.”***

In accordance with point 2d of Council’s March 2022 resolution, the Register is presented to the Committee for consideration.

COMMENTS AND DETAILS

As part of a comprehensive review of the Shire’s infrastructure asset management practises, a detailed assessment has been undertaken of the road and drainage asset classes. To date this includes video capture of the entire road network and visual inspections of a sample size of drainage assets. This has informed a subsequent assessment of the roads and drainage condition. This data will advise the Shire’s road and drainage asset management plans. These asset management plans will identify how roads and drainage assets can optimise performance, risks and costs. The asset management plans will provide the Shire with a comprehensive overview of the road and drainage network, identifying risks and associated actions for the Committee’s consideration and recommendation to Council.

As a result of this review, the Register information and format is expected to be significantly updated, integrated closely with the new road and drainage asset management plans. Due to the impending procurement of a new Enterprise Resource Planning platform is timely to undertake a review of the

current risk identification and reporting system. Officers will review the current system and provide options to the Committee through a Workshop for future reporting.

The current Register is presented in Appendix 1.

OPTIONS

The Committee has the following options:

- Option 1:** The Committee could recommend to Council that it receives the review of the Register and its operation and reporting.
- Option 2:** The Committee could recommend to Council that it not receive the review of the Register.
- Option 3:** The Committee could recommend to Council that it not receive the review of the Register and request the Chief Executive Officer to include additional information (which is to be identified).

Option 1 is the recommended option.

IMPLICATIONS TO CONSIDER

Consultative

Whilst no formal consultation process has been undertaken in relation to development of the Register, the feedback and complaints received by the Shire relating to roads has been included in the Register, and this will continue to occur.

Strategic

Strategic Community Plan 2020-2030

Goal 4: Built for Lifestyle and Resilience

To have a built environment which supports community, economy, and the environment, respects the past, and creates a resilient future.

Policy Related

G19 Risk Assessment and Management

While a Road Risk Register is not specifically mentioned in the Policy, the Policy principals apply.

Financial

The timely management of road risks will reduce the Shire's exposure to civil action regarding road conditions. It will also assist in the forward planning of works to ensure the most efficient use of Shire resources.

Legal and Statutory

Civil Liabilities Act 2002

Risk Related

If no formal Register is kept there is a risk that road risks will not be enacted on in a timely and efficient manner.

Workforce

The scope of this report is managed within current operational capacity.

VOTING REQUIREMENTS

Absolute Majority: No

RECOMMENDATION

That, with regard to the Road Risk Register, the Audit and Risk Committee recommend to Council that it:

- 1. Resolves to receive the Road Risk Register, as presented in Appendix 1, with the understanding that it is a living document that will be updated on an as needs basis.**
- 2. Notes that Officers will review the current system and provide options for future reporting.**
- 3. Requests the Chief Executive Officer to present the next review of the Road Risk Register to the Audit and Risk Committee at its March 2023 Ordinary Meeting.**

Shire of York Road Risk Register							
Damage Parameters:				Timing Parameters:			
1 Damage to Road				1 Within 6 months			
2 Geometric Design				2 From 6-12 months			
3 Overgrown vegetation				3 From 12-24 months			
4 Drainage				4 From 24-36 months			
5 Signage							
Type of Damage	Road Name	ROAD number	SLK From	SLK to	Damage Description	Proposed Remediation	Level
4	Allen Road	4330040	5	5.5	Wind row needs to be pulled across road		1
4	Allen Road	4330040	4.08	4.08	Culverts need cleaned up LHS only	Clean up culverts	1
4	Allen Road	4330040	3.34	3.36	LHS Drainage needs cleared out to allow for flow of water	Clear out drain on LHS	1
4	Allen Road	4330040	2.08	2.13	LHS Drainage needs cleared out to allow for flow of water	Clear out drain on LHS	1
4	Allen Road	4330040	1.85	1.88	LHS Drainage needs cleared out to allow for flow of water	Clear out drain on LHS	1
4	Ashworth Road	4330051	5.95	6.08	RHS of road entire road needs to be lifted	Lift entire road running course so that drain can be inserted	3
4	Ashworth Road	4330051	5.6	5.95	RHS needs drain	Grade a drain into RHS shoulder	3
1	Ashworth Road	4330051	2.72	5.6	Requires seal	Road to have design and sealed	4
1	Ashworth Road	4330051	1.23	2.24	Requires seal	Road to have design and sealed	3
4	Bogging Road	4330026	2.35	2.35	Drainage scouring due to storm event	Reform drains. To be address by November 2022	1
4	Bogging Road	4330026	0.84	0.84	Storm damage to culvert crossing	Major repairs and upgrade of drainage required (multiple years). Requires redesign. Structural engineering assessment undertaken	3
4	Boyercurry Road	4330015	4.15	5.25	LHS drain needs material brought back across road	Remove material to middle of road	1
4	Cameron Road	4330043	6.53	6.57	Requires to be built up with the look at a ACP culvert	Increase height of material to not allow water to surge over top of road	3
1	Carter Road	4330108	0.54	0.54	RHS drainage needs to be cleared out to allow for flow of water	Clear vegetation	4
4	Crawford Court	4330164	0.14	0.14	Drainage scouring due to storm event	Reform and clear out drains	1
4	Cut Hill Road	4330020	0.25	0.46	Drainage LHS	Requires cleaning / Possible rock protection	3
4	Cut Hill Road	4330020	0.29	0.29	Crossover full	Requires cleaning	3
4	Cut Hill Road	4330020	0.46	0.46	Culvert RHS	Requires extension	1
4	Cut Hill Road	4330020	0.57	0.57	Culvert both sides	Requires Extension/ Headwall added	1
4	Cut Hill Road	4330020	1.6	1.75	Shoulder scour	Requires cleaning / Possible rock protection	2
1	Cubine Road	4330038	0.2	1.6	Widening and reseal (currently 3.6m wide). Shoulder erosion at SLK 1.53. Lip on edge of seal	Reseal and widen, upgrade drainage. Tree clearance required. Shoulder works have been undertaken by internal crews Nov 2021	4
1	Cubine Road	4330038	2.28	2.68	Widening and reseal (currently 3.6m wide). Lip on edge of seal	Reseal and widen, upgrade drainage. Tree clearance required. Shoulder works have been undertaken by internal crews Nov 2021	4
1	Doodenanning Road	4330008	12	12.75	Sealed jumpup	Nothing needed	4
1	Doodenanning Road	4330008	7.35	10.05	Sealed-Old	Reseal in 5 years	4
1	Doodenanning Road	4330008	4.7	7.35	Sealed	Nothing needed	4
1	Doodenanning Road	4330008	3.9	4.7	Sealed-Old	Reseal in 5 years	4
1	Doodenanning Road	4330008	1.77	3.9	Sealed	Nothing needed	4
1	Doodenanning Road	4330008	0	1.77	Sealed	Nothing needed	4
1	Flax Pool Road	4330061	6	7.07	Storm damage to road	Structural assessment has been undertaken by independent engineer. Remedial works to be undertaken by November 2022.	1
2	Knotts Road	4330028	0	1.668	Drainage not constructed to satisfaction	Construct drainage to standard	1
2	Knotts Road	4330028	0	1.668	Shoulders need to be uniform-both sides	Construct shoulders	2
2	Knotts Road	4330028	0	0.2	Water in the stopping zone	Need to review to ensure that water is either drained away/the stopping zone needs to be built up to ensure capability of raining	2
1	Knotts Road	4330028	3.65	4.65	Shoulders need to be uniform-both sides	Construct and seal shoulders (Death on road)	2
4	Mackie Siding	4330022	0.48	0.48	Significant damage to river crossing as a result of storm event	Major repairs and upgrade of drainage required (multiple years). Requires redesign	4
1	Mannavale Road	4330002	6.35	12.6	Widening and reseal	Widen road by including shoulders and reseal entire road (multiple years)	3
3	Mannavale Road	4330002	5.92	5.92	Reduced sight lines due to vegetation	Tree pruning	2
0	Marwick Road	4330069	0	0	N/A	N/A	0
4	Mokine Road	4330010	0	0.85	Drain needs to be cleared	Clear drain on RHS only	4
1	Mokine Road	4330010	11.09	11.16	Pavement failure	Dip in road has been temporarily addressed by Shire roads team. Section of road to be cement stabilised by Dec 2022.	1
4	Moore Road	4330063	0	2.5	Drainage needs cleared out	Requires cleaning	4
4	Moore Road	4330063	1.95	1.95	Culvert needs cleaning/Extension	Clean/ Extend	3
4	Moore Road	4330063	1.74	1.74	Culvert needs cleaning/Extension	Clean/ Extend	3
4	Qualen West Road	4330019	10.69	10.69	Drainage scouring due to storm event	Reform drain and shoulder	2
4	Quelington Road	4330006	1.64	1.81	LHS drain needs to clear the vegetation	Requires cleaning	3

Shire of York Road Risk Register							
Damage Parameters: 1 Damage to Road 2 Geometric design 3 Overgrown vegetation 4 Drainage 5 Signage				Timing Parameters: 1 Within 6 months 2 From 6-12 months 3 From 12-24 months 4 From 24-36 months			
Type of Damage	Road Name	ROAD number	SLK From	SLK to	Damage Description	Proposed Remediation	Level
4	Quellington Road	4330006	1.88	2.21	LHS drain needs to clear the vegetation	Requires cleaning	3
4	Quellington Road	4330006	3.6	3.65	LHS drain needs to clear the vegetation	Requires cleaning	3
4	Quellington Road	4330006	4.3	4.3	Culvert needs cleaning/Extension	Requires cleaning	2
1	Quellington Road	4330006	10.04	11.09	Seal needs replacement Shoulder buildup	Road widening needs to go ahead	2
1	Quellington Road	4330006	11.15	14.58	Seal needs replacement Shoulder buildup	Road widening needs to go ahead	2
1	Quellington Road	4330006	14.73	16.66	Seal needs replacement Shoulder buildup	Road widening needs to go ahead	2
1	Quellington Road	4330006	16.85	17.6	Shoulders need to be uniform-both sides	Road widening needs to go ahead	2
3	Quellington Road	4330006	17.6	19.34	Tree trimming require on RHS	Trim trees	2
4	Spencers Brook York Road	4330004	18.62	18.62	Drainage scouring due to storm event	Clear out drain on LHS	2
2	Talbot Road	4330003	4.4	4.4	Geometric issue LHS	Requires Redesign	4
2	Talbot Road	4330003	4.53	4.53	Flat road surface/ slick surface	Requires Redesign	1
2	Talbot Road	4330003	4.71	4.77	Incorrect superelevation/ transition LHS	Requires Redesign	1
4	Talbot Road	4330003	4.8	4.8	No crossover LHS	Install crossover	3
4	Talbot Road	4330003	4.92	4.92	No drainage LHS	Requires cleaning	3
2	Talbot Road	4330003	5.1	5.1	Incorrect camber RHS	Reform to correct camber	1
2	Talbot Road	4330003	5.1	5.1	Shoulder narrow	Increase shoulder	1
2	Talbot Road	4330003	5.1	5.1	Embankment steep	Increase embankment	1
2	Talbot Road	4330003	9.77	10.12	Narrowing of Road on bend and crest	Increase seal width to 7.2 metres	1
2	Talbot Road	4330003	10.12	10.16	Narrowing of culvert	Increase culvert width	1
2	Talbot Road	4330003	10.16	11.52	Narrowing of Road	Increase seal width to 7.2 metres	1
2	Talbot West Road	4330012	30.85	30.95	Intersection redesign	Redesign intersection to current standards	1
3	Talbot West Road	4330012	0	2	Vegetation overgrown	Clear vegetation Both Sides. Works scheduled to be complete by May 2023	4
3	Talbot West Road	4330012	13	12.5	LHS Shoulder needs extension	Build up and seal shoulder. Works scheduled to be complete by May 2023	2
3	Talbot West Road	4330012	15.5	16.7	LHS Shoulder needs extension	Build up and seal shoulder. Works scheduled to be complete by May 2023	2
3	Talbot West Road	4330012	19.4	19.6	Vegetation overgrown	Clear vegetation LHS. Works scheduled to be complete by May 2023	2
3	Talbot West Road	4330012	27.5	27.7	Vegetation overgrown	Clear vegetation LHS. Works scheduled to be complete by May 2023	2
4	Trigg Road	4330201	0	0.22	Insufficient drainage causing damage to road	Design drainage system, reconstruct road where required	4
4	Wallaby Road	4330030	0.2	0.2	Culverts needs to be cleaned out	Clear out drain	1
4	Wambyn Road	4330014	3.18	3.22	LHS drain needs to clear the vegetation	Clear vegetation	2
1	Wambyn Road	4330014	5.33	5.6	Rocks jutting through road	Resheet road to higher level, or redesign	3
4	Wilberforce Road	4330049	0.91	0.91	River crossing still submerged as a result of August 2022 storm event	Structural assessment to be undertaken by independent engineer to assess damage once water levels subside to inform works	3
3	York-Tammin Road	4330001	33.2	33.5	Both sides vegetation cleaning	Clear vegetation	4
1	York-Tammin Road	4330001	32.15	33.2	Both sides edge line - seal	Extend shoulders and seal	3
1	York-Tammin Road	4330001	31.15	31.5	Both shoulders require rework and seal extension	Extend shoulders and seal	3
1	York-Tammin Road	4330001	31.1	31.3	Floodway needs work. Has small potholes throughout the area	Rework pavement and reseal	4
1	York-Tammin Road	4330001	29.3	29.6	Stripping of sealed section	Reseal	4

9.2 RISK MANAGEMENT UPDATE AS AT 31 AUGUST 2022

File Number:	4.4274
Author:	Alina Behan, Executive Manager Corporate & Community Services
Authoriser:	Chris Linnell, Chief Executive Officer
Previously before Council:	28 June 2022 (020622)
Disclosure of Interest:	Nil
Appendices:	1. Risk Dashboard ↓

NATURE OF COUNCIL'S ROLE IN THE MATTER

Executive

PURPOSE OF REPORT

This report provides the Audit and Risk Committee (the Committee) with an update regarding progress on the Shire's Risk Management.

BACKGROUND

The Shire of York's Risk Assessment and Management Policy, in conjunction with the Risk Management Framework, sets out the Shire's approach to the identification, assessment, management and monitoring of risks.

Appropriate governance of risk management within the Shire provides:

1. Transparency of decision making
2. Clear identification of the roles and responsibilities of the risk management functions
3. An effective governance structure to support the Risk Management Framework

The Committee's role and responsibilities include:

1. Regular review of the appropriate and effectiveness of the Risk Management Framework
2. Support Council to provide effective corporate governance
3. Oversight of all matters that relate to the conduct of external audits
4. Must be independent, objective and autonomous in deliberations

It is essential to monitor and review the management of risks as changing circumstances may result in some risks increasing or decreasing in significance. By regularly reviewing the effectiveness and efficiency of controls and appropriateness of treatment/action options selected, it can be determined if the organisation's resources are being put to the best use possible.

An internal Risk Working Group (RWG) has been formed to enable Officers from across the organisation to meet regularly and monitor the progress against the Risk Improvement Plan, Risk Management Framework and Register. Further, the RWG is responsible for implementation of timely and effective remedial measures to address risk management deficiencies.

This report presents an update of risks identified and addressed across the organisation for consideration and recommendation to Council. The Committee last considered the Risk Management Update at its June 2022 meeting which was endorsed by Council at its June 2022 Ordinary Meeting where it resolved (020622):

“That, with regard to the Minutes and Recommendations of the Audit and Risk Committee Meeting held on 14 June 2022, Council:

- 1. Receives the Unconfirmed Minutes of the Audit and Risk Committee (the Committee) Meeting held on 14 June 2022, as presented in Appendix 1, and adopts the following recommendations of the Committee:***
 - a. Accepts the third quarter Finance and Costing Review Summary.***
 - b. Notes the supporting information to the third quarter Finance and Costing Review.***
 - c. Requests the Chief Executive Officer to amend the budget in accordance with the variations.***
 - d. Receives the Shire of York Risk Register Dashboard Report as at 12 May 2022.***
 - e. Notes the progress made to date regarding the actions contained in the Risk Register and that Officers will continue to work through the remaining issues and report back to the next Audit and Risk Committee Meeting in September 2022.”***

In accordance with point 1e of Council’s June 2022 resolution, the Register is presented to the Committee for consideration.

COMMENTS AND DETAILS

The RWG meets regularly to review and update the risk register and prioritise actions considering potential organisational opportunities and the adverse effects that could result. The RWG monitors these risks so that organisational objectives can be achieved considering the Shire’s appetite for risk.

A comprehensive RWG review for this quarter was held on 10 August and 31 August 2022 and the risk dashboard was updated. The dashboard report details a total of seventy-two (72) actions that are still in progress or ongoing or are new actions to be completed. The updated Risk Dashboard is presented in Appendix 1.

Asset Sustainability

The Open Space Asset Management Plan has been completed and the findings presented to the Executive Leadership Team on 19 August 2022. Results show significant expenditure is likely to be required into future years. This will be confirmed with condition surveys later in 2022/23 to inform budget processes. On completion of all Asset Management Plans, the results will be brought to a Council Concept Forum for discussion of ongoing service levels against budget.

Business Continuity Disruption

Staffing – Illness, Attraction and Retention continues to be an ongoing risk to operations. This is being mitigated by wider advertising with the inclusion of full salary package and wellness information. A flexible working policy will be developed to capture the practices already in place, which will be made visible to all future employees. Retention of employees continues to be less of an issue than in other Shires.

IT Disaster Testing was completed on 26 August 2022, which identified that further testing of new software packages will be required in a live environment.

Compliance

The risk for compliance with mandatory training for Bushfire Volunteers under the new *Work Health and Safety Act 2020* has significantly reduced with a major uptake in training in the August sessions. Over eighty (80) volunteers attended sessions across two (2) days.

A new training calendar to refresh staff on all compliance obligations has been prepared in draft format for consideration by the Executive Leadership Team.

Employment Practices

A new Draft Equal Opportunity Policy and Management Plan has been developed for Council adoption.

Engagement

A new Community Scorecard will be undertaken to test the community's perception of the Shire's programs and practices. Community engagement rated poorly on the 2020/21 survey. However, new engagement techniques have been trialled throughout 2022 and if these techniques result in an improvement in perception in the 2022/23 Scorecard, they will be embedded in the new Engagement Framework.

Environment Management

Alterations in the regulations pertaining to pigeon excreta have required external contracts to be put in place to remove faeces build up. Both pigeons and corella management remain reactive at this stage. Measures suggested by visiting experts are too onerous with current resourcing and a whole of Avon region response is being considered by regional Local Government Authorities (LGA).

External Theft and Fraud/Misconduct

Cybersecurity remains an increasing and ongoing risk for all LGAs. Measures are in place through our Strategic IT Plan, Disaster Recovery, and Audit processes. However, these will be examined for completeness by the Office of the Auditor General in its 2021/22 final audit and recommendations made.

IT and Communications Systems

Ongoing failure of services at outstations will be addressed this financial year with budget being provided for fibre to the node for the Administration Office, Residency Museum and Depot. The York Recreation and Convention Centre (YRCC) was recently upgraded with satellite NBN provision.

Safety and Security

Thirteen (13) safety and security items were refreshed or are new items including:

1. Alarm and access upgrades at major facilities
2. Evacuation testing
3. Security measures at Administration Office front counter
4. Bushfire safety

This represents the area with the most outstanding items, of which many are new and emerging and for which mitigation is being sought. Since the register update, progress has been made on many including a large uptake in training and safety inductions for volunteer bushfire fighters which will greatly improve safety on the fire ground and protect the Shire from risk.

New actions

A number of new items have been brought to the Shire's attention during 2022 which have been added to the Risk Register. These include:

1. Recent event issues have highlighted bookings clashes at the YRCC. Investigation is being undertaken to ascertain the issues behind this and to ensure remedies are in place to prevent recurrence.
2. To limit the risk associated with the large volume of cash being handled through the Containers for Change Facility (CFC), cashless measures are being investigated. This will need to be reviewed against the current contract to ensure compliance with CFC agreements.
3. Review of cybersecurity measures (as mentioned above).
4. A review of how conflict of interest declarations can be conducted for staff attending contractor meetings where a prior relationship exists.
5. The need for training to educate staff on new or existing compliance procedures across several fields will be mitigated by the production of an annual training schedule.
6. A potential financial risk where grant funding may be lost when projects are delayed due to difficulties finding contractors, staff or stock items.

7. A review will be conducted to ascertain what additional terms and conditions need to be developed for the Shire Purchase Orders to reduce the Shire's contractual risk.

Ongoing/Superseded Actions

A full list of all complete, superseded, ongoing and new items is presented in Appendix 1.

Going Forward

Due to the impending procurement of a new Enterprise Resource Planning platform is timely to undertake a review of the current risk identification and reporting system. Officers will review the current system and provide options to the Committee through a Workshop for future reporting.

OPTIONS

The Committee has the following options:

Option 1: The Committee could recommend that Council requests the Chief Executive Officer to ensure all issues have been dealt with within a certain timeframe. However, Officers have focused on those issues that present the highest risk to the Shire for immediate action within current resources and will continue to work through the remaining issues on the same basis.

Option 2: The Committee could recommend that the Council accepts the Shire of York Risk Register Dashboard Report as at 31 August 2022.

Option 2 is the recommended option.

IMPLICATIONS TO CONSIDER

Consultative

LGIS

RWG

Office of the Auditor General

Strategic

Strategic Community Plan 2020-2030

Goal 5: Strong Leadership and Governance

To have effective and responsive leadership and governance, where a sense of collective purpose and shared direction combine to work together.

Policy Related

G19 Risk Assessment and Management

Financial

Financial implications of the proposed risk mitigation strategies are presented to Council as they emerge and inform the annual budget process.

Legal and Statutory

Regulation 17 of the *Local Government (Audit) Regulations 1996* is applicable and states:

“17. CEO to review certain systems and procedures

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*
 - (a) *risk management; and*

- (b) *internal control; and*
 - (c) *legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*
- (3) *The CEO is to report to the audit committee the results of that review.”*

Risk Related

The development and regular update of an organisational Risk Register is a risk management tool.

Workforce

It is proposed that risk mitigation actions are undertaken within current resources. Where additional resources are required, this will be identified and submitted as part of the annual budget process.

VOTING REQUIREMENTS

Absolute Majority: No

RECOMMENDATION

That, with regard to the Risk Management Update as at 31 August 2022, the Audit and Risk Committee recommends that Council:

- 1. Receives the Shire of York Risk Register Dashboard Report as at 31 August 2022, as presented in Appendix 1.**
- 2. Notes the progress made to date regarding the actions contained in the Risk Register and that Officers will review the current system and provide options for future reporting.**
- 3. Requests the Chief Executive Officer to present the next review of the Risk Register to the Audit and Risk Committee at its December 2022 Ordinary Meeting.**



Asset Sustainability practices		Risk	Control
		Moderate	Adequate
Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads and playgrounds and all other assets during their lifecycle from procurement to disposal.			
Actions	Due Date	Responsibility	
<i>Maintenance and repairs to be documented as part of AMP's to be redone</i>	<i>Oct-22</i>	<i>EMIDS</i>	
<i>Develop asset replacement program for capital equipment and vehicles</i>	<i>Apr-23</i>	<i>EMIDS</i>	
<i>Review Asset Management Plans and present to Council for noting</i>	<i>Jun-23</i>	<i>EMIDS</i>	
<i>Develop and implement asset management processes</i>	<i>Jun-23</i>	<i>EMIDS</i>	
<i>Prepare Asset Disposal Policy for adoption by Council</i>	<i>Jun-23</i>	<i>FM/EMIDS</i>	

Shire of York Risk Dashboard Report August 2022

<u>Business & Community disruption</u>		Risk	Control
		High	Effective
Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal business activities. This could be a natural disaster, weather event, or an act carried out by an external party (e.g. sabotage / terrorism).			
Actions		Due Date	Responsibility
COVID Work Plan		Ongoing	EMCCS
Staffing - Illness, Attraction & Retention		Ongoing	EMCCS
IT Disaster Recovery Testing		Aug-22	EMCCS



Failure to fulfil Compliance requirements (statutory, regulatory)		Risk	Control
		Moderate	Effective
Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated internal & public domain legal documentation.			
Actions	Due Date	Responsibility	
Review the Risk Register quarterly	Ongoing	EMCCS	
Undertake training for staff that includes refresher training on policies and procedures including changes to the Local Government Act.	Ongoing	EMCCS	
Bushfire Compliance - WHS Procedures	Sep-22	EMIDS	
Review and refresh Compliance Calendar and report to AARC	Aug-22	EMCCS	
Increasing number of dog attacks and compliance issues. Ranger absence. Risk to Level of Service	Sep-22	EMIDS	
DMIRS new requirements for asbestos reporting	Ongoing	EMIDS	



<u>Document Management processes</u>		Risk	Control
		Moderate	Effective
Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation.			
Actions		Due Date	Responsibility
<i>Prepare project brief for records digitisation and disposal for consideration in 2023/24 budget</i>		<i>Mar-23</i>	<i>AGC</i>
<i>Develop a culture of good record-keeping</i>		<i>Ongoing</i>	<i>ELT</i>
<i>Develop succession planning strategies</i>		<i>Ongoing</i>	<i>EMCCS</i>
<i>iAuditor App being examined for storage and collection of WHS issues to promote ease of use and encourage compliance</i>		<i>Dec-23</i>	<i>EMIDS</i>
<i>Additional applications for compliance, WHS etc will dilute the 'one source of truth' record keeping system</i>		<i>Ongoing</i>	<i>AGC</i>

Shire of York Risk Dashboard Report August 2022

<u>Employment practices</u>		Risk	Control
		Moderate	Adequate
Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers).			
Actions	Due Date	Responsibility	
<i>Review Performance Management Process</i>	<i>Ongoing</i>	<i>EMCCS</i>	
<i>Ensure annual budget allocation to subscribe to WALGA HR assistance services</i>	<i>Ongoing</i>	<i>EMCCS</i>	
<i>Implement annual training program for staff that includes refresher training on policies and procedures</i>	<i>Ongoing</i>	<i>EMCCS</i>	
<i>Review Workforce Plan - informed gap analysis project</i>	<i>Dec-22</i>	<i>EMCCS</i>	
<i>Training needs identified as part of annual budget process</i>	<i>Ongoing</i>	<i>Executive & Supervisors</i>	
<i>Complete Employee Manual for inclusion in employee inductions</i>	<i>Ongoing</i>	<i>ESO/HR</i>	
<i>Include Employee Assistance Program in Employee Manual</i>	<i>Ongoing</i>	<i>EMCCS</i>	



Engagement practices		Risk	Control
		Low	Effective
Failure to maintain effective working relationships with the Community (including local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This includes activities where communication, feedback or consultation is required and where it is in the best interests to do so.			
Actions	Due Date	Responsibility	
<i>Implement the actions contained in the Disability Access & Inclusion Plan</i>	<i>Jun-22</i>	<i>EMCCS</i>	
<i>Develop new Engagement Framework</i>	<i>Jun-23</i>	<i>EMCCS</i>	
<i>Undertake Community Scorecard 2022/23</i>	<i>Jun-23</i>	<i>EMCCS</i>	



<u>Environment management</u>		Risk	Control
		Moderate	Adequate
Inadequate prevention, identification, enforcement and management of environmental issues.			
Actions		Due Date	Responsibility
Conduct a recycling education program once new waste collection contract is signed		Jun-23	EHO
Develop a strategy to manage corrella control in the Shire of York		Ongoing	DSC/EHO
Develop and implement procedures for the use of hazardous chemicals to include strategies for community consultation		Jun-23	EMIDS
Identification of new and review of current hockey stick locations for endangered flora on roadsides		Ongoing	EMIDS

Shire of York Risk Dashboard Report August 2022

Errors, omissions & delays			Risk	Control
			Moderate	Effective
Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process including incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff.				
Actions	Due Date	Responsibility		
<i>Implement a staff training program that includes refresher training on procurement</i>	<i>Ongoing</i>	<i>EMCCS</i>		
<i>Review Procurement Policy and Procedures</i>	<i>Reinstated</i>	<i>FM</i>		
<i>Works delayed by stock items</i>	<i>Ongoing</i>	<i>EMIDS</i>		



<u>External theft & fraud (Including Cyber)</u>		Risk	Control
		High	Adequate
Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any means (including electronic).			
Actions	Due Date	Responsibility	
<i>Document clear internal processes and systems to report any potential fraud, that include anonymous reporting (Fraud & Corruption)</i>	<i>Jun-23</i>	<i>EMCCS</i>	
<i>Investigate cashless operations at CFC facility</i>	<i>Jun-23</i>	<i>EMIDS</i>	
<i>Review cybersecurity measures</i>	<i>Jun-23</i>	<i>EMCCS/FM</i>	
<i>Review procedures and provide refresher training on cash handling</i>	<i>Mar-22</i>	<i>FM</i>	

Shire of York Risk Dashboard Report August 2022

IT or communication systems and infrastructure			Risk	Control
			Moderate	Adequate
<p>Disruption, financial loss or damage to reputation from a failure of information technology systems.</p> <p>Instability, degradation of performance, or other failure of IT or communication system or infrastructure causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked.</p>				
Actions		Due Date	Responsibility	
<i>Investigate and implement transition to new communications provider</i>		<i>Jun-19</i>	<i>IT/P</i>	
<i>Improve levels of service at Shire outstations (Museum, Pool, Depot, YRCC)</i>		<i>Jun-23</i>	<i>IT/P</i>	
<i>Implement regular testing regime for effectiveness of IT Disaster Recovery Plan</i>		<i>Ongoing</i>	<i>IT/P</i>	
<i>Hot water system leak in server room to be rectified</i>		<i>Ongoing</i>	<i>EMIDS</i>	



Management of Facilities / Venues / Events		Risk	Control
		Low	Adequate
Failure to effectively manage the day to day operations of facilities, venues and / or events.			
Actions	Due Date	Responsibility	
<i>Social distancing measures and signage to be displayed in all Shire facilities</i>	<i>Ongoing</i>	<i>DSC</i>	
<i>Maintain and record COVID-19 cleaning regime</i>	<i>Ongoing</i>	<i>EHO</i>	
<i>Events Committee to undertake desktop review of event management procedures</i>	<i>Ongoing</i>	<i>EEDO</i>	
<i>Develop procedures for facility bookings and feedback - events especially</i>	<i>Ongoing</i>	<i>AGC/EMIDS ESO</i>	
<i>Review signage for all venues giving consideration to the Access and Inclusion Audit</i>	<i>Ongoing</i>	<i>DSC/PMO</i>	
<i>YRCC sharing of information with teams re bookings</i>	<i>Sep-22</i>	<i>EMCCS</i>	
<i>Investigate online booking system to be integrated into Shire website for community bookings</i>	<i>Jun-23</i>	<i>AGC</i>	
<i>Booking forms to include details of Evacuation Plans for all facilities</i>	<i>Dec-19</i>	<i>EMIDS ESO/AGC</i>	



Misconduct		Risk	Control
		Moderate	Adequate
Intentional activities intended to circumvent the Code of Conduct or activities in excess of authority, which circumvent endorsed policies, procedures or delegated authority.			
Actions	Due Date	Responsibility	
<i>Review Delegation Authority Register to ensure details of sub-delegations are accurate</i>	<i>Ongoing</i>	<i>AGC</i>	
<i>Develop a Fraud and Corruption Framework for review every 2 years</i>	<i>Ongoing</i>	<i>ELT</i>	
<i>Develop and implement a periodic fraud awareness training program for all staff</i>	<i>Ongoing</i>	<i>EMCCS</i>	
<i>Undertake training for all staff on HR policies and procedures</i>	<i>Jun-19</i>	<i>EMCCS</i>	
<i>Develop and implement an annual staff training program that includes refresher training in HR policies and procedures</i>	<i>Jun-19</i>	<i>EMCCS</i>	
<i>Review cash handling procedures for outstations</i>	<i>Dec-22</i>	<i>FM</i>	
<i>Review stocktaking procedures for minor plant and equipment, portable and attractive items</i>	<i>Feb-23</i>	<i>FM</i>	
<i>Declarations of conflict of interest when staff attend meetings with contractors where they could influence the work</i>	<i>Ongoing</i>	<i>EMIDS</i>	



Project / Change management		Risk	Control
		Moderate	Adequate
Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time delays or scope changes.			
Actions	Due Date	Responsibility	
<i>Develop and implement procedures around Grants Management</i>	<i>Jun-23</i>	<i>FM/EMIDS</i>	
<i>Incorporate review of grants register into quarterly FACR processes</i>	<i>Incomplete</i>	<i>FM/EMIDS</i>	
<i>Implement new contractor/project management procedures and forms and train all relevant staff. Include this in annual refresher training</i>	<i>Jun-23</i>	<i>EMIDS</i>	
<i>Financial risk in completing projects in time to acquit against grants</i>	<i>Dec-23</i>	<i>EMIDS</i>	

Shire of York Risk Dashboard Report August 2022

Safety and Security practices		Risk	Control
		Moderate	Adequate
<p>Non-compliance with the Occupation Safety & Health Act, associated regulations and standards.</p> <p>It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are negligence or carelessness.</p>			
Actions	Due Date	Responsibility	
<i>CCTV to be installed at all buildings</i>	<i>Jun-18</i>	<i>IT/P</i>	
<i>Update Evacuation Plans for the Depot to include new security gates and undertake emergency exercise</i>	<i>Dec-22</i>	<i>EMIDS</i>	
<i>Access register to be developed and maintained for Depot</i>	<i>Sep-22</i>	<i>OA0</i>	
<i>Adopt OSH Policy and Safety Manuals for staff</i>	<i>Jun-23</i>	<i>EMCCS</i>	
<i>Review Safety Wardens at outstations and provide training</i>	<i>Ongoing</i>	<i>ESO EMIDS</i>	
<i>MSDS for Depot missing - sheets and register to be updated</i>	<i>Oct-22</i>	<i>SO</i>	
<i>Undertake access and alarm upgrades at Administration, YRCC and Museum</i>	<i>Jun-23</i>	<i>EMIDS</i>	
<i>Undertake Emergency Evacuation testing at all facilities</i>	<i>Dec-22</i>	<i>EMIDS</i>	
<i>Front counter replacement to consider upgraded security measures</i>	<i>Jun-23</i>	<i>EMIDS</i>	
<i>Mechanism for flagging aggressive customers and properties</i>	<i>Jun-23</i>	<i>ELT</i>	
<i>Bushfire volunteer safety inductions and training</i>	<i>Oct-22</i>	<i>EMIDS ESO</i>	
<i>Update procedure to reflect LGIS requirements for fire ground attendance</i>	<i>Oct-22</i>	<i>EMIDS ESO</i>	
<i>Clarification from LGIS on private vehicle attendance to a fire ground</i>	<i>Oct-22</i>	<i>EMIDS ESO</i>	
<i>Undertake training in OSH policies</i>	<i>Ongoing</i>	<i>EMIDS</i>	



Supplier / Contract management		Risk	Control
		Moderate	Adequate
Inadequate management of external Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes.			
Actions	Due Date	Responsibility	
<i>Seek explanations for non-compliance and provide information on PO before authorisation</i>	<i>Ongoing</i>	<i>ELT</i>	
<i>Develop Statement of Business Ethics</i>	<i>Paused</i>	<i>EMCCS</i>	
<i>Implement regular monitoring of contracts register</i>	<i>Ongoing</i>	<i>EMIDS</i>	
<i>Purchase orders need review to include terms and conditions to form a more comprehensive contract</i>	<i>Feb-22</i>	<i>FM</i>	
<i>Contractor Management Procedures</i>	<i>Dec-22</i>	<i>EMIDS</i>	

9.3 STATUS UPDATE ON THE APPOINTMENT OF AN EXTERNAL MEMBER REPRESENTATIVE TO THE AUDIT AND RISK COMMITTEE

File Number:	4.4175
Author:	Vanessa Green, Council & Executive Support Officer
Authoriser:	Chris Linnell, Chief Executive Officer
Previously before Council:	22 June 2021 (140621) 28 September 2021 (040921) 23 November 2021 (331121) 22 March 2022 (020322)
Disclosure of Interest:	Nil
Appendices:	Nil

NATURE OF COUNCIL'S ROLE IN THE MATTER

Executive

Review

PURPOSE OF REPORT

This report provides an update to the Audit and Risk Committee (the Committee) on the status to appoint a second external member.

BACKGROUND

At its October 2020 Ordinary Meeting Council considered the membership of the Committee and resolved, in part, that the Chief Executive Officer be requested to prepare a report that would include independent members onto the Committee.

At its May 2021 Concept Forum Council were presented with an update on the report and the proposal to include external, independent members on the Committee. The general direction given by Council was to proceed with the process. Therefore, Officers developed documentation to include:

- Expression of Interest (EOI)
- EOI Advertisement
- EOI Application Form
- Review of Terms of Reference (ToR)

That documentation was presented to Council at its June 2021 Ordinary Meeting where Council resolved (140621):

“That, with regard to the Audit & Risk Committee - Review of Terms of Reference and External Representation, Council:

- 1. Adopts the Terms of Reference, as presented in Appendix 1.***
- 2. Requests the Chief Executive Officer to conduct an advertising process of not less than 14 days calling for expressions of interest from suitably qualified and skilled persons to be appointed as external representatives to the Shire of York Audit & Risk Committee, utilising the documentation presented in Appendix 2.***

- 3. Requests the Chief Executive Officer to present all applications received to the next available meeting of the Audit & Risk Committee for consideration and recommendation to Council.**
- 4. Authorises the Chief Executive Officer to make any necessary minor typographical and formatting changes to the documentation prior to publication."**

Subsequently, Local Public Notice calling for EOIs was published from 1 July 2021 with the closing date for applications being Thursday 29 July 2021. Three requests for the EOI documentation were received and following the close of applications, two (2) applications had been submitted. One of the applicants withdrew their application for personal reasons, leaving one (1) application received.

The application was presented to the Committee at its September 2021 Meeting, with the recommendation subsequently considered by Council at its September 2021 Meeting where it resolved (040921):

"That, with regard to the Minutes of the Audit & Risk Committee Meeting held on 7 September 2021, Council:

- 1. Receives the minutes of the Audit & Risk Committee Meeting held on 7 September 2021, as presented in Appendix 1, and adopts the following recommendations of the Committee:**
 - (a) Selects Mr Peter Carden as the proposed external member of the Audit & Risk Committee, noting the appointment of the external Audit & Risk Committee member will be formally determined by Council at its Ordinary Council Meeting on 23 November 2021 following the 2021 Ordinary Elections.**
 - (b) Receives the Road Risk Register with the understanding that it is a living document that will be updated on an as needs basis and requests the Chief Executive Officer to present the next review of the Road Risk Register to the Audit and Risk Committee in March 2022."**

In accordance with point 1(a) of the resolution, Council considered the appointment of Mr Carden at its November 2021 Meeting where it resolved (331121):

"That, with regard to the Appointment of Delegates to Council Committees, and in accordance with Section 7.1A of the Local Government Act 1995, Council:

- 1. Appoints Cr Denese Smythe, Cr Denis Warnick and Cr Kevin Trent to the Shire of York Audit and Risk Committee, with all other Councillors appointed as Deputies.**
- 2. Appoints Mr Peter Carden as the external member of the Audit and Risk Committee.**
- 3. Requests the Chief Executive Officer to conduct an advertising process of not less than 14 days calling for expressions of interest from suitably qualified and skilled persons to be appointed as the second external representative to the Shire of York Audit & Risk Committee, utilising the documentation previously developed.**
- 4. Requests the Chief Executive Officer to present all applications received to the March 2022 meeting of the Audit & Risk Committee for consideration and recommendation to Council.**
- 5. Authorises the Chief Executive Officer to make any necessary minor typographical and formatting changes to the documentation prior to publication."**

In accordance with point 3 of the above resolution Local Public Notice calling for EOIs was published from 3 December 2021 with the closing date for applications being 12pm WST Friday 28 January 2022. The advertising consisted of a notice in the York & District Community Matters, on the Shire's website, noticeboards and via social media.

During the advertising period there were no requests for the application package and at the close of applications, none had been received. At its March 2022 Meeting Council again considered the matter and resolved (020322):

“That, with regard to the Minutes and Recommendations of the Audit and Risk Committee Meetings held on 8 February 2022 and 8 March 2022, Council:

- 1. Receives the Confirmed Minutes of the Audit and Risk Committee Special Meeting held on 8 February 2022, as presented in Appendix 1, noting the recommendations were dealt with at Council’s Special Meeting held on Tuesday 15 February 2022.***
- 2. Receives the Unconfirmed Minutes of the Audit and Risk Committee Meeting held on 8 March 2022, as presented in Appendix 2, and adopts the following recommendations of the Committee:***
 - a. Notes the progress made to date regarding the actions contained in the Risk Register.***
 - b. Requests the Chief Executive Officer to report progress against the Risk Register quarterly to the Audit and Risk Committee.***
 - c. Receives the Road Risk Register with the understanding that it is a living document that will be updated on an as needs basis.***
 - d. Requests the Chief Executive Officer to present the next review of the Road Risk Register to the Audit and Risk Committee in September 2022.***
 - e. Adopts the completed 2021 Compliance Audit Return for certification by the Shire President and the Chief Executive Officer in accordance with Regulation 15(2) of the Local Government (Audit) Regulations 1996.***
 - f. Requests the Chief Executive Officer to submit the 2021 Compliance Audit Return to the Departmental CEO of the Department of Local Government, Sport and Cultural Industries prior to 31 March 2022 in accordance with Regulation 15(1) of the Local Government (Audit) Regulations 1996.***
 - g. Resolves not to advertise for a second External Member of the Audit and Risk Committee at this time.***
 - h. Requests the Chief Executive Officer to readvertise for an external member in six (6) months’ time and report back within nine (9) months to the following Audit and Risk Committee Meeting.***
- 3. Notes the Mid Year Budget Review will be further reviewed and presented to a future Special Audit and Risk Committee Meeting then to Council for consideration before the end of April 2022.”***

COMMENTS AND DETAILS

In accordance with point 2(h) of Council’s March 2022 resolution an EOI is currently being advertised via the Shire’s website, Facebook, notice boards and in the September 2022 edition of the York & District Community Matters with a closing date of Friday 30 September 2022.

At the time of writing this report, three (3) requests for the EOI documentation had been received and one (1) application submitted.

All applications received will be presented to the Committee’s December 2022 Ordinary Meeting. Alternatively, the Committee may wish to conduct a Special Meeting to consider the applications earlier.

OPTIONS

The Committee has the following options:

- Option 1:** The Committee could recommend that Council notes EOIs are currently open for external membership to the Committee, with all applications received being presented to the Committee’s December 2022 Meeting for consideration.

Option 2: The Committee could recommend that Council notes EOIs are currently open for external membership to the Committee and call a Special Meeting to consider the applications received.

Option 1 is the recommended option.

IMPLICATIONS TO CONSIDER

Consultative

Audit and Risk Committee Meetings

Council Concept Forums and Meetings

Executive Leadership Team

Community advertising period from 2 July 2021 to 29 July 2021

Community advertising period from 3 December 2021 to 28 January 2022

Strategic

Strategic Community Plan 2020-2030

Goal 5: Strong Leadership and Governance

To have effective and responsive leadership and governance, where a sense of collective purpose and shared direction combine to work together.

Policy Related

E1 Code of Conduct – Council Members – Committee Members – Candidates

Financial

Section 5.100(1) of the *Local Government Act 1995* prohibits a person who is a committee member but who is not a council member or an employee to be paid a fee for attending any committee meeting. However, subject to an appropriate resolution of Council, upon submission of receipts, reimbursement of reasonable expenses in accordance with Section 5.100(2) of the *Local Government Act 1995* may be provided to the external representatives. Should that occur, an allocation for an amount considered suitable would need to be included in future annual budgets for that purpose. Such reasonable expenses would include travel, childcare, information technology/data as specified in Regulation 31 of the *Local Government (Administration) Regulations 1996*.

Legal and Statutory

Sections 5.10, 5.11 and 5.100 of the *Local Government Act 1995* are applicable and state:

“5.10. Committee members, appointment of

(1) A committee is to have as its members —

- (a) persons appointed* by the local government to be members of the committee (other than those referred to in paragraph (b)); and
- (b) persons who are appointed to be members of the committee under subsection (4) or (5).

* Absolute majority required.

- (2) At any given time each council member is entitled to be a member of at least one committee referred to in section 5.9(2)(a) or (b) and if a council member nominates himself or herself to be a member of such a committee or committees, the local government is to include that council member in the persons appointed under subsection (1)(a) to at least one of those committees as the local government decides.

- (3) *Section 52 of the Interpretation Act 1984 applies to appointments of committee members other than those appointed under subsection (4) or (5) but any power exercised under section 52(1) of that Act can only be exercised on the decision of an absolute majority of the council.*
- (4) *If at a meeting of the council a local government is to make an appointment to a committee that has or could have a council member as a member and the mayor or president informs the local government of his or her wish to be a member of the committee, the local government is to appoint the mayor or president to be a member of the committee.*
- (5) *If at a meeting of the council a local government is to make an appointment to a committee that has or will have an employee as a member and the CEO informs the local government of his or her wish —*
 - (a) *to be a member of the committee; or*
 - (b) *that a representative of the CEO be a member of the committee,**the local government is to appoint the CEO or the CEO's representative, as the case may be, to be a member of the committee."*

"5.11. Committee membership, tenure of

- (1) *Where a person is appointed as a member of a committee under section 5.10(4) or (5), the person's membership of the committee continues until —*
 - (a) *the person no longer holds the office by virtue of which the person became a member, or is no longer the CEO, or the CEO's representative, as the case may be; or*
 - (b) *the person resigns from membership of the committee; or*
 - (c) *the committee is disbanded; or*
 - (d) *the next ordinary elections day,**whichever happens first.*
- (2) *Where a person is appointed as a member of a committee other than under section 5.10(4) or (5), the person's membership of the committee continues until —*
 - (a) *the term of the person's appointment as a committee member expires; or*
 - (b) *the local government removes the person from the office of committee member or the office of committee member otherwise becomes vacant; or*
 - (c) *the committee is disbanded; or*
 - (d) *the next ordinary elections day,**whichever happens first.*

5.100. Payments for certain committee members

- (1) *A person who is a committee member but who is not a council member or an employee is not to be paid a fee for attending any committee meeting.*
- (2) *Where —*
 - (a) *a local government decides that any person who is a committee member but who is not a council member or an employee is to be reimbursed by the local government for an expense incurred by the person in relation to a matter affecting the local government; and*
 - (b) *a maximum amount for reimbursement of expenses has been determined for the purposes of section 5.98(3)(b),**the local government must ensure that the amount reimbursed to that person does not exceed that maximum."*

Section 7.1A of the *Local Government Act 1995* is also applicable and states:

“7.1A. Audit committee

- (1) *A local government is to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.*
- (2) *The members of the audit committee of a local government are to be appointed* by the local government and at least 3 of the members, and the majority of the members, are to be council members.*

** Absolute majority required.*

- (3) *A CEO is not to be a member of an audit committee and may not nominate a person to be a member of an audit committee or have a person to represent the CEO as a member of an audit committee.*
- (4) *An employee is not to be a member of an audit committee.”*

Regulation 16 and 17 of the *Local Government (Audit) Regulations 1996* are applicable to the functions of an audit committee and state:

“16. Functions of audit committee

An audit committee has the following functions —

- (a) *to guide and assist the local government in carrying out —*
 - (i) *its functions under Part 6 of the Act; and*
 - (ii) *its functions relating to other audits and other matters related to financial management;*
- (b) *to guide and assist the local government in carrying out the local government’s functions in relation to audits conducted under Part 7 of the Act;*
- (c) *to review a report given to it by the CEO under regulation 17(3) (the **CEO’s report**) and is to —*
 - (i) *report to the council the results of that review; and*
 - (ii) *give a copy of the CEO’s report to the council;*
- (d) *to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —*
 - (i) *regulation 17(1); and*
 - (ii) *the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (e) *to support the auditor of the local government to conduct an audit and carry out the auditor’s other duties under the Act in respect of the local government;*
- (f) *to oversee the implementation of any action that the local government —*
 - (i) *is required to take by section 7.12A(3); and*
 - (ii) *has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and*
 - (iii) *has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and*
 - (iv) *has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*

- (g) *to perform any other function conferred on the audit committee by these regulations or another written law.*

17. CEO to review certain systems and procedures

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*
- (a) *risk management; and*
 - (b) *internal control; and*
 - (c) *legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*
- (3) *The CEO is to report to the audit committee the results of that review."*

Risk Related

As one (1) external member has already been appointed to the Committee it can be considered the level of risk is reduced due to their provision of independent transparency and oversight.

Workforce

The time to administer the Committee is managed within existing resources.

VOTING REQUIREMENTS

Absolute Majority: No

RECOMMENDATION

That, with regard to the Status Update on the Appointment of an External Member Representative to the Audit and Risk Committee, the Audit and Risk Committee recommends to Council that it:

- 1. Notes that Expressions of Interest for an external representative to the Audit and Risk Committee are currently open with a closing date of Friday 30 September 2022.**
- 2. Notes that all applications received for external membership will be presented to the Audit and Risk Committee's December 2022 Meeting for consideration.**

10 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

11 QUESTIONS FROM MEMBERS WITHOUT NOTICE

12 BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

13 CLOSURE