



Shire of Dardanup

# A G E N D A

## AUDIT & RISK COMMITTEE MEETING

To Be Held

Wednesday, 12<sup>th</sup> March 2025  
Commencing at 2.00pm

At

Shire of Dardanup  
ADMINISTRATION CENTRE EATON  
1 Council Drive - EATON

This document is available in alternative formats such as:  
~ Large Print  
~ Electronic Format [disk or emailed]  
Upon request.

## NOTICE OF AN AUDIT & RISK COMMITTEE MEETING

Dear Committee Member

The Audit & Risk Committee Meeting of the Shire of Dardanup will be held on Wednesday 12<sup>th</sup> March 2025 to be held at the Eaton Administration Centre - commencing at 2.00pm.

**MR ANDRÉ SCHÖNFELDT**  
Chief Executive Officer

Date: 7<sup>th</sup> March 2025

**Note: If interested persons would like to make comment on any items in this agenda, please email [records@dardanup.wa.gov.au](mailto:records@dardanup.wa.gov.au) or hand deliver written comment to the Shire of Dardanup – Administration Centre Eaton, 1 Council Drive, Eaton. To be included in the meeting comments are to be delivered no later than 48 hours prior to the meeting.**

**The Chief Executive Officer will use his discretion as to whether the written comments are relevant and applicable to the meeting before approving their inclusion in the meeting.**

---

## VISION STATEMENT

**“Provide effective leadership in encouraging balanced growth and development of the Shire while recognizing the diverse needs of our communities.”**

---

# TABLE OF CONTENTS

<b>1</b>	<b>DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS .....</b>	<b>1</b>
<b>2.</b>	<b>RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE PREVIOUSLY APPROVED .....</b>	<b>1</b>
2.1	Attendance.....	1
2.2	Apologies.....	1
<b>3</b>	<b>Response to previous public questions taken on notice .....</b>	<b>2</b>
<b>4.</b>	<b>PUBLIC QUESTION TIME.....</b>	<b>2</b>
<b>5.</b>	<b>PETITIONS/DEPUTATIONS/PRESENTATIONS .....</b>	<b>2</b>
<b>6.</b>	<b>CONFIRMATION OF MINUTES OF PREVIOUS MEETING.....</b>	<b>2</b>
6.1	Minutes - Audit and Risk - December 2024.....	2
<b>7.</b>	<b>ANNOUNCEMENTS OF MATTERS FOR WHICH MEETING MAY BE CLOSED.....</b>	<b>3</b>
<b>8.</b>	<b>QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN .....</b>	<b>4</b>
<b>9.</b>	<b>DECLARATION OF INTEREST .....</b>	<b>4</b>
<b>10.</b>	<b>REPORTS OF OFFICERS AND COMMITTEES .....</b>	<b>5</b>
10.1	Title: 2024 Compliance Audit Return .....	5
10.2	Title: Biannual Compliance Task Report.....	8
10.3	Title: Regulation 17 Triennial Review – March 2025 Update Report .....	11
10.4	Title: 2025 Financial Management System Review .....	16
10.5	Title: Business Continuity Plan .....	24
<b>11.</b>	<b>ELECTED MEMBER MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN .....</b>	<b>27</b>
<b>12.</b>	<b>NEW BUSINESS OF AN URGENT NATURE.....</b>	<b>27</b>
<b>13.</b>	<b>MATTERS BEHIND CLOSED DOORS .....</b>	<b>27</b>
13.1	Title: Information Systems Security Report.....	28
<b>14.</b>	<b>CLOSURE OF MEETING.....</b>	<b>28</b>

COMMITTEE MEMBERSHIP:

- CR T GARDINER
- CR. E LILLY
- CR. M HUTCHINSON
- CR. S. GILLESPIE
- CR. J. MANONI

AUDIT & RISK COMMITTEE CHARTER

The Terms of Reference for this Committee are located in the Tardis records system – refer to the following link:  
[2023 - ToR - Audit and Risk Committee](#)

### COUNCIL ROLE

Advocacy	When Council advocates on its own behalf or on behalf of its community to another level of government / body /agency.
Executive/Strategic	The substantial direction setting and oversight role of the Council eg. Adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
Legislative	Includes adopting local laws, town planning schemes and policies.
Review	When Council reviews decisions made by Officers.
Quasi-Judicial	<p>When Council determines an application/matter that directly affects a person’s rights and interests. The Judicial character arises from the obligations to abide by the principles of natural justice.</p> <p>Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg: under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</p>

### DISCLAIMER

“Any statement, comment or decision made at a Council or Committee meeting regarding any application for an approval, consent or licence, including a resolution of approval, is not effective as an approval of any application and must not be relied upon as such.

Any person or entity that has an application before the Shire must obtain, and should only rely on, written notice of the Shire’s decision and any conditions attaching to the decision, and cannot treat as an approval anything said or done at a Council or Committee meeting.

Any advice provided by an employee of the Shire on the operation of a written law, or the performance of a function by the Shire, is provided in the capacity of an employee, and to the best of that person’s knowledge and ability. It does not constitute, and should not be relied upon, as a legal advice or representation by the Shire. Any advice on a matter of law, or anything sought to be relied upon as a representation by the Shire should be sought in writing and should make clear the purpose of the request.”

### RISK ASSESSMENT

<b>Inherent Risk</b>	The level of risk in place in order to achieve the objectives of the Council and before actions are taken to alter the risk’s impact or likelihood.
<b>Residual Risk</b>	The remaining level of risk following the development and implementation of Council’s response.
<b>Strategic Context</b>	These risks are associated with achieving Council’s long term objectives.
<b>Operational Context</b>	These risks are associated with the day-to-day activities of the Council.
<b>Project Context</b>	<p>Project risk has two main components:</p> <ul style="list-style-type: none"> <li>• Direct refers to the risks that may arise as a result of project, which may prevent the Council from meeting its objectives.</li> <li>• Indirect refers to the risks which threaten the delivery of project outcomes.</li> </ul>

**RISK CATEGORY CONSEQUENCE TABLE - GUIDELINE**

Rating (Level)	Health	Financial Impact	Service Interruption	Legal and Compliance	Reputational	Environmental	Property
<b>Insignificant (1)</b>	Near miss Minor first aid injuries	Less than \$10,000	No material service interruption - backlog cleared < 6 hours	<b>Compliance</b> - No noticeable regulatory or statutory impact. <b>Legal</b> - Threat of litigation requiring small compensation. <b>Contract</b> - No effect on contract performance.	Unsubstantiated, low impact, low profile or 'no news' item. <b>Example:</b> Gossip, Facebook item seen by limited persons.	Contained, reversible impact managed by on site response.	Inconsequential or no damage.
<b>Minor (2)</b>	Medical type injuries	\$10,001 - \$50,000	Short term temporary interruption – backlog cleared < 1 day	<b>Compliance</b> - Some temporary non compliances. <b>Legal</b> - Single minor litigation. <b>Contract</b> - Results in meeting between two parties in which one party expresses concern.	Substantiated, low impact, low news item. <b>Example:</b> Local paper / Industry news article, Facebook item seen by multiple groups.	Contained, reversible impact managed by internal response.	Localised damage rectified by routine internal procedures.
<b>Moderate (3)</b>	Lost time injury <30 days	\$50,001 - \$300,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	<b>Compliance</b> - Short term non-compliance but with significant regulatory requirements imposed. <b>Legal</b> - Single moderate litigation or numerous minor litigations. <b>Contract</b> - Receive verbal advice that, if breaches continue, a default notice may be issued.	Substantiated, public embarrassment, moderate impact, moderate news profile. <b>Example:</b> State-wide paper, TV News story.	Contained, reversible impact managed by external agencies.	Localised damage requiring external resources to rectify.
<b>Major (4)</b>	Long-term disability/ multiple injuries Lost time injury >30 days	\$300,001 - \$1.5 million	Prolonged interruption of services – additional resources; performance affected < 1 month	<b>Compliance</b> - Non-compliance results in termination of services or imposed penalties. <b>Legal</b> - Single major litigation or numerous moderate litigations. <b>Contract</b> - Receive/issue written notice threatening termination if not rectified.	Substantiated, public embarrassment, high impact, high news profile, third party actions. <b>Example:</b> Australia wide news stories. Regulatory / Political commentary involvement.	Uncontained, reversible impact managed by a coordinated response from external agencies.	Significant damage requiring internal & external resources to rectify.
<b>Catastrophic (5)</b>	Fatality, permanent disability	More than \$1.5 million	Indeterminate prolonged interruption of services – non-performance > 1 month	<b>Compliance</b> - Non-compliance results in litigation, criminal charges or significant damages or penalties. <b>Legal</b> - Numerous major litigations. <b>Contract</b> - Termination of contract for default.	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions. <b>Example:</b> Worldwide news, Focused articles (e.g. 60 minutes). Regulatory / Political oversight and involvement.	Uncontained, irreversible impact.	Extensive damage requiring prolonged period of restitution.  Complete loss of plant, equipment & building.

**RISK - LIKELIHOOD TABLE**

LEVEL	RATING	DESCRIPTION	FREQUENCY
5	<b>Almost Certain</b>	The event is expected to occur in most circumstances	The event is expected to occur more than once per year
4	<b>Likely</b>	The event will probably occur in most circumstances	The event will probably occur at least once per year
3	<b>Possible</b>	The event should occur at some time	The event should occur at least once in 3 years
2	<b>Unlikely</b>	The event could occur at some time	The event could occur at least once in 10 years
1	<b>Rare</b>	The event may only occur in exceptional circumstances	The event is not expected to occur more than once in 15 years

**LEVEL OF RISK GUIDE**

CONSEQUENCE		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD		1	2	3	4	5
Almost Certain	5	Moderate (5)	Moderate (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	Moderate (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

**SHIRE OF DARDANUP**

**AGENDA FOR THE SHIRE OF DARDANUP AUDIT & RISK COMMITTEE MEETING TO BE HELD ON WEDNESDAY, 12<sup>TH</sup> OF MARCH 2025, AT SHIRE OF DARDANUP – EATON ADMINISTRATION CENTRE, COMMENCING AT 2.00PM.**

**1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

The Chairperson to declare the meeting open, welcome those in attendance and refer to the Acknowledgement of Country; Emergency Procedures; and the Disclaimer and Affirmation of Civic Duty and Responsibility on behalf of Councillors and Officers:

*Acknowledgement of Country*

*The Shire of Dardanup wishes to acknowledge that this meeting is being held on the traditional lands of the Noongar people. In doing this, we recognise and respect their continuing culture and the contribution they make to the life of this region and pay our respects to their elders, past, present and emerging. The Shire of Dardanup also respects and celebrates all cultures of all our residents and those visitors to our Shire.*

*Emergency Procedure*

*In the event of an emergency, please follow the instructions of the Chairperson who will direct you to the safest exit route. Once outside, you will be directed to an appropriate Assembly Area where we will meet (and complete a roll call).*

*Affirmation of Civic Duty and Responsibility*

*Councillors and Officers of the Shire of Dardanup collectively declare that we will duly, faithfully, honestly and with integrity fulfil the duties of our respective office and positions for all the people in the district according to the best of our judgement and ability. We will observe the Shire's Code of Conduct and Standing Orders to ensure efficient, effective and orderly decision making within this forum.*

**2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE PREVIOUSLY APPROVED****2.1 Attendance****2.2 Apologies**

**3 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

None.

**4. PUBLIC QUESTION TIME**

None.

**5. PETITIONS/DEPUTATIONS/PRESENTATIONS**

None.

**6. CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

[6.1 \*Minutes - Audit and Risk - December 2024\*](#)

**OFFICER RECOMMENDED RESOLUTION**

**THAT the Minutes of the Audit & Risk Committee Meeting held on 11<sup>th</sup> of December 2024, be confirmed as true and correct subject to no / the following corrections:**



## 7. ANNOUNCEMENTS OF MATTERS FOR WHICH MEETING MAY BE CLOSED

### 7.1 Title: Information Systems Security Report

It is recommended that the Committee go behind closed doors toward the end of the meeting in accordance with Shire of Dardanup Standing Orders & *Local Government Act 1995 Section 5.23 (2) - Matters for Which Meeting May Be Closed*:

Standing Order and the *Local Government Act 1995* provides for the Committee to resolve to close the meeting to the public and proceed behind closed doors for matters:

- S 5.23 (1) *Subject to subsection (2), the following are to be open to members of the public-*
- (a) *all Council meetings; and*
  - (b) *all meetings of any committee to which a local government power or duty has been delegated.*
- (2) *If a meeting is being held by a Council or by a committee referred to in subsection (1) (b), the Council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following -*
- (a) *a matter affecting an employee or employees;*
  - (b) *the personal affairs of any person;*
  - (c) *a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting;*
  - (d) *legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting;*
  - (e) *a matter that if disclosed, would reveal -*
    - (i) *a trade secret;*
    - (ii) *information that has a commercial value to a person; or*
    - (iii) *information about the business, professional, commercial or financial affairs of a person,*  
*where the trade secret or information is held by, or is about, a person other than the local government;*
  - (f) *a matter that if disclosed, could be reasonably expected to -*
    - (i) *impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law;*
    - (ii) *endanger the security of the local government's property; or*
    - (iii) *prejudice the maintenance or enforcement of a lawful measure for protecting public safety;*
  - (g) *information which is the subject of a direction given under section 23 (1a) of the Parliamentary Commissioner Act 1971; and*
  - (h) *such other matters as may be prescribed.*
- (3) *A decision to close a meeting or part of a meeting and the reason for the decision are to be recorded in the minutes of the meeting.*

**Note:** *The Chairperson to advise that the meeting will go behind closed doors toward the end of the meeting to discuss S.5.23 section (2)(f)(ii) a matter that if disclosed, could be reasonably expected to endanger the security of the local government's property.*

**8. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

None.

**9. DECLARATION OF INTEREST**

“Members should fill in Disclosure of Interest forms for items in which they have a financial, proximity or impartiality interest and forward these to the Presiding Member before the meeting commences.”

Key Management Personnel (which includes Elected Members, CEO and Directors) are reminded of their requirement to disclose biannually transactions between Council and related parties in accordance with Council Policy CP039.

<b>10. REPORTS OF OFFICERS AND COMMITTEES</b>
---

*10.1 Title: 2024 Compliance Audit Return*

<b>Reporting Department</b>	<i>Corporate &amp; Governance Directorate</i>
<b>Responsible Officer</b>	<i>Mrs Natalie Hopkins – Director Corporate &amp; Governance</i>
<b>Reporting Officer</b>	<i>Mrs Cindy Barbetti – Acting Manager Governance</i>
<b>Legislation</b>	<i>Local Government Act 1995</i>
<b>Council Role</b>	<i>Legislative.</i>
<b>Voting Requirement</b>	<i>Absolute Majority.</i>
<b>Attachments</b>	<i>Appendix AAR 10.1A: Compliance Audit Return Appendix AAR 10.1B: Risk Assessment Tool</i>

**Overview**

This report presents the Compliance Annual Return to the Audit and Risk Committee to adopt and refer to Council for consideration, adoption and submission to the Department of Local Government and Communities.

**AUDIT & RISK COMMITTEE RECOMMENDED RESOLUTION**

**THAT the Audit & Risk Committee recommend that Council:**

- 1. Adopts the 2024 Compliance Audit Return (CAR) as the official Return of Council for the period 1<sup>st</sup> of January 2024 to 31<sup>st</sup> of December 2024 as provided for in (Appendix AAR 10.1A); and**
- 2. Authorise the Shire President and Chief Executive Officer to certify and sign the 2024 Compliance Audit Return (CAR) as provided for in (Appendix AAR 10.1A).**

***Change to Officer Recommendation***

No Change. **OR:**

As per Local Government (Administration) Regulations 1996 11(da) Council records the following reasons for amending the Officer Recommended Resolution:

**Background**

The Shire of Dardanup along with each local government in Western Australia, are required to carry out a Compliance Audit in relation to the period 1<sup>st</sup> of January 2024 to 31<sup>st</sup> of December 2024 against the requirements set out in the 2024 Compliance Audit Return (CAR).

**Legal Implications**

Completion of the CAR is required under Section 7.13(i) of the *Local Government Act 1995* and *Local Government (Audit) Regulations (Regulation 13)*.

**Council Plan**

- 13.1 - Adopt best practice governance.
- 13.2 - Manage the Shire’s resources responsibly.

**Environment** - None.

**Precedents**

Council is required to complete the Compliance Audit Return on an annual basis.

**Budget Implications** - None.

**Budget – Whole of Life Cost** - None.

**Council Policy Compliance** - None.

**Risk Assessment**

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix AAR: 10.1B) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.					
Risk Event	2024 Compliance Audit Return - CAR				
Inherent Risk Rating (prior to treatment or control)	Low (1 - 4)				
Risk Action Plan (treatment or controls proposed)	Not applicable.				
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.				
Risk Category Assessed Against	<table border="0"> <tr> <td>Legal and Compliance</td> <td>Non-compliance would result in imposed penalties.</td> </tr> <tr> <td>Reputational</td> <td>High impact to Shire reputation if not carried out.</td> </tr> </table>	Legal and Compliance	Non-compliance would result in imposed penalties.	Reputational	High impact to Shire reputation if not carried out.
Legal and Compliance	Non-compliance would result in imposed penalties.				
Reputational	High impact to Shire reputation if not carried out.				

**Officer Comment**

The following areas of compliance were audited by Council Officer’s.

1. Commercial Enterprises by Local Governments;
2. Delegation of Power Duty;
3. Disclosure of Interest;
4. Disposal of Property;
5. Elections;

6. Finance;
7. Integrated Planning and Reporting;
8. Local Government Employees;
9. Official Conduct;
10. Optional Questions; and
11. Tenders for Providing Goods and Services.

Regulation 14 of the *Local Government (Audit) Regulations 1996* requires that the local government's Audit Committee reviews the CAR and reports the results of that review to the Council. Following the adoption by Council, the CAR must be submitted to the Department of Local Government and Communities by the 31<sup>st</sup> March each year.

When viewing the CAR, please note that the answers to the questions relate only to the 2024 calendar year.

Council has met compliance requirements in all areas outlined in the 2024 CAR, with the recommendation to Council to adopt the CAR as provided for in (Appendix AAR 10.1A)

END REPORT

10.2 Title: Biannual Compliance Task Report

<b>Reporting Department</b>	<i>Corporate &amp; Governance Directorate</i>
<b>Responsible Officer</b>	<i>Mrs Natalie Hopkins – Director Corporate &amp; Governance</i>
<b>Reporting Officers</b>	<i>Mrs Cindy Barbetti – Corporate Excellence &amp; Compliance Officer</i>
<b>Legislation</b>	<i>Local Government Act 1995 and Local Government (Audit) Regulations 1996, Regulation 17</i>
<b>Council Role</b>	<i>Legislative.</i>
<b>Voting Requirement</b>	<i>Simple Majority.</i>
<b>Attachments</b>	<i>Confidential Attachment A– Biannual Compliance Calendar Appendix AAR 10.2 – Risk Assessment</i>

**Overview**

The purpose of this report is to provide the Audit and Risk Committee with the biannual compliance tasks undertaken since the last report was presented to the committee.

**OFFICER RECOMMENDED RESOLUTION**

**THAT the Audit and Risk Committee receive the report on the Biannual Compliance Task Report, as provided for in the (Confidential Attachment A - Under Separate Cover) and note the compliance tasks identified for the for the period 1<sup>st</sup> of July 2024 to 31<sup>st</sup> of December 2024.**

**Change to Officer Recommendation**

No Change. **OR:**

As per *Local Government (Administration) Regulations 1996 11(da)* Council records the following reasons for amending the Officer Recommended Resolution:

## **Background**

Under Regulation 17 of the *Local Government (Audit) Regulations 1996*, the CEO is required to review the appropriateness and effectiveness of the local government's systems and procedures, including those in relation to legislative compliance.

To ensure legislative compliance obligations are met, the Compliance Manual, incorporating the Annual Compliance Calendar has been developed. The calendar is a tool that identifies the yearly compliance tasks throughout the calendar year. In accordance with 5.10(ii) of the Audit and Risk Committee Charter, the committee is required to receive the biannual compliance report. This report informs the committee on the progression of the compliance tasks noted within the annual calendar.

## **Legal Implications**

*Local Government Act 1995*

*Local Government (Audit) Regulations 1996, Regulation 17:*

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 at least once every 2 calendar years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

*[Regulation 17 inserted in Gazette 8 Feb 2013 p. 868.]*

## **Council Plan**

13.1 - Adopt best practice governance.

13.2 - Manage the Shire's resources responsibly.

14.2 - Ensure equitable, inclusive and transparent engagement and decision- making.

**Environment** - None.

## **Precedents**

The Audit and Risk Committee received the previous biannual compliance report (incorporating the period from 1<sup>st</sup> of January 2024 to 30<sup>th</sup> of June 2024) at the September 2024 meeting.

## **Budget Implications**

Effective legislative compliance management ensures compliance responsibilities are carried out and legislative requirements are met, which ultimately reduces risk. Compliance management forms part of the Corporate Excellence & Compliance Officer role. Therefore, the cost to Council is through staff time and the usage of IT/Software systems where applicable.

## **Budget – Whole of Life Cost**

As no assets/infrastructure is being created, there are no whole of life costs relevant to this item.

**Council Policy Compliance**

There is no current Council Policy relevant to this item.

**Risk Assessment**

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix AAR 10.2) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Biannual Compliance Task Report
Inherent Risk Rating (prior to treatment or control)	Low (1 - 4)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	Legal and Compliance      Failure to fulfil compliance obligations pursuant to the Local Government (Audit) Regulations 1996, Regulation 17. Reputational                      Council’s reputation could be seen in a negative light for not adhering to its requirement to fulfil duties and functions that are prescribed in legislation.

**Officer Comment**

This biannual report captures the last six (6) months of the 2024 calendar year (1<sup>st</sup> of July 2024 to 31<sup>st</sup> of December 2024). Please refer (Confidential Attachment A - Under Separate Cover) for the compliance tasks identified. Responsible officers have provided an audit score of the progression of each task together with any necessary commentary to support the achievement of legislative compliance.

The next biannual compliance task report will be presented to the September 2025 committee meeting.

END REPORT.



10.3 Title: Regulation 17 Triennial Review – March 2025 Update Report

<b>Reporting Department</b>	<i>Corporate &amp; Governance Directorate</i>
<b>Responsible Officer</b>	<i>Mrs Natalie Hopkins – Director Corporate &amp; Governance</i>
<b>Reporting Officers</b>	<i>Mrs Cindy Barbetti – Corporate Excellence &amp; Compliance Officer</i>
<b>Legislation</b>	<i>Local Government Act 1995 Local Government (Audit) Regulations 1996</i>
<b>Council Role</b>	<i>Legislative.</i>
<b>Voting Requirement</b>	<i>Simple Majority.</i>
<b>Attachments</b>	<i>Confidential Attachment B - 2023/2024 Regulation 17 Review Report Appendix AAR 10.3 - Risk Assessment</i>

**Overview**

The purpose of this report is to provide the Audit and Risk Committee with an update on the findings from the audit undertaken in February 2024 pursuant to Regulation 17 of the *Local Government (Audit) Regulations 1996*.

**OFFICER RECOMMENDED RESOLUTION**

**THAT the Audit and Risk Committee recommend that Council receive the March 2025 update report on the implementation of actions required from the findings of the 2023/24 Regulation 17 Review.**

***Change to Officer Recommendation***

No Change. **OR:**

As per Local Government (Administration) Regulations 1996 11(da) Council records the following reasons for amending the Officer Recommended Resolution:

**Background**

Local Government (Audit) Regulations 1996, Regulation 17 prescribes a number of matters that are to be reviewed by a local governments audit committee. These matters are in relation to:

- a) Risk management,
- b) Internal control; and
- c) Legislative compliance.

In February 2024, AMD Chartered Accountants (AMD) conducted an external Regulation 17 Review (the ‘review’) with the scope of work based on the [Local Government Operational Guidelines - Number 09](#) (refer pages 17-19 of the guideline). In addition, management included in the review an audit of the preparedness of the local government in terms of mitigating cyber security risks, with particular focus on the recently adopted Cyber Security Framework.

The review was for the 3-year period ended 31<sup>st</sup> of December 2023.

A copy of the audit report from AMD refer (Confidential Attachment B - Under Separate Cover) was presented to the Audit and Risk Committee on the 13<sup>th</sup> of March 2024. The audit report contained four (4) minor findings and one (1) moderate finding for consideration, together with management’s response on how these findings will be actioned.

The committee through Council endorsement, requested an update of the actions from the findings to be presented to each future committee meeting until resolved [OCM 94-24].

In addition, the endorsed 2025 Annual Audit Work Plan for the committee, provides the following schedule for the Regulation 17 Triennial Review:

AUDIT AND RISK COMMITTEE – 2025 ANNUAL AUDIT WORK PLAN					
FUNCTIONS, RESPONSIBILITIES & ASSOCIATED ACTIVITIES	12 Mar 25	* Apr/ May 25	11 Jun 25	10 Sep 25	10 Dec 25
<b>7. Regulation 17 Triennial Review (report Due: March 2027)</b>					
To consider the CEO’s triennial review on risk management, internal control, and legislative compliance.	Not applicable – next due 2027				
Set the action plan arising from auditor recommendations from the Regulation 17 review.	Not applicable – next due 2027				
Receive an update on the action plan arising from auditor recommendations from the <b>2023-2024</b> Regulation 17 review (until all action items are completed).	● <i>This meeting</i>		●	●	●

This report has been compiled in direct response to Council resolution [OCM 94-24], together with the above schedule, to provide members of the committee with an update on the progression of the actions required from the findings of the AMD audit report.

Note, at the 18<sup>th</sup> of December 2024 Ordinary Council Meeting, Council through the Audit and Risk Committee resolved [OCM 321-24] that finding 2.2.1 and 2.2.2 would not be completed by the target date of 31<sup>st</sup> of December 2024 and granted an extension until 30<sup>th</sup> of June 2025 for both items.

**Legal Implications**

Local Government Act 1995  
 Local Government (Audit) Regulations 1996 (as Amended):

Reg 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.*

**Reg 16. Functions of audit committee**

*An audit committee has the following functions —*

- (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;*

**Council Plan**

- 13.1 - Adopt best practice governance.
- 13.2 - Manage the Shire’s resources responsibly.
- 14.2 - Ensure equitable, inclusive and transparent engagement and decision- making.

**Environment** - None.

**Precedents**

This is the fourth ‘update’ report to be received by the Audit and Risk Committee on the progress of the findings resulting from the Regulation 17 Review undertaken in February 2024.

**Budget Implications**

Staff time is the only resource requirement needed to implement the findings from the Regulation 17 Review. This remains in accordance with existing staff budgetary allocation.

Future Regulation 17 Reviews will be provided for as an expenditure allocation under Audit Fees in the annual budget relating to the financial year of review.

**Budget – Whole of Life Cost**

As no assets/infrastructure is being created, there are no whole of life costs relevant to this item.

**Council Policy Compliance**

- Shire of Dardanup Risk Management Governance Framework (which incorporates AP023 Risk Management Policy and PR036 Risk Management Procedure).
- CnG CP304 – Fraud, Corruption and Misconduct.
- Delegation 1.3.9 Audit – CEO Review of Systems and Procedures.

**Risk Assessment**

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix AAR: 10.3) for full assessment document.

<b>Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.</b>	
Risk Event	Update Report – 2023/2024 Regulation 17 Review

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Inherent Risk Rating (prior to treatment or control)	Low (1 - 4)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	<p>Legal and Compliance Failure to fulfil obligations pursuant to the <i>Local Government (Audit) Regulations 1996</i>, Regulation 17.</p> <p>Reputational Council’s reputation could be seen in a negative light for not adhering to its requirement to fulfil duties and functions that are prescribed in legislation.</p>

**Officer Comment**

The findings and status from the 2023/24 Regulation 17 Review report are summarised in the table below:

Ref	Issue	Risk Rating	Responsible Officer	Proposed Completion Date	Status
<b>2 Risk Management</b>					
2.2.1	Testing of Disaster Recovery Plan	Moderate	Manager Information Services	Original completion date 31 December 2024 OCM 321-24 extension granted to 30 June 2025	In Progress
2.2.2	Bushfire Management Plan	Low	Director Sustainable Development	Original completion date 31 December 2024 OCM 321-24 extension granted to 30 June 2025	In Progress First draft written, scheduled to be presented to OCM May 2025
<b>3 Internal Controls</b>					
3.2.1	Daily Banking Procedure	Low	Manager Governance	30 April 2024	Completed
3.2.2	Purchase Orders	Low	Manager Financial Services	30 April 2024	Completed
3.2.3	Grant – Contract Liabilities Register	Low	Manager Financial Services	30 April 2024	Completed
<b>4 Legislative Compliance</b>					
No findings to report in respect to the Shire’s legislative compliance.					

In relation to Item 2.2.2 Bushfire Management Plan, the finalisation of this task is looking favourable, with the Plan due to be presented to the May 2025 Ordinary Council Meeting.

Management is currently recruiting for a replacement Cyber Security Administrator. Once this roll is filled item 2.2.1 can continue to be progressed by the revised completion date of 30<sup>th</sup> of June 2025.

In accordance with Council resolution[OCM: 94-24], *“an update of the actions required from the findings of the Regulation 17 Audit will be presented to each future Audit and Risk Committee meeting until resolved”*.

END REPORT

10.4 Title: 2025 Financial Management System Review

<b>Reporting Department</b>	Corporate & Governance Directorate
<b>Responsible Officer</b>	Mr André Schönfeldt - Chief Executive Officer
<b>Reporting Officer</b>	Mrs Natalie Hopkins – Director Corporate & Governance
<b>Legislation</b>	<i>Local Government Act 1995</i> <i>Local Government (Financial Management) Regulations 1996</i>
<b>Council Role</b>	Executive/Strategic.
<b>Voting Requirement</b>	Simple Majority.
<b>Attachments</b>	<i>Confidential Attachment C - Under Separate Cover- AMD Report</i> <i>Appendix AAR 10.4 - Risk Assessment</i>

**Overview**

This report provides the Audit and Risk Committee with the Auditor opinion and written report on the recently conducted Financial Management System Review (FMSR) audit, together with management comments.

**OFFICER RECOMMENDED RESOLUTION**

**THAT the Audit and Risk Committee recommend that Council:**

1. **Receives the report from the Chief Executive Officer (as provided for in Confidential Attachment C) incorporating the review and findings of AMD Chartered Accountants (dated 28<sup>th</sup> February 2025) on the review of the appropriateness and effectiveness of the financial management systems and procedures under Regulation 5 of the *Local Government (Financial Management) Regulations 1996*.**
2. **Receives an update report through the Audit and Risk Committee on the actions required from the findings of the FMSR Audit to each committee meeting until resolved.**

**Change to Officer Recommendation**

No Change. **OR:**

As per Local Government (Administration) Regulations 1996 11(da) Council records the following reasons for amending the Officer Recommended Resolution:

## Background

It has been 3 years since the last Financial Management Systems Review was conducted for the Shire of Dardanup. The purpose of the review is to assist the CEO in fulfilling his responsibilities under Section 6.10 of the *Local Government Act 1995* and Regulation 5(1) of the *Local Government (Financial Management) Regulations 1996*, which details the CEO's duties as to financial management.

The FMSR is in accordance with *Local Government (Financial Management) Regulation 5(2)(c)*, whereby the Shire of Dardanup is required to regularly review the appropriateness and effectiveness of its financial management systems and procedures (not less than once in every 3 financial years) and report to Council the results of those reviews.

This review has been undertaken by AMD Chartered Accountants and a review report has been prepared together with the management comments refer to (Confidential Attachment C - Under Separate Cover).

## Legal Implications

Local Government Act 1995  
Local Government (Financial Management) Regulations 1996

5 (2) The CEO is to —

- c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

## Council Plan

13.1 - Adopt best practice governance.

13.2 - Manage the Shire's resources responsibly.

14.2 - Ensure equitable, inclusive and transparent engagement and decision- making.

**Environment** - None.

## Precedents

Year	Review Method	Conducted By	Report Received	Resolution Number
2016	External	Butler Settineri	Ordinary Council Meeting 27 January 2016	OCM 08-16
2019	External	AMD Chartered Accountants	Audit Committee	AUD 04-19
			Ordinary Council Meeting	OCM 56-19
2022	External	AMD Chartered Accountants	Audit and Risk Committee	AAR 03-22
			Ordinary Council Meeting	OCM 75-22

## Budget Implications

The 2024/25 Annual Budget provides an allocation of \$13,500 to conduct the 3 yearly review (GL#0412012) with the successful quote coming in under budget.

## Budget – Whole of Life Cost

As no assets/infrastructure is being created, there are no whole of life costs relevant to this item.

**Council Policy Compliance**

Nil Council Policy.

Delegation 1.3.8 Financial Management Systems and Procedures.

**Risk Assessment**

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix AAR: 10.4) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Financial Management Systems Review
Inherent Risk Rating (prior to treatment or control)	Low (1 - 4)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	<p>Legal and Compliance      Failure to fulfil obligations pursuant to the Local Government (Financial Management) Regulations 1996, Regulation 5.</p> <p>Reputational                      Council’s reputation could be seen in a negative light for not adhering to its requirement to fulfil duties and functions that are prescribed in legislation.</p>

**Officer Comment**

As the previous Financial Management Systems Review was conducted 3 years ago, it was timely for the Chief Executive Officer to conduct another review for the period 1<sup>st</sup> of January 2022 to 31<sup>st</sup> of December 2024. It was considered appropriate for the review to be undertaken by an external auditing firm familiar with local government functions to reinforce the transparency and independence of the process.

The Scope of Work for the review was based on Regulation 5(1) of the *Local Government (Financial Management) Regulations 1996* and covered the following:

- Collection of money;
- Custody and security of money;
- Maintenance and security of the financial records;
- Accounting for municipal or trust transactions;
- Authorisation for incurring liabilities and making payments;
- Maintenance of payroll, stock control and costing records; and
- Preparation of budgets, budget reviews, accounts and reports required by the *Local Government Act 1995* and/or the associated regulations.

A Request for Quote (RFQ) was issued in November 2024 with respondents submitting their proposed methodology and approach towards undertaking the review. AMD Chartered Accountants were appointed as the successful firm to undertake the review with adherence to the following timeline:

---

<b>28<sup>th</sup> of January 2025 to</b>	Onsite Visit
<b>31<sup>st</sup> of January 2025</b>	
<b>19<sup>th</sup> February 2025</b>	Draft FMSR Report to be provided

---



<b>28<sup>th</sup> February 2025</b>	<b>Final FMSR Report Due to CEO</b>
<b>12<sup>th</sup> March 2025</b>	<b>In-person presentation of FMSR Report to the Audit and Risk Committee</b>

The following Shire of Dardanup locations were subject to the review of processes, procedures and testing:

- Library, Administration and Community Building.
  - Eaton Library – 1 Council Drive, Eaton 6232.
  - Eaton Administration - 1 Council Drive, Eaton 6232.
- Dardanup Administration Centre – 3 Little Street, Dardanup 6236.
- Depot facility – Martin Pelusey Road, Waterloo 6228.
- Waste Transfer Station – Banksia Road, Dardanup 6236.
- Eaton Recreation Centre & 24hr Gym – 18 Recreation Drive, Eaton.

On completion of the review, AMD Chartered Accountants issued a written report to the CEO to meet the requirements of Regulation 5(1) under the *Local Government (Financial Management) Regulations 1996*, being the Financial Management System Review, and did not extend to any financial report of the Shire.

The following table provides a summary of the findings raised in the report, together with management comment:

Ref	Issue	Risk Rating	Responsible Officer	Proposed Completion Date	Status
<b>3</b>	<b>Custody and security of money</b>				
<b>3.2.1</b>	<p><b>End of Day Receipting Procedures</b> Sample testing identified three exceptions in respect to end of day receipting procedures.</p> <p>Our sample testing of 20 end of day procedures at each cash collection location identified 3 instances whereby the daily banking reconciliation was not signed as evidence of independent review. The 3 exceptions identified occurred at the Eaton Administration Office.</p> <p><b>Implications / Risks</b> Increased risk of fraud or error occurring in respect of daily banking.</p> <p><b>Recommendation</b> We recommend that all daily banking reconciliations are reviewed by an officer separate from the individual completing the daily banking function, and the reconciliation is signed by the reviewer to evidence the independent review has occurred.</p> <p><b>Management Comment</b> The Shire has strong segregation of duties, that span across the Finance and Governance departments in relation to cash and bank handling. The Governance Department ‘receipt’ the cash, while the Finance Department ‘bank’ the cash. A final independent review is undertaken by the Finance Coordinator as part of the monthly bank reconciliation process.</p> <p>While management accepts that 3 instances of the daily banking sheets weren’t independently verified by another officer as part of the ‘daily’ cash handling process, management have confidence in the segregation of duties, and subsequent final independent review undertaken by the Finance Coordinator as part of the ‘monthly’ bank reconciliation process.</p> <p><b>Action:</b> Customer Service Officers will be reminded of their duty in the cash handling process to ensure daily banking sheets are independently verified.</p>	<b>Low</b>	<b>Manager Governance</b>	1 <sup>st</sup> of March 2025	<b>Completed</b>

Ref	Issue	Risk Rating	Responsible Officer	Proposed Completion Date	Status
3.2. 2	<p><b>Physical Security</b></p> <p>Safe code at the Eaton Recreation Centre is not changed on a periodic basis.</p> <p>Observations and enquiries made during our site visits identified that safe codes at the Eaton Recreation Centre are not changed on a periodic basis nor when an employee who has safe code access terminates employment.</p> <p><b>Implications / Risks</b> Lack of appropriate internal controls over security of Council assets.</p> <p><b>Recommendation</b> We recommend safe codes be changed on a periodic basis, and subsequent to employees who previously had access to the safe codes resigning or terminating.</p> <p><b>Management Comment</b></p> <p>Management accepts this finding for the Eaton Recreation Centre (ERC) and will implement a process on changing the safe code on a quarterly basis. Management will ensure this procedure is communicated to all staff, and that the process is adhered to. In addition, ERC facility access will be verified, and plans for future expansion will consider the safe custody of monies.</p> <p>To note, cash is removed from the premises twice weekly, banked and reconciled to the bank statement as part of the monthly bank reconciliation process, which is independently verified by the Finance Coordinator.</p> <p><b>Action:</b> Safe code to be changed on a quarterly basis, with the process documented in a formalised Shire procedure.</p>	Low	Manager Recreation Services	31 <sup>st</sup> of May 2025	In Progress
<b>4 Maintenance and security of financial records</b>					
4.2. 1	<p><b>Tender Management</b></p> <p>We note there is no documented requirement to complete a formal post tender performance evaluation following the completion of significant or critical project/service tenders.</p> <p><b>Implications / Risks</b> Lack of formalised documentation evidencing tender performance assessment.</p> <p><b>Recommendation</b></p> <p>We recommend formal performance evaluation assessments be undertaken following the completion of tendered projects and services exceeding a predetermined expenditure threshold, or considered to be critical in nature.</p> <p>We recommend a tender performance evaluation procedure be documented, implemented through the communication to all staff and monitored on an ongoing basis to ensure compliance with stated procedures. We suggest it may be useful for the procedure to include standard compliance checklist, in particular for the monitoring of ongoing service contracts.</p> <p><b>Management Comment</b> The Shire has a Procurement Framework in place that incorporates 'contract management', and in particular:</p> <ul style="list-style-type: none"> <li>- Contract Establishment</li> <li>- Contract Management: administration, performance management and KPI's</li> <li>- Contract Extension or Close</li> </ul> <p>Project Officers are provided with a series of templates available through the Framework to assist with performance management throughout the project.</p>	Moderate	Director Corporate & Governance	31 <sup>st</sup> of December 2025	In Progress

Ref	Issue	Risk Rating	Responsible Officer	Proposed Completion Date	Status
	<p><b>Action:</b> Review the ‘contract management’ section within the Shire of Dardanup Procurement Framework and identify areas for improvement to ensure the requirement for performance evaluation procedures are documented in line with this finding.</p> <p>Following on from the Procurement Framework review, it may be necessary to implement a standalone ‘Contract Management Framework’, which would complement the upcoming <i>Local Government Regulations Amendment Regulation 2024</i>, and the requirements for Council’s Contract Register to be publicly accessible.</p>				
<b>6 Authorisation for incurring liabilities and making payments</b>					
6.2.1	<p>Fuel Usage – Depot</p> <p>No record maintained for jerry can fuel usage.</p> <p>During the course of our review, discussion and observations indicated there is currently a fuel card assigned to ‘jerry cans’ however there is no formal record kept in relation to the usage of the fuel from jerry cans.</p> <p><b>Implications / Risks</b> Increased risk of misappropriation or misuse of fuel going undetected.</p> <p><b>Recommendation</b> We recommend a fuel register be developed and maintained in respect to fuel usage from jerry cans.</p> <p><b>Management Comment</b> Management accepts this finding which is for a ‘Sundry Plant’ fuel card, with the sole intention of this card to be used to refill Jerry Cans for fuel for small plant items. A Fuel register will be developed and maintained in respect to fuel usage from jerry cans.</p> <p><b>Action:</b> implement a Fuel Register for the ‘Sundry Plant’ fuel card.</p>	Low	Manager Operations	31 <sup>st</sup> of May 2025	In Progress
<b>7 Maintenance of payroll, stock control and costing records</b>					
7.2.1	<p><b>Plans and Policies</b></p> <p>We note the Light Vehicle Policy is prescriptive in nature, detailing specific vehicle makes and models available to the Shire for purchase. The policy includes some specific vehicle models that are either no longer available for purchase, or difficult to source locally.</p> <p>We note the recent purchase of 5 motor vehicles by the Shire in November 2024 at a quoted cost of \$258,685; whereby only 1 tender response was received. The tender response was scored 3.1 out of 10 by the tender evaluation panel, and the quoted cost accepted exceeded budget by 10.2% or \$26,485.</p> <p><b>Implication / Risk</b> There is an increased risk of inefficient procurement procedures.</p> <p><b>Recommendation</b> We recommend the Light Vehicle Plan be reviewed and enhancements made to allow for a more effective procurement procedure in respect of the purchase of light fleet vehicles.</p> <p><b>Management Comment</b> AP009 Light Vehicle Fleet Policy is an Administration Policy, that is underpinned by Council Policy CP203 Light Vehicle Fleet Policy which is the guiding policy document.</p> <p>CP203 was reviewed in October 2024, and AP009 is currently under review with EMT (was due 30-09-2024). Management will be seeking support from Council/EMT to amalgamate CP203 and AP009 into one guiding Council Policy moving forward.</p>	Low	Director Corporate & Governance	31 <sup>st</sup> of December 2025	In Progress

Ref	Issue	Risk Rating	Responsible Officer	Proposed Completion Date	Status
7.2.2	<p><b>Action:</b> Finalise the current review of AP009 Light Vehicle Policy and moving forward seek support to amalgamate CP203 and AP009 into one guiding Council Policy.</p> <p><b>Excessive Leave Balances</b> We noted three employees with excessive leave balances.</p> <p>From our review of the annual leave listing provided to us at the time of our review, we noted three employees who have accrued in excess of eight weeks annual leave.</p> <p><b>Implication / Risk</b> The cost to Council is greater if annual leave is not paid out on a regular basis due to the cumulative effect of salary increases over a period of time. Recreational leave enhances employee performance. It is a fundamental principle of good internal control that all employees take regular holidays.</p> <p><b>Recommendation</b> We recommend leave balances be managed to reduce the number of employees with excess leave due.</p> <p><b>Management Comment</b>  This FMSR review is up until the 31<sup>st</sup> of December 2024, however the Annual Leave Accrual Report provided was for actuals as at 30<sup>th</sup> of June 2024.  Since the June 2024 accrual report was provided, Employee No. 716 has left the organisation, and as such has had the accrued annual leave paid out on termination.</p> <p>Employee No. 884 reduced annual leave by taking: - 91.20 hours in July 2024; and - 83.60 hours in January 2025.</p> <p>Employee No. 584 reduced annual leave by taking: - 68.40 hours in December 2024/January 2025.</p> <p>Remaining leave accruals are planned to be reduced in the coming year for both employees.</p> <p>The Executive, Management and Human Resources, receive monthly leave accrual reports from Payroll, who highlight those staff with excessive leave accruals. Any excessive leave accruals are discussed with the staff member, and a plan (such as a future leave form) is put in place to reduce the accrual.</p> <p>In addition, the 6-monthly Risk Review, which is reported to the Executive Management Team, incorporates indicators that highlight the percentage of staff with greater than 20 days of accrued leave.</p> <p><b>Action:</b> the Executive, Management and Human Resources will continue to review leave accrual reports from Payroll on a monthly basis and manage their respective staff with excessive accruals accordingly.</p>	Low	Manager HR	31 <sup>st</sup> of March 2025	In Progress

**Finding 7.2.1:**

The purchase of 5 Hyundai Sante Fe was carried out through Council’s Tenderlink Software Application platform. Vehicle Dealerships are registered with Tenderlink and there is open opportunity for all participating Hyundai dealerships to supply tenders on the new vehicle supply/purchase. Only 1 tender was received, which is likely due to government set pricing, and market influences ie availability of stock. Also to note, there is only 1 local dealership within with Bunbury/Geographe region, which is the dealership that tendered for the vehicles.

The price for this Tender (RFT F040813 Purchase of Hyundai Sante Fe (5) was above the budgeted expenditure for the acquisition and reported to Council at the Ordinary Council Meeting dated 20<sup>th</sup> of November 2024 [OCM:294-24].

The Council Resolution acknowledged the over budget expenditure. All processes were followed compliant to legislation and reporting requirements. To note, at the time of budget adoption, the Fleet Review final report was not yet released and no pricing had been released by the manufacturer, hence a lower budgeted amount was based on the previous Fleet Review outcomes.

Pricing was weighted at 95% and Sustainable Procurement at 5%. On this basis, the Tender Response score was only 3.1/10 due to high weighted price and over budget expenditure. This was reported to Council for full transparency.

**Conclusion:**

Mr Tim Partridge, Director – AMD Chartered Accountants, will attend the Audit and Risk Committee to respond to any questions in relation to the report and/or their findings.

Management will work towards completing their respective action items by the due dates, with update reports to be provided to each Audit and Risk Committee meeting until resolved.

END REPORT

10.5 Title: Business Continuity Plan

<b>Reporting Department</b>	<i>Sustainable Development Directorate</i>
<b>Responsible Officer</b>	<i>Mr Ashwin Nair - Director Sustainable Development</i>
<b>Reporting Officer</b>	<i>Mr Stephen Loiterton – Coordinator Health, Emergency and Ranger Services</i>
<b>Legislation</b>	<i>Local Government Act 1995</i>
<b>Council Role</b>	<i>Executive/Strategic.</i>
<b>Voting Requirement</b>	<i>Simple Majority.</i>
<b>Attachments</b>	<i>Appendix AAR 10.5A – Business Continuity Plan Appendix AAR 10.5B – Risk Assessment</i>

**Overview**

At the December 2024 Audit and Risk Committee Meeting, the Draft Business Continuity Plan was presented.

Consideration is now required to publish the Draft Business Continuity Plan as the Final Business Continuity Plan for the Shire of Dardanup

**OFFICER RECOMMENDED RESOLUTION**

**THAT the Audit & Risk Committee recommends that Council receives and endorses the Final Shire of Dardanup Business Continuity Plan (Appendix AAR: 10.5A).**

**Change to Officer Recommendation**

No Change. **OR:**

As per Local Government (Administration) Regulations 1996 11(da) Council records the following reasons for amending the Officer Recommended Resolution:

**Background**

The current plan was original adopted by council per resolution [OCM:286-17]. Previous reviews were conducted in 2018, 2019 and 2021. The plan was exercised in October 2022.

The Draft Business Continuity Plan was presented to the December 2024 Audit and Risk Committee meeting with Council receiving the Draft Plan at the 18<sup>th</sup> of December 2024 Ordinary Council meeting.

**Legal Implications**

There is no legislative requirement for the Shire to have a Business Continuity Plan, however, it is seen to be best practice to ensure the ongoing delivery of critical services and activities while impacted by an incident.

**Council Plan**

7.1 - Minimise risks and impacts from fires, floods, heat waves, and other natural disasters.

**Environment** - None.

**Precedents**

The current Business Continuity Plan was initially put in place per resolution [OCM:286-17] and updated several times.

**Budget Implications**

None. The plan has been reviewed in-house, as it has previously, and is expected to be the case in the future.

**Budget – Whole of Life Cost** - None.

**Council Policy Compliance** - None.

**Risk Assessment**

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix AAR: 10.5B) for full assessment document.

TIER 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Review of Business Continuity Plan
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)
Risk Action Plan (treatment or controls proposed)	The highest risk is high. Putting in place the revised plan will reduce the risk to acceptable levels.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	Service Interruption      Retaining the old plan poses an unacceptable risk
	Legal and Compliance      Not updating the plan presents a moderate risk.
	Legal and Compliance      Not updating the plan presents a moderate risk

TIER 2 – ‘Low’ or ‘Moderate’ Inherent Risk.		
	Reputational	Not updating the plan presents a moderate risk
	Property	Not updating the plan presents a moderate risk

***Officer Comment***

The plan has been customised to reflect the Shire’s priorities, stakeholder expectations and existing capabilities. Senior Shire staff were involved in the review of the plan.

In substance the plan has changed little. There has been rationalisation of content, and update of information to reflect the current situation (most notably the contact lists).

The current plan is written in such a way as to provide checklists and prompts, with space to write key information has the events unfold as the organisation copes with an interruption caused by a significant incident. This was a notable strength of the plan. The review kept this feature of the plan.

END REPORT



<b>11. ELECTED MEMBER MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN</b>
---

None.

<b>12. NEW BUSINESS OF AN URGENT NATURE</b>
---

[Please Note: This is Not General Business – This is for Urgent Business Approved By the Person Presiding or by Decision. In cases of extreme urgency or other special circumstance, matters may, with the consent of the person presiding, or by decision of the members present, be raised without notice and decided by the meeting.]

<b>13. MATTERS BEHIND CLOSED DOORS</b>
--

It is recommended that the following item be heard behind closed doors.

Shire of Dardanup Standing Orders & Local Government Act 1995 Section 5.23 - Matters for Which Meeting May Be Closed:

Standing Order and the Local Government Act 1995 provides for Council to resolve to close the meeting to the public and proceed behind closed doors for matters:

- |   |
|---|
| <p>S 5.23 (1) <i>Subject to subsection (2), the following are to be open to members of the public-</i></p> <ul style="list-style-type: none"> <li>(a) <i>all Council meetings; and</i></li> <li>(b) <i>all meetings of any committee to which a local government power or duty has been delegated.</i></li> </ul> <p>(2) <i>If a meeting is being held by a Council or by a committee referred to in subsection (1) (b), the Council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following -</i></p> <ul style="list-style-type: none"> <li>(a) <i>a matter affecting an employee or employees;</i></li> <li>(b) <i>the personal affairs of any person;</i></li> <li>(c) <i>a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting;</i></li> <li>(d) <i>legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting;</i></li> <li>(e) <i>a matter that if disclosed, would reveal -</i> <ul style="list-style-type: none"> <li>(i) <i>a trade secret;</i></li> <li>(ii) <i>information that has a commercial value to a person; or</i></li> <li>(iii) <i>information about the business, professional, commercial or financial affairs of a person,</i><br/><i>where the trade secret or information is held by, or is about, a person other than the local government;</i></li> </ul> </li> <li>(f) <i>a matter that if disclosed, could be reasonably expected to -</i> <ul style="list-style-type: none"> <li>(i) <i>impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law;</i></li> <li>(ii) <i>endanger the security of the local government's property; or</i></li> <li>(iii) <i>prejudice the maintenance or enforcement of a lawful measure for protecting public safety;</i></li> </ul> </li> <li>(g) <i>information which is the subject of a direction given under section 23 (1a) of the Parliamentary Commissioner Act 1971; and</i></li> <li>(h) <i>such other matters as may be prescribed.</i></li> </ul> <p>(3) <i>A decision to close a meeting or part of a meeting and the reason for the decision are to be recorded in the minutes of the meeting.</i></p> |
|---|

**OFFICER RECOMMENDED RESOLUTION**

**THAT in accordance with the Local Government Act 1995, S 5.23, the Audit & Risk Committee go Behind Closed Doors [.....pm] to discuss:**

- **(f) (ii) A matter that if disclosed could be reasonably expected to endanger the security of the local governments property**

**13.1 Title: Information Systems Security Report**

<b>Reporting Department</b>	<i>Corporate &amp; Governance Directorate</i>
<b>Responsible Officer</b>	<i>Mrs Natalie Hopkins – Director Corporate &amp; Governance</i>
<b>Reporting Officer</b>	<i>Mr Chris Murray - Manager Information Services</i>
<b>Legislation</b>	<i>Local Government Act 1995</i>
<b>Council Role</b>	<i>Executive/Strategic.</i>
<b>Voting Requirement</b>	<i>Simple Majority.</i>

**REPORT UNDER SEPARATE COVER**

**Note:** In accordance with the Local Government Act 1995 5.23 (2) this report is not available to the public. The Chairperson tables the confidential report on this matter and provides copies to each elected member. The report will be located in the Records Management System of the Council.

**OFFICER RECOMMENDED RESOLUTION**

**THAT the Audit & Risk Committee return from Behind Closed Doors [time].**

**Note:** *In accordance with Standing Order 5.2(6) the Presiding Officer, may cause the motion passed by the Audit & Risk Committee whilst behind closed doors to be read out.*

**14. CLOSURE OF MEETING**

The date of the next Audit & Risk Committee Meeting will be Wednesday, 11<sup>th</sup> of June 2025.

There being no further business the Chairperson to declare the meeting closed.