



Shire of Dardanup

A G E N D A

AUDIT & RISK COMMITTEE MEETING

To Be Held

Wednesday, 15th March 2023
Commencing at 2.00pm

At

Shire of Dardanup
ADMINISTRATION CENTRE EATON
1 Council Drive - EATON

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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 15th March 2023 to be held at the Eaton Administration Centre - commencing at 2.00pm.



MR ANDRÉ SCHÖNFELDT
Chief Executive Officer

Date: 10th March 2023

Note: If interested persons would like to make comment on any items in this agenda, please email 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

1	DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS	1
2.	RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE PREVIOUSLY APPROVED	1
2.1	Attendance.....	1
2.2	Apologies.....	1
3.	PRESENTATIONS	1
4.	CONFIRMATION OF MINUTES OF PREVIOUS MEETING.....	2
4.1	Audit and Risk Committee - December 2022.....	2
5.	ANNOUNCEMENTS OF MATTERS FOR WHICH MEETING MAY BE CLOSED.....	2
6.	QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN	2
7.	DECLARATION OF INTEREST	2
8	REPORTS OF OFFICERS AND COMMITTEES	3
8.1	Title: 2022 Compliance Audit Return [CAR]	3
8.2	Title: Fraud Awareness Training.....	16
8.3	Title: Biannual Compliance Task Report.....	20
8.4	Title: Western Australian Auditor General - Schedule of Reports.....	23
9.	ELECTED MEMBER MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	28
10.	NEW BUSINESS OF AN URGENT NATURE.....	28
11.	MATTERS BEHIND CLOSED DOORS	28
12.	CLOSURE OF MEETING.....	28

COMMITTEE MEMBERSHIP:

- CR M BENNETT
- CR T GARDINER
- CR. M HUTCHINSON
- CR. P PERKS

AUDIT & RISK COMMITTEE CHARTER

The Terms of Reference for this Committee are located in the Tardis records system – refer to the following link:
[2021 - 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

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

RISK CATEGORY CONSEQUENCE TABLE - GUIDELINE

Rating (Level)	Health	Financial Impact	Service Interruption	Legal and Compliance	Reputational	Environment
Insignificant (1)	Near miss Minor first aid injuries	Less than \$10,000	No material service interruption - backlog cleared < 6 hours	Compliance - No noticeable regulatory or statutory impact. Legal - Threat of litigation requiring small compensation. Contract - No effect on contract performance.	Unsubstantiated, low impact, low profile or 'no news' item	Contained, reversible impact managed by on site response
Minor (2)	Medical type injuries	\$10,001 - \$50,000	Short term temporary interruption – backlog cleared < 1 day	Compliance - Some temporary non compliances. Legal - Single minor litigation. Contract - Results in meeting between two parties in which one party expresses concern.	Substantiated, low impact, low news item	Contained, reversible impact managed by internal response
Moderate (3)	Lost time injury <30 days	\$50,001 - \$300,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Compliance - Short term non-compliance but with significant regulatory requirements imposed. Legal - Single moderate litigation or numerous minor litigations. Contract - Receive verbal advice that, if breaches continue, a default notice may be issued.	Substantiated, public embarrassment, moderate impact, moderate news profile	Contained, reversible impact managed by external agencies
Major (4)	Lost time injury >30 days	\$300,001 - \$1.5 million	Prolonged interruption of services – additional resources; performance affected < 1 month	Compliance - Non-compliance results in termination of services or imposed penalties. Legal - Single major litigation or numerous moderate litigations. Contract - Receive/issue written notice threatening termination if not rectified.	Substantiated, public embarrassment, high impact, high news profile, third party actions	Uncontained, reversible impact managed by a coordinated response from external agencies
Catastrophic (5)	Fatality, permanent disability	More than \$1.5 million	Indeterminate prolonged interruption of services – non-performance > 1 month	Compliance - Non-compliance results in litigation, criminal charges or significant damages or penalties. Legal - Numerous major litigations. Contract - Termination of contract for default.	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Uncontained, irreversible impact

RISK - LIKELIHOOD TABLE

LEVEL	RATING	DESCRIPTION	FREQUENCY
5	Almost Certain	The event is expected to occur in most circumstances	The event is expected to occur more than once per year
4	Likely	The event will probably occur in most circumstances	The event will probably occur at least once per year
3	Possible	The event should occur at some time	The event should occur at least once in 3 years
2	Unlikely	The event could occur at some time	The event could occur at least once in 10 years
1	Rare	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, 15TH MARCH 2023, 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. PRESENTATIONS

None.

4. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

4.1 Audit and Risk Committee - December 2022

OFFICER RECOMMENDED RESOLUTION

THAT the Minutes of the Audit & Risk Committee Meeting held on 7th of December 2022, be confirmed as true and correct subject to no / the following corrections:

5. ANNOUNCEMENTS OF MATTERS FOR WHICH MEETING MAY BE CLOSED

None.

6. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

None.

7. 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.

8 REPORTS OF OFFICERS AND COMMITTEES
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8.1 Title: 2022 Compliance Audit Return [CAR]

Reporting Department	Corporate & Governance Directorate
Responsible Officer	Mr Phil Anastasakis - Deputy CEO
Reporting Officer	Ms Cathy Lee - Manager Governance & HR
Legislation	Local Government Act 1995
Council Role	Legislative.
Voting Requirement	Absolute Majority.
Attachments	AAR:8.1 – Risk Assessment Tool

Overview

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

AUDIT & RISK COMMITTEE – OFFICER RECOMMENDED RESOLUTION

THAT the Audit & Risk Committee recommend that Council adopts the 2022 Compliance Audit Return [CAR] as the official Return of Council for the period 1st January 2022 to 31st December 2022 as follows:

Shire of Dardanup Compliance Audit Return

Year of Return – 2022

Status – Draft for Audit Committee

<i>Commercial Enterprises by Local Governments</i>	<i>Response</i>	<i>Comment</i>
<i>1. Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2022? *</i>	N/A	
<i>2. Has the local government prepared a business plan for each major land transaction that was not exempt in 2022? *</i>	N/A	
<i>3. Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2022? *</i>	N/A	
<i>4. Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2022? *</i>	N/A	

Commercial Enterprises by Local Governments	Response	Comment
5. <i>During 2022, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?*</i>	N/A	

Delegation of Power/Duty	Response	Comment
1. <i>Were all delegations to committees resolved by absolute majority? *</i>	YES	
2. <i>Were all delegations to committees in writing? *</i>	YES	
3. <i>Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995? *</i>	YES	
4. <i>Were all delegations to committees recorded in a register of delegations? *</i>	YES	
5. <i>Has council reviewed delegations to its committees in the 2021/2022 financial year?*</i>	YES	
6. <i>Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995? *</i>	YES	
7. <i>Were all delegations to the CEO resolved by an absolute majority?*</i>	YES	
8. <i>Were all delegations to the CEO in writing? *</i>	YES	
9. <i>Were all delegations by the CEO to any employee in writing? *</i>	YES	
10. <i>Were all decisions by the Council to amend or revoke a delegation made by absolute majority?*</i>	YES	
11. <i>Has the CEO kept a register of all delegations made under Division 4 of the Local Government Act 1995 to the CEO and to employees? *</i>	YES	
12. <i>Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year? *</i>	YES	
13. <i>Did all persons exercising a delegated power or duty under the Local Government Act 1995 keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996 regulation 19? *</i>	YES	

<i>Disclosure of Interest</i>	<i>Response</i>	<i>Comment</i>
1. <i>Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter? *</i>	YES	
2. <i>Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting? *</i>	N/A	
3. <i>Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made?*</i>	YES	
4. <i>Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?*</i>	YES	
5. <i>Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022? *</i>	YES	
6. <i>On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?*</i>	YES	
7. <i>Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995? *</i>	YES	
8. <i>Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28? *</i>	YES	
9. <i>When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person? *</i>	YES	
10. <i>Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return? *</i>	YES	

<i>Disclosure of Interest</i>	<i>Response</i>	<i>Comment</i>
11. <i>Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.878 of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A? *</i>	YES	
12. <i>Did the CEO publish an up-to-date version of the gift register on the local government's website? *</i>	YES	www.dardanup.wa.gov.au/Profiles/dardanup/Assets/ClientData/Documents/Registers/Form_4_-_Register_of_Gifts_and_Contributions_to_Travel.pdf
13. <i>When people cease to be a person who is required to make a disclosure under section 5.87A or 5.878 of the Local Government Act 1995, did the CEO remove from the register all records relating to those people?*</i>	YES	
14. <i>Have copies of all records removed from the register under section 5.89A(6) Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?*</i>	YES	
15. <i>Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report? *</i>	YES	
16. <i>Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application? *</i>	N/A	
17. <i>Was any decision made by the Minister under section 5.718(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered? *</i>	N/A	
18. <i>Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)? *</i>	YES	Resolution 30-21 of OCM held 24 February 2021

<i>Disclosure of Interest</i>	<i>Response</i>	<i>Comment</i>
19. <i>Did the local government adopt additional requirements in addition to the model code of conduct? If Response: YES, does it comply with section 5.104(3) and (4) of the Local Government Act 1995? *</i>	YES	<i>Resolution 30-21 of OCM held 24 February 2021</i>
20. <i>Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website? *</i>	YES	<i>https://www.dardanup.wa.gov.au/documents/9/code-of-conduct-councillors</i>
21. <i>Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government?</i>	YES	<i>www.dardanup.wa.gov.au/documents/11/code-of-conduct-employees</i>
<i>Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website? *</i>	YES	<i>www.dardanup.wa.gov.au/documents/11/code-of-conduct-employees</i>

<i>Disposal of Property</i>	<i>Response</i>	<i>Comment</i>
1. <i>Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)? *</i>	N/A	
2. <i>Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property? *</i>	N/A	

<i>Elections</i>	<i>Response</i>	<i>Comment</i>
1. <i>Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulation 30G(1) and regulation 30G(2) of the Local Government (Elections) Regulations 1997? *</i>	YES	<i>No election held at Shire of Dardanup in 2022</i>
2. <i>Did the CEO remove any disclosure of gifts forms relating to unsuccessful candidates, or successful candidates that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in</i>	YES	<i>No election held at Shire of Dardanup in 2022</i>

<i>Elections</i>	<i>Response</i>	<i>Comment</i>
<i>accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997? *</i>		
3. <i>Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997? *</i>	YES	No election held at Shire of Dardanup in 2022

<i>Finance</i>	<i>Response</i>	<i>Comment</i>
1. <i>Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995? *</i>	YES	OCM held 20/10/21 - Council Resolution 312-21
2. <i>Where the council delegated to its audit committee any powers or duties under Part 7 of the Local Government Act 1995, did it do so by absolute majority?*</i>	YES	OCM held 20/10/21 - Council Resolution 312-21
3. <i>Was the auditor's report for the financial year ended 30 June 2022 received by the local government by 31 December 2022? *</i>	YES	OCM held 14/12/22 - Council Resolution 329-22
4. <i>Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters? *</i>	N/A	
5. <i>Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government? *</i>	N/A	
6. <i>Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website? *</i>	N/A	
7. <i>Was the auditor's report for the financial year ending 30 June 2022 received by the local government within 30 days of completion of the audit? *</i>	YES	

<i>Integrated Planning and Reporting</i>	<i>Response</i>	<i>Comment</i>
<p>1. <i>Has the local government adopted by absolute majority a strategic community plan? *</i> Please provide the adoption date or the date of the most recent review * 27/07/2022</p>	YES	Presented to OCM held 22 June 2022; And again on OCM held 27 July 2022 Adopted at OCM held 27 July 2022 - Resolution 179-22
<p>2. <i>Has the local government adopted by absolute majority a corporate business plan? *</i> Please provide the adoption date or the date of the most recent review * - 27/07/2022</p>	YES	Adopted at OCM held 27 July 2022 - Resolution 179-22 "THAT Council adopts the Shire of Dardanup 2022/23 to 2032/33 Council Plan to fulfil the role of both the Strategic Community Plan and Corporate Business Plan [Appendix ORD: 12.1.1A - Under Separate Cover Document]."
<p>3. <i>Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)? *</i></p>	YES	

<i>Local Government Employees</i>	<i>Response</i>	<i>Comment</i>
<p>1. <i>Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A? *</i></p>	N/A	No 'Senior Employees' at Shire of Dardanup
<p>2. <i>Was all information provided in applications for the position of CEO true and accurate? *</i></p>	N/A	No recruitment of Chief Executive Officer in 2022
<p>3. <i>Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995? *</i></p>	N/A	No recruitment of Chief Executive Officer in 2022
<p>4. <i>Did the CEO inform council of each proposal to employ or dismiss senior employee? *</i></p>	N/A	No 'Senior Employees' at Shire of Dardanup
<p>5. <i>Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so? *</i></p>	N/A	No 'Senior Employees' at Shire of Dardanup

Official Conduct	Response	Comment
1. <i>Has the local government designated an employee to be its complaints officer? *</i>	YES	OCM held 24/02/2021 - Chief Executive Officer or Manager Governance & HR
2. <i>Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the Local Government Act 1995? *</i>	YES	
3. <i>Does the complaints register include all information required by section 5.121(2) of the Local Government Act 1995? *</i>	YES	
4. <i>Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?*</i>	YES	www.dardanup.wa.gov.au/Profiles/dardanup/Assets/ClientData/Documents/Register of-Register-of-Complaints-of-Minor-Breaches-1.pdf

Other	Response	Comment
1. <i>Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three financial years prior to 31 December 2022? Please provide the date of council's resolution to accept the report. *- 23/03/2022</i>	YES	Received by Council at the 23rd March 2022 Ordinary Council Meeting Res:75-22
2. <i>Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2022? Please provide the date of council's resolution to accept the report.* - 31/03/2021</i>	YES	Received by Council at the 31st March 2021 Ordinary Council Meeting Res:67-21
3. <i>Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?</i>	YES	

Other	Response	Comment
4. <i>Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?</i>	YES	CnG CP081 - Elected Member and CEO Attendance at Events
5. <i>Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?</i>	YES	
6. <i>Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?</i>	YES	CnG CP112- Councillors' Induction Training and Professional Development
7. <i>Did the local government prepare a report on the training completed by council members in the 2021/2022 financial year and publish it on the local government's official website by 31 July 2022?</i>	YES	www.dardanup.wa.gov.au/Profiles/dardanup/Assets/ClientData/Annual_Report_on_Elected_Member_Training_2021-2022.pdf
8. <i>By 30 September 2022, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2022?</i>	YES	
9. <i>When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?</i>	YES	

Tenders For Providing Goods And Services	Response	Comment
1. <i>Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less? *</i>	YES	
2. <i>Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?*</i>	YES	
3. <i>When regulations 11(1), 12(2) or 13 of the Local Government Functions and General) Regulations 1996, required tenders to be publicly invited, did the local government</i>	YES	

<i>Tenders For Providing Goods And Services</i>	<i>Response</i>	<i>Comment</i>
<i>invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)? *</i>		
4. <i>Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract? *</i>	YES	
5. <i>If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation? *</i>	YES	
6. <i>Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16? *</i>	YES	
7. <i>Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website? *</i>	YES	
8. <i>Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender? *</i>	YES	
9. <i>Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept? *</i>	YES	
10. <i>Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted? *</i>	YES	
11. <i>Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22? *</i>	YES	
12. <i>Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice? *</i>	YES	

<i>Tenders For Providing Goods And Services</i>	<i>Response</i>	<i>Comment</i>
13. <i>Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer? *</i>	YES	
14. <i>Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24? *</i>	YES	
15. <i>Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions and General) Regulations 1996, Regulations 24AD(4) and 24AE? *</i>	N/A	
16. <i>If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation? *</i>	N/A	
17. <i>Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application? *</i>	N/A	
18. <i>Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG? *</i>	N/A	
19. <i>Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications? *</i>	N/A	
20. <i>Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept? *</i>	N/A	
21. <i>Did the CEO send each applicant written notice advising them of the outcome of their application? *</i>	N/A	

<i>Tenders For Providing Goods And Services</i>	<i>Response</i>	<i>Comment</i>
22. <i>Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F? *</i>	N/A	

By Absolute Majority.

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, is required to carry out a Compliance Audit in relation to the period 1st January 2022 to 31st December 2022 against the requirements set out in the 2022 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: 8.1) for full assessment document.

Tier 2 – 'Low' or 'Moderate' Inherent Risk.	
Risk Event	2022 Compliance Audit Return - CAR
Inherent Risk Rating (prior to treatment or control)	Low (1 - 4)

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.					
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 LG;
2. Delegation of Power Duty;
3. Disclosure of Interest;
4. Disposal of Property;
5. Elections;
6. Finance;
7. Integrated Planning and Reporting;
8. LG Employees;
9. Official Conduct;
10. Optional; 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 31st March each year.

When viewing the CAR, please note that the answers to the questions relate only to the 2022 calendar year.

Council has met compliance requirements in all areas outlined in the 2022 CAR, with the recommendation to Council to adopt the CAR as outlined below.

END REPORT

8.2 Title: Fraud Awareness Training

Reporting Department	<i>Corporate & Governance Directorate</i>
Responsible Officer	<i>Mr Phil Anastasakis - Deputy CEO</i>
Reporting Officers	<i>Ms Cathy Lee - Manager Governance & HR</i> <i>Mrs Cindy Barbetti - Senior Corporate Governance Officer</i>
Legislation	<i>Local Government Act 1995</i>
Council Role	<i>Executive/Strategic.</i>
Voting Requirement	<i>Simple Majority.</i>
Attachments	<i>AAR:8.2A OAG Fraud Risk Management Better Practice Guide (Report 20)</i> <i>AAR:8.2B Risk Assessment</i>

Overview

This report to the Audit and Risk Committee provides members with an update on the Fraud Awareness training that was conducted in February 2023.

AUDIT & RISK COMMITTEE – OFFICER RECOMMENDED RESOLUTION

THAT the Audit and Risk Committee:

- 1. Receive the March 2023 update report on the Fraud Awareness training;**
- 2. Recommend that Council acknowledges that Fraud Awareness training has satisfactorily been completed across the organisation in line with the Office of the Auditor Generals Fraud Risk Management Better Practice Guide; and**
- 3. Commend Council on supporting this training initiative that ultimately raises the current standard of fraud and corruption control for the organisation.**

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

In June 2022, the Office of the Auditor General (OAG) released a Fraud Risk Management Better Practice Guide (the Guide) (Appendix AAR 8.2A) with the aim to help Western Australian public sector entities manage their fraud and corruption risks. The Guide outlines why fraud and risk management is important and provides practical guidance on the process of developing a fraud and corruption risk management program.

Management and staff reviewed the Guide and outlined to the Audit and Risk Committee at the September 2022 meeting a commitment to raising the current standard of fraud and corruption control for Council. Council, through the committee were supportive of engaging an external training firm to undertake organisational fraud awareness training [OCM 28-09-2022: Res 249-22] as a strong foundation in this process.

This report has been compiled in response to this directive and outlines to committee members the training approach undertaken.

Legal Implications - None.

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 - None.

Budget Implications

The cost to facilitate the Fraud Awareness training was as follows:

- Course Creation - \$2000 (ex GST)
- Course Delivery - \$1500 (ex GST) per session x 7 sessions

This was funded through the 2022-2023 Annual Budget training provision.

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:8.2B) for full assessment document.

Tier 3 – 'High' or 'Extreme' Inherent Risk.	
Risk Event	Fraud Awareness Training
Inherent Risk Rating (prior to treatment or control)	Extreme (20 – 25)
Risk Action Plan (treatment or controls proposed)	A commitment to good governance by understanding in detail the risks that may arise in our operating environment. While we acknowledge that fraud risks cannot be eliminated, a robust and well-resourced fraud risk management program can minimise the likelihood and consequence of fraud events. This is further enhanced by training and awareness programs that manage the risk of fraud by controlling the 'opportunity'.
Residual Risk Rating (after treatment or controls)	Moderate (5 – 11)
Risk Category Assessed Against	Financial Impact - Loss of funds through fraudulent or corrupt activity. Reputational - Fraud and corruption can result in a loss of confidence by our community that we aren't serving them well. Public money is naturally threatened when misappropriated or other wrongdoing occurs, and it strikes at the core of trust, accountability and transparency for our sector.

Officer Comment

Fraud and corruption are ever present and growing threats to businesses, including the local government sector. As well as loss of funds, fraud and corruption can result in loss of confidence by our community that we aren't serving them well. Public money is naturally threatened when misappropriated or other wrongdoing occurs, and it strikes at the core of trust, accountability and transparency for our sector.

To safeguard public assets from fraudulent or corrupt activity, we must commit to good governance by understanding in detail the risks that may arise in our operating environment. While we acknowledge that fraud risks cannot be eliminated, a robust and well-resourced fraud risk management program can minimise the likelihood and consequence of fraud events.

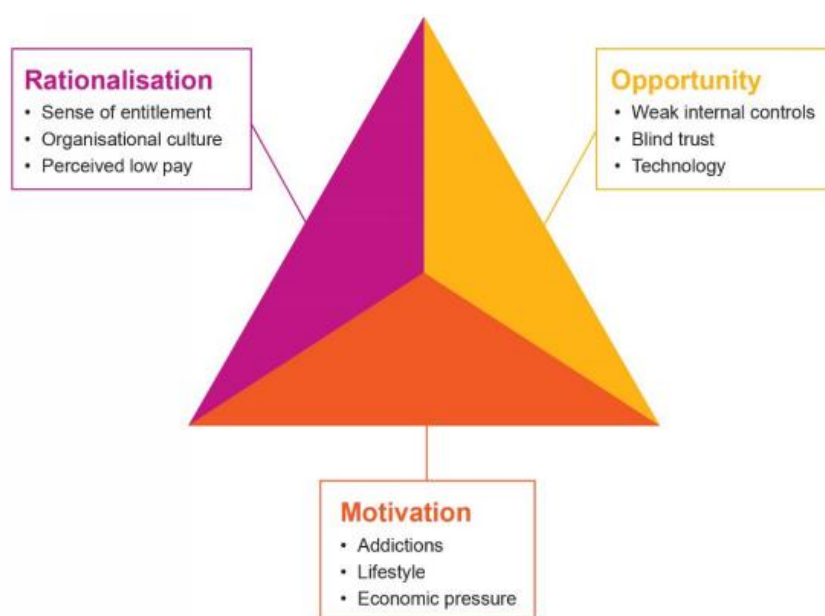
To support this, a training engagement was secured with Public Sector Training Solutions Pty Ltd to conduct in-house training with staff and Elected Members on the 23rd and 24th February 2023.

The format for each of the sessions was delivered as follows:

1. What is fraud?
2. Real examples of fraud that has occurred in Western Australia.
3. How do we look out for signs of fraud?
4. What processes do we have in place to manage the risk of fraud?
5. How do we report fraud?

The sessions provided an opportunity for attendees to think like a fraudster by highlighting the different personas that are engaged to commit fraud. This enabled a better understanding of the different actions fraudsters might use to target our own programs and functions, and to identify potential vulnerabilities and where we could be exploited.

The 'Fraud Triangle' model (figure 1) was also used to explain why an individual might commit fraud. The model identifies three conditions that contribute to an individual's decision to do something fraudulent; motivation, rationalisation and opportunity. With the right mix of motivation, opportunity and rationalisation even the most trusted employee can be tempted to commit a fraudulent act.



Source: OAG adapted from Other People's Money¹

Figure 1: The Fraud Triangle

As a fraudster's personal motivation and behavioural rationalisation are largely beyond our control, there is a benefit to being alert and aware of behavioural 'red flags', and these red flags were discussed throughout the training. It was highlighted that the most effective way to manage the risk of fraud is by controlling the 'opportunity'. This is achieved through implementing or enhancing controls that are aimed at preventing fraud or detecting it quickly if it does occur.

The training was also an opportunity to remind attendees of the Public Interest Disclosures (PID) process, who our PID officers are, and that PID is an appropriate avenue to report fraud (including anonymity). Overall, the training was well received by staff and Elected Members, with some robust discussions and scenarios shared. Council must be commended for supporting this initiative that ultimately raises the current standard of fraud and corruption control for the organisation.

END REPORT

8.3 Title: Biannual Compliance Task Report

Reporting Department	<i>Corporate & Governance Directorate</i>
Responsible Officer	<i>Mr Phil Anastasakis - Deputy CEO</i>
Reporting Officers	<i>Mrs Cindy Barbetti - Senior Corporate Governance Officer</i>
Legislation	<i>Local Government Act 1995 and Local Government (Audit) Regulations 1996, Regulation 17</i>
Council Role	<i>Legislative.</i>
Voting Requirement	<i>Simple Majority.</i>
Attachments	<i>AAR:8.3 - Risk Assessment AAR:8.3 - Confidential Attachment</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.

AUDIT & RISK 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 provided Under Separate Cover, and note the compliance tasks identified for the period 1 July 2022 to 31 December 2022.

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 January 2022 to June 2022) at the September 2022 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 Senior Corporate Governance 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 8.3) 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

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
	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 2022 calendar year (July 2022 to December 2022). Please refer to the Confidential Attachment provided 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 2023 committee meeting.

END REPORT

8.4 Title: Western Australian Auditor General - Schedule of Reports

Reporting Department	Corporate & Governance Directorate
Responsible Officer	Mr Phil Anastasakis - Deputy CEO
Reporting Officer	Mrs Cindy Barbetti - Senior Corporate Governance Officer
Legislation	Local Government Act 1995 Local Government (Audit) Regulations 1996
Council Role	Executive/Strategic.
Voting Requirement	Simple Majority.
Attachments	AAR 8.4A Risk Assessment AAR 8.4B Report 12 - Financial Audit Results State Government 2021-22 AAR 8.4C Report 13 - Funding of Volunteer Emergency and Fire Services

Overview

This report provides the Audit and Risk Committee with a schedule of Western Australian Auditor General Reports that have been released since the December 2022 committee meeting.

AUDIT & RISK COMMITTEE – OFFICER RECOMMENDED RESOLUTION

THAT the Audit and Risk Committee receive the March 2023 report on the Western Australian Auditor General – Schedule of Reports.

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 *Local Government Amendment (Auditing) Act 2017* was proclaimed on 28th of October 2017. The purpose of the Act was to make legislative changes to the *Local Government Act 1995* to provide for the auditing of local governments by the Auditor General.

The Act also provides for a category of audits known as ‘performance audit reports’ which examine the economy, efficiency and effectiveness of any aspect of a local governments operations. The findings of these audits are likely representative of issues in other local government entities that were not part of the sample. In addition, the Auditor General releases ‘guides’ to help support good governance within a local government’s operations.

The Auditor General encourages all entities, not just those audited, to periodically assess themselves against the risks and controls noted in each of the performance audit reports and guides when published. Testing our performance against the Auditor General findings and reporting the outcomes to the Audit and Risk Committee can be viewed as a vital component of managing compliance reporting under Regulation 17.

Legal Implications*Local Government Act 1995**Local Government (Audit) Regulations 1996, r17**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 at least once every 2 calendar years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

Council Plan

13.1 - Adopt best practice governance.

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

Environment - None.**Precedents**

The Audit and Risk Committee previously received a report at the December 2022 meeting that responded to the reports released by the OAG from October 2022 to November 2022.

Budget Implications

As part of the Senior Corporate Governance Officer role, regular monitoring and assessment of reports released by the OAG is deemed a matter of good governance and a vital component of managing compliance under Regulation 17. Therefore the cost to Council is through staff time and the usage of IT/Software systems where applicable.

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

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix AAR:8.4A) for full assessment document.

Tier 2 – 'Low' or 'Moderate' Inherent Risk.	
Risk Event	Western Australian Auditor General – Schedule of Reports
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)
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.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.		
Risk Category Assessed Against	Legal and Compliance	Not considering the risks, controls and recommendations arising from the Auditor General’s report could have an impact on Council not meeting its compliance requirements.
	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

Since the last committee meeting, there have been two (2) reports released by the OAG that hold significance to the local government sector. These reports are reflected in the table below together with officer comment:

DATE	REPORT NO	REPORT	APPENDIX
22-12-2022	12	Financial Audit Results State Government 2021-2022	AAR:8.4B Report 12 Financial Audit Results - State Government 2021-22
22-12-2022	13	Funding of Volunteer Emergency and Fire Services	AAR:8.4C Report 13 Funding of Volunteer Emergency and Fire Services

- *Report 12 - Financial Audit Results State Government 2021-2022*

This report summarises the results of the OAG’s annual audits of 123 of 132 State government entities for the year ended 30 June 2022, along with the results of a number of other audits and assurance activities. As this report reveals, 2021-22 has been another challenging year for the West Australian State Government sector with the Auditor General commenting:

“while aspects of life and business stabilised as we emerged from the intense focus on COVID-19 pandemic responses, it is fair to say that things have clearly not returned to normal across the public sector. Regrettably, fatigue and a lack of attention to some of the core foundations of public financial management remain prevalent. While we understand that entities deal with many important matters, improving financial management control and external reporting processes is now an urgent priority for large parts of the State sector”.

There has also been an increase in the number of entities with serious deficiencies requiring a qualified opinion on financial statements and/or controls, from 17 in 2020-21 to 21 entities in 2021-22. The OAG attributes this increase in audit qualifications to be a consequence of diverted attention in agencies in recent years, compounded by a current shortage of skilled finance and IT professionals available to address audit findings. There was also unresolved audit findings from the prior year, and a fifth of entities were very late with their audit preparedness. The OAG also found a concerning drop in the quality of information provided for audit purposes, with supporting evidence or key reconciliations incomplete or absent in too many entities, and errors in financial statements.

The OAG acknowledges that staff illness and vacancies provided challenges for the reporting season, however this alone does not fully explain the decline in financial control and reporting performance for the sector. The OAG would like to see a determined commitment across the sector, and an understanding that sloppiness around key controls within the public sector financial framework is not acceptable in the administration of public finances.

The report does however positively touch on a number of impressive results and improvements, which demonstrates that even in challenging operating conditions, good financial administration remains possible.

To conclude, the general issues raised within the report equally apply to the local government sector. Of relevance, the Shire of Dardanup received a clear financial audit opinion for 2021-22, throughout a period with which the OAG has deemed 'challenging operating conditions'. This reinforces the good work of management and staff in maintaining the core foundations of public financial management for the Shire.

- *Report 13 – Funding of Volunteer Emergency and Fire Services*

This report assessed if the Department of Fire and Emergency Services (DFES) and three local government (LG) entities (who were involved in the audit) effectively administer funding for their land-based volunteer emergency and fire services (volunteer services).

The OAG focused on DFES and LG entities' funding processes and administrative support to volunteer services, and sought feedback from community and government stakeholders involved in supporting them. The report concluded that DFES lacks some critical information from LG entities that it needs to more clearly link funding allocations to current and emerging risks to the community. The three LG entities audited had neither a full understanding of their own costs to support the volunteer services nor fit for purpose strategic asset plans on which to base their Grants Scheme requests. As a result, DFES may not have sufficient information from LG entities to comprehensively assess their Grants Scheme funding requests.

With these deficiencies in mind, management and staff assessed the current processes of the Shire of Dardanup against the recommendations noted in the report. In response to these recommendations, staff can advise that we do include Bush Fire Brigade buildings (including water tanks) in the Building Asset Management Plan (BAMP), with vehicles now included in the 2023-24 Executive and Compliance vehicle section of the Asset Management Plan (AMP).

Considerable work has also been undertaken by the Coordinator Emergency and Ranger Services to investigate the material costs (at job level) associated with supporting volunteer services. Expenditure dating back 4 years is currently being reviewed to identify any expenditure patterns, to assist with future expenditure predictions. Management acknowledge this is a work in progress.

In terms of maintaining up to date volunteer membership data, we receive a monthly membership list from DFES that is cross-checked by each Brigade who amend as necessary. Any amendments are then conveyed back to DFES. Therefore the membership data is up to date to the nearest month.

An easier reporting process is currently being implemented in conjunction with the Emergency Management and Brigade Officer, WHS Coordinator and Chief Bush Fire Brigade Officer. This process will assist BFB members with reporting hazards and incidents, and staff are hopeful this will be finalised by the next BFAC meeting in March 2023.

Management note that any further improvements to the administration of funding to volunteer services to better inform decision making and support volunteer services, will potentially impact the current staff resourcing required. The current Work Force Plan provides 0.6FTE for an Emergency Management and Brigade Officer. If more administration of volunteer services is required, then Council would need to give future consideration to increasing the FTE allocation for this position.

- *Conclusion*

The OAG report review process will continue to be applied to future reports and guides released by the Auditor General. The analysis of these reports provides Council with a greater level of confidence in internal control practices and processes throughout Council operations.

END REPORT

9. ELECTED MEMBER MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

None.

10. NEW BUSINESS OF AN URGENT NATURE

[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.]

11. MATTERS BEHIND CLOSED DOORS

None.

12. CLOSURE OF MEETING

The date of the next Audit & Risk Committee Meeting will be Wednesday, 14th of June 2023.

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