



CONFIRMED MINUTES

AUDIT AND RISK COMMITTEE MEETING

16 FEBRUARY 2021

I certify that the minutes of the meeting of the Audit and Risk Committee held on Tuesday, 16 February 2021 were confirmed on Tuesday, 18 May 2021.

A handwritten signature in black ink, appearing to be "A. Kelly", is written over a horizontal line.

Presiding Person



**CONFIRMED MINUTES
AUDIT AND RISK COMMITTEE MEETING
16 FEBRUARY 2021**

ATTENTION/DISCLAIMER

The purpose of this Committee Meeting is to discuss and make recommendations to Council about items appearing on the agenda and other matters for which the Committee is responsible. The Committee has no power to make any decisions which are binding on the Council or the Shire of Mundaring unless specific delegation of authority has been granted by Council. No person should rely on or act on the basis of any advice or information provided by a Member or Employee, or on the content of any discussion occurring, during the course of the Committee Meeting.

The Shire of Mundaring expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any advice or information provided by a Member or Employee, or the content of any discussion occurring during the course of the Committee Meeting.

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**AUDIT AND RISK COMMITTEE
COMMITTEE ROOM – 5.30 PM**

1.0 OPENING PROCEDURES

The Presiding Person declared the meeting open at 5.30pm.

Acknowledgement of Country

Shire of Mundaring respectfully acknowledges the Whadjuk people of the Noongar Nation, who are the traditional custodians of this land. We wish to acknowledge Elders past, present and emerging and respect their continuing culture and the contribution they make to the region.

1.1 Announcement of Visitors

Nil

1.2 Attendance/Apologies

Members	Cr John Daw	East Ward
	Mr Craig Wilkinson (Presiding Person)	External Member
	Cr Simon Cuthbert	East Ward
	Cr James Martin	South Ward
	Cr Jason Russell	West Ward
Staff	Jonathan Throssell	Chief Executive Officer
	Garry Bird	Director Corporate Services
	Stan Kocian	Manager Finance & Governance
	Danielle Courtin	Governance Coordinator
	Andrea Douglas	Minute Secretary
Apologies	Mr Tony Wittcomb	External Member
Leave of Absence	Cr Darrell Jones	South Ward
Absent	Cr Matthew Corica	West Ward
Guests	Nil	
Members of the Public	Nil	
Members of the Press	Nil	

2.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Nil

3.0 DECLARATION OF INTEREST

3.1 Declaration of Financial Interest and Proximity Interests

Elected Members must disclose the nature of their interest in matters to be discussed at the meeting (*Part 5 Division 6 of the Local Government Act 1995*).

Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting (*Sections 5.70 and 5.71 of the Local Government Act 1995*).

Nil

3.2 Declaration of Interest Affecting Impartiality

An Elected Member or an employee who has an interest in a matter to be discussed at the meeting must disclose that interest (*Shire of Mundaring Code of Conduct, Local Government (Admin) Reg. 34C*).

Nil

4.0 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

5.0 PUBLIC QUESTION TIME

Procedures for asking and responding to questions are determined by the Presiding Person and in accordance with the Shire's Meeting Procedures Local Law 2015. Questions must relate to a function of the Committee.

Nil

6.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

COMMITTEE DECISION RECOMMENDATION	ARC1.02.21
Moved by Cr Daw Seconded by Cr Russell	

That the Minutes of the Audit and Risk Committee Meeting held 14 December 2020 be confirmed.

CARRIED 5/0

For: Cr Daw, Mr Wilkinson, Cr Cuthbert, Cr Martin and Cr Russell

Against: Nil

7.0 PRESENTATIONS

7.1 Deputations

Nil

7.2 Petitions

Nil

7.3 Presentations

Nil

8.0 REPORTS OF EMPLOYEES

8.1 Compliance Audit Return 2020

File Code	GV.CAR 1
Author	Stan Kocian, Manager Finance and Governance
Senior Employee	Garry Bird, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	1. 2020 Compliance Audit Return

SUMMARY

The purpose of this report is to present the Audit and Risk Committee with the completed 2020 Compliance Audit Return (CAR).

The Audit and Risk Committee is requested to review the CAR and recommend its adoption to Council.

BACKGROUND

In accordance with the *Local Government Act 1995* and *Local Government (Audit) Regulations 1996*, a local government is required to complete an annual CAR for the period 1 January to 31 December of the preceding year.

The CAR, after being adopted by Council, is to be forwarded to the Department of Local Government, Sport and Cultural Industries by 31 March 2021.

The CAR is traditionally undertaken as an exercise of self-assessment by individual local governments in terms of compliance with legislation and more specifically particular sections of the *Local Government Act 1995* and associated regulations.

STATUTORY / LEGAL IMPLICATIONS

- Section 7.13(1)(i) of the *Local Government Act 1995* requires local governments to carry out, in the prescribed manner and in a form approved by the Minister an audit of compliance with statutory requirements prescribed in the *Local Government (Audit) Regulations 1996*.
- Regulation 13 of the *Local Government (Audit) Regulations 1996* details the statutory requirements that must be addressed within the compliance audit.
- Regulation 14 of the *Local Government (Audit) Regulations 1996* specifies the requirement to undertake a compliance audit for the annual period 1 January to 31 December and the process by which the audit return is to be considered by Council.
- Regulation 15 of the *Local Government (Audit) Regulations 1996* details the actions to be taken to certify the audit return and to submit the return by 31 March following the period to which the return relates.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Mundaring Strategic Community Plan 2020 - 2030

Priority 4 - Governance

Objective 4.4 – High standard of governance and accountability

Strategy 4.4.8 – Compliance with the Local Government Act 1995 and all relevant legislation and regulations

SUSTAINABILITY IMPLICATIONS

Nil

RISK IMPLICATIONS

Risk: Compliance - Failure to complete and submit the CAR by 31 March 2021 would result in non-compliance with the legislative requirements of the *Local Government (Audit) Regulations 1996*.

Likelihood	Consequence	Rating
Unlikely	Minor	Low

Action / Strategy

On an annual basis Shire staff complete the CAR in January, the CAR is then considered by the Audit and Risk Committee in February and subsequently Council adopts the CAR at the March Ordinary Meeting of Council.

EXTERNAL CONSULTATION

Nil

COMMENT

The purpose of the annual CAR is for individual local governments to assess their level of compliance with the *Local Government Act 1995* and associated regulations. The CAR focuses on the following areas of compliance:

1. Commercial Enterprises by Local Governments (5 questions);
2. Delegation of Power/Duty (13 questions);
3. Disclosure of Interest (21 questions);
4. Disposal of Property (2 questions);
5. Elections (3 questions);
6. Finance (11 questions);
7. Integrated Planning and Reporting (3 questions)
8. Local Government Employees (6 questions);
9. Official Conduct (4 questions);
10. Optional questions (10 questions); and
11. Tenders for Providing Goods and Services (24 questions)

The Shire has achieved a 99% compliance rating for the period covered by the 2020 CAR (a score of 101 from 102 questions).

This compares with the Shire achieving the following levels of compliance in recent years:

Year	Compliance
2019	98%
2018*	98%
2017*	99%
2016*	100%
2015	100%
2014	97.5%

*CAR audited by external consultant

In 2020 one question highlighted an instance of non-compliance which related to purchasing:

Subject to F&G Reg 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 F&G Reg 11(1)?

\$352,482 (ex GST) was paid to a temporary staff agency in 2020 for services relating to temporary staff to cover vacant positions and extended periods of leave within the Operations area. Total payments of \$503,090 (ex GST) to the same company were previously highlighted as an issue of non-compliance in the 2019 CAR. A commitment was made at the Audit and Risk Committee held 18 February 2020 that a Request for Tender (RFT) process for temporary agency staff services would be undertaken by 1 July 2020. This RFT process was completed on 23 October 2020. The delay in the RFT was due to an indication from WALGA that the company was to be appointed to WALGA's preferred supplier panel for the 2020/21 financial year which did not eventuate, and the complexities in the specifications within the tender documentation that were subsequently developed.

VOTING REQUIREMENT

Simple Majority

COMMITTEE RECOMMENDATION	ARC2.02.21
Moved by Cr Martin	Seconded by Cr Cuthbert

That Council:

1. adopts the completed 2020 Compliance Audit Return for the period 1 January 2020 to 31 December 2020; and
2. submits the completed Compliance Audit Return for the Shire of Mundaring to the Department of Local Government, Sport and Cultural Industries after the Joint Certificate is signed by the Shire President and Chief Executive Officer.

CARRIED 5/0

For: Cr Daw, Mr Wilkinson, Cr Cuthbert, Cr Martin and Cr Russell

Against: Nil



Mundaring - Compliance Audit Return 2020

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of the relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2020?	N/A	There were no major trading undertakings in 2020.	Stan Kocian
2	s3.59(2)(b) F&G Regs 7,8,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2020?	N/A	There were no major land transactions in 2020.	Stan Kocian
3	s3.59(2)(c) F&G Regs 7,8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2020?	N/A	There were no major land transactions in 2020.	Stan Kocian
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2020?	N/A	No such undertakings or transactions in 2020	Stan Kocian
5	s3.59(5)	During 2020, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A	No such undertakings or transactions in 2020	Stan Kocian



Delegation of Power/Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	Yes	No new delegations to committees, but delegations register containing delegations to committees was reviewed and adopted by absolute majority in March 2020 (C25.03.20).	Danielle Courtin
2	s5.16	Were all delegations to committees in writing?	Yes	See above.	Danielle Courtin
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	Yes	See above.	Danielle Courtin
4	s5.18	Were all delegations to committees recorded in a register of delegations?	Yes	See above.	Danielle Courtin
5	s5.18	Has council reviewed delegations to its committees in the 2019/2020 financial year?	Yes	March 2020: C25.03.20.	Danielle Courtin
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act?	Yes		Danielle Courtin
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes	No new delegations to CEO, but delegations register containing delegations to CEO was reviewed and adopted by absolute majority in March 2020 (C25.03.20).	Danielle Courtin
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes	See above.	Danielle Courtin
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes	See above.	Danielle Courtin
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	Yes	No delegations were revoked. Delegations were amended as part of the review of the delegations register.	Danielle Courtin
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes	See above.	Danielle Courtin
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2019/2020 financial year?	Yes	See above.	Danielle Courtin
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Admin Reg 19?	Yes	All recorded in the Records Management System.	Danielle Courtin
Disclosure of Interest					



No	Reference	Question	Response	Comments	Respondent
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes	Council meeting 9 June 2020: 1x financial and 2x proximity interests left the room. Council meeting 11 August 2020: 1x financial interest left the room.	Danielle Courtin
2	s5.68(2) & s5.69 (5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting?	N/A	No such participation approval was provided during 2020.	Danielle Courtin
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made?	Yes		Danielle Courtin
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes		Danielle Courtin
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2020?	Yes		Danielle Courtin
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes		Danielle Courtin
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76?	Yes		Danielle Courtin
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A, in the form prescribed in Admin Reg 28?	Yes		Danielle Courtin
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person?	Yes		Danielle Courtin
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes		Danielle Courtin
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A?	Yes	Available on the Shire's website.	Danielle Courtin
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes		Danielle Courtin



No	Reference	Question	Response	Comments	Respondent
13	s5.89A(6)	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person?	Yes		Danielle Courtin
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A (6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes		Danielle Courtin
15	Rules of Conduct Reg 11(1), (2) & (4)	Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?	Yes		Danielle Courtin
16	Rules of Conduct Reg 11(6)	Where a council member disclosed an interest under Rules of Conduct Reg 11 (2) was the nature of the interest recorded in the minutes?	Yes		Danielle Courtin
17	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes		Danielle Courtin
18	s5.71A & s5.71B (5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A	No applications to the Minister were made during 2020.	Danielle Courtin
19	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered?	N/A	See above.	Danielle Courtin
20	s5.103 Admin Regs 34B & 34C	Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees?	Yes	Last reviewed in December 2018.	Danielle Courtin
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?	Yes		Danielle Courtin



Disposal of Property					
No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)?	N/A	No disposals of property in 2020.	Stan Kocian
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	N/A	As above	Stan Kocian

Elections					
No	Reference	Question	Response	Comments	Respondent
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate?	Yes	No electoral gifts were disclosed/received during 2020.	Danielle Courtin
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years?	N/A	No election was held in 2020.	Danielle Courtin
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	Yes		Danielle Courtin

Finance					
No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes	Special Meeting of Council held 28/10/19 - Council decision SC5.10.19	Stan Kocian
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	N/A	No additional delegations were made to the committee in 2020.	Stan Kocian
3	s7.3(1) & s7.6(3)	Was the person or persons appointed by the local government to be its auditor appointed by an absolute majority decision of council?	Yes	Auditor General	Stan Kocian



No	Reference	Question	Response	Comments	Respondent
4	s7.3(3)	Was the person(s) appointed by the local government under s7.3(1) to be its auditor a registered company auditor or an approved auditor?	N/A	This clause is no longer relevant	Stan Kocian
5	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2020 received by the local government by 31 December 2020?	Yes	Audit exit interview was conducted on 30/11/20. Audit Report was received 7/12/20.	Stan Kocian
6	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes		Stan Kocian
7	s7.12A(4)(a)	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?	Yes	Auditor's report identified adverse trend in the Asset Sustainability Ratio. Report presented to Audit and Risk Committee 14/12/20.	Stan Kocian
8	s7.12A(4)(b)	Where the local government was required to prepare a report under s.7.12A(4)(a), was a copy of the report given to the Minister within three months of the audit report being received by the local government?	Yes	Report sent to the Minister 15/12/20.	Stan Kocian
9	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	Yes	Minutes of the Audit and Risk Committee Meeting held 15/12/20, which include the report, were published to the Shire's website.	Stan Kocian
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives and scope of the audit, a plan for the audit, details of the remuneration and expenses paid to the auditor, and the method to be used by the local government to communicate with the auditor?	Yes		Stan Kocian
11	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit?	Yes	Audit exit interview was conducted on 30/11/20. Audit Report was received 7/12/20.	Stan Kocian



Integrated Planning and Reporting					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Date of adoption: 10 March 2020 (C21.03.20).	Danielle Courtin
2	Admin Reg 19DA (1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Date of adoption: 14 July 2020 (C4.07.20).	Danielle Courtin
3	Admin Reg 19DA (2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes		Danielle Courtin

Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A	No change of CEO in 2020.	Danielle Courtin
2	s5.36(4) & s5.37 (3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	N/A	NO senior employee vacancies were advertised in 2020.	Danielle Courtin
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A	See above.	Danielle Courtin
4	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4)?	N/A	See above.	Danielle Courtin
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	N/A	See above.	Danielle Courtin
6	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A	See above.	Danielle Courtin



Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer?	Yes	The CEO is the complaints officer.	Danielle Courtin
2	s5.121(1)	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)?	Yes		Danielle Courtin
3	s5.121(2)	Does the complaints register include all information required by section 5.121(2)?	Yes		Danielle Courtin
4	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes		Danielle Courtin
Optional Questions					
No	Reference	Question	Response	Comments	Respondent
1	Financial Management Reg 5 (2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Financial Management Reg 5(2)(c) within the three years prior to 31 December 2020? If yes, please provide the date of council's resolution to accept the report.	Yes	Council resolution C2.06.18 - 12 June 2018	Stan Kocian
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Audit Reg 17 within the three years prior to 31 December 2020? If yes, please provide date of council's resolution to accept the report.	Yes	Council resolution C11.12.18 - 11 December 2018	Stan Kocian
3	s5.87C(2)	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift?	Yes		Danielle Courtin
4	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, did the disclosure include the information required by section 5.87C?	Yes		Danielle Courtin
5	s5.90A(2)	Did the local government prepare and adopt by absolute majority a policy dealing with the attendance of council members and the CEO at events?	Yes	Adopted 10 March 2020 (C7.03.20).	Danielle Courtin



Department of
**Local Government, Sport
and Cultural Industries**

No	Reference	Question	Response	Comments	Respondent
6	s.5.90A(5)	Did the CEO publish an up-to-date version of the attendance at events policy on the local government's official website?	Yes		Danielle Courtin
7	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	Yes		Danielle Courtin
8	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Adopted 17 December 2020 (SC18.12.20).	Danielle Courtin
9	s5.127	Did the local government prepare a report on the training completed by council members in the 2019/2020 financial year and publish it on the local government's official website by 31 July 2020?	Yes		Danielle Courtin
10	s6.4(3)	By 30 September 2020, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2020?	Yes	Submitted 8 September 2020	Stan Kocian

Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Does the local government have a current purchasing policy that complies with F&G Reg 11A(3) in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$250,000 or less or worth \$250,000 or less?	Yes	Purchasing Policy AS-04 available on the website.	Danielle Courtin
2	F&G Reg 11A(1)	Did the local government comply with its current purchasing policy in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes		Danielle Courtin
3	s3.57 F&G Reg 11	Subject to F&G Reg 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 F&G Reg 11(1)?	No	While a tender was issued on 23 October 2020 for Temporary Recruitment Services, annual spending with one company has been over \$250,000 for 2 consecutive years.	Stan Kocian
4	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with F&G Reg 14(3) and (4)?	Yes		Danielle Courtin



No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract?	Yes		Stan Kocian
6	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation?	Yes	This is done through the Tenderlink portal.	Danielle Courtin
7	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16?	Yes	Done through Tenderlink.	Danielle Courtin
8	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes		Danielle Courtin
9	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	Yes		Danielle Courtin
10	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes		Danielle Courtin
11	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes		Danielle Courtin
12	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of F&G Regs 21 and 22?	Yes	No EOIs were issued in 2020.	Danielle Courtin
13	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A	See above.	Danielle Courtin
14	F&G Reg 23(3)	Were all expressions of interest that were not rejected assessed by the local government?	N/A	See above.	Danielle Courtin
15	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services as an acceptable tenderer?	N/A	See above.	Danielle Courtin
16	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with F&G Reg 24?	N/A	See above.	Danielle Courtin



No	Reference	Question	Response	Comments	Respondent
17	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with F&G Reg 24AD(4) and 24AE?	N/A	We didn't advertise for a panel of pre-qualified suppliers in 2020.	Danielle Courtin
18	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A	See above.	Danielle Courtin
19	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A	See above.	Danielle Courtin
20	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of F&G Reg 24AG?	N/A	See above.	Danielle Courtin
21	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A	See above.	Danielle Courtin
22	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A	See above.	Danielle Courtin
23	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A	See above.	Danielle Courtin
24	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F?	N/A	Not applicable to metropolitan local governments.	Danielle Courtin

I certify this Compliance Audit Return has been adopted by council at its meeting on _____

Signed Mayor/President, Mundaring

Signed CEO, Mundaring

8.2 New Draft Policy OR-29 Contract Management

File Code	GV.OPP 1
Author	Danielle Courtin, Governance Coordinator
Senior Employee	Garry Bird, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	1. Draft Policy OR-29 Contract Management

SUMMARY

A new draft Contract Management Policy is presented to the Committee for its consideration and recommendation to Council for adoption.

BACKGROUND

In Deloitte's April 2016 Internal Audit of Procurement Systems and Controls the Shire's lack of robust contract management systems and processes was identified as an area for improvement: *"Contracts are currently managed by the relationship holder, with limited guidance provided to outline when a contract is to be created, how it is to be executed and how performance is to be monitored."*

In response –

- Training (two days) was provided to staff involved with procurement and contracts;
- A business case for a Contracts Management Officer was presented to Council but wasn't approved; and
- A contract management procedural document was to be developed outlining the process for creating, executing and managing contracts. This didn't happen due to a lack of experienced and qualified staff.

The 2019 Compliance Audit Return highlighted instances of non-compliance with the Shire's procurement processes, including monitoring contract expenditure.

In response a contracts register was developed and is kept up to date.

On 4 May 2020 the Office of the Auditor General WA (OAG) released its report about Local Government Contract Extensions and Variations, describing a sector struggling with contract management in general. Shire of Mundaring, while not part of the audit, is no exception.

The OAG's first recommendation was: *"Ensure policies and procedures include comprehensive guidance to staff on recording of contract information and management of contract extensions and variations, so that better practices are consistently applied across the organisation."*

In response –

- A self-assessment of the Shire's contract extensions and variations practices and controls was undertaken and was presented to the Committee on 26 May 2020. This self assessment concluded that *"the Shire's Purchasing Policy AS-04 is silent on contract management, extensions and variations, but in clause 6 sets out clear purchasing limits for managers, directors and the CEO. The Shire's Tender*

Guidelines briefly mention contract management but don't provide any guidance. They state that 'contract management guidelines will be drafted as a separate project'. Contract management guidelines have not been drafted as yet due to a lack of staff resources."

- The Executive Leadership Team requested that, as a first step and taking into consideration limited existing staff resources, an overarching, high level Contract Management Policy should be drafted.

The draft Contract Management policy is attached for the Committee's review (**Attachment 1**).

STATUTORY / LEGAL IMPLICATIONS

The *Local Government (Functions and General) Regulations 1996* in Part 4 deal with the provision of goods and services and include specific requirements relating to contract management.

POLICY IMPLICATIONS

The draft Contract Management Policy complements and refers to AS-04 Purchasing Policy.

FINANCIAL IMPLICATIONS

The 2020/21 annual budget includes over \$30 million of expenditure and materials (operational and capital).

STRATEGIC IMPLICATIONS

Mundaring Strategic Community Plan 2020 - 2030

Priority 4 - Governance

Objective 4.4 – High standard of governance and accountability

Strategy 4.4.3 – Risks are well managed

SUSTAINABILITY IMPLICATIONS

Nil

RISK IMPLICATIONS

Risk: <u>Financial</u> – With a procurement budget in excess of \$30 million, sub-standard contract management practices could result in substantial financial loss.		
Likelihood	Consequence	Rating
Likely	Major	High
Action / Strategy		
<ul style="list-style-type: none"> • Develop guidance documents for staff involved in contract management, including a policy and guidelines. • Ongoing staff training in contract management practices. 		

Risk: Compliance – The Shire’s decentralised procurement means that contract management is similarly decentralised, which may lead to inconsistencies and non-compliance with legislation, depending on the expertise of the staff member managing the contract.

Likelihood	Consequence	Rating
Possible	Major	High

Action / Strategy

- Develop guidance documents for staff involved in contract management, including a policy and guidelines.
- Ongoing staff training in contract management practices.

Risk: Reputational – Should a major contract be mismanaged, this could result in loss of confidence in the community.

Likelihood	Consequence	Rating
Unlikely	Major	Moderate

Action / Strategy

- Develop guidance documents for staff involved in contract management, including a policy and guidelines.
- Ongoing staff training in contract management practices.

EXTERNAL CONSULTATION

The specialist procurement team at WALGA have been extensively consulted and have reviewed and commented on the draft policy. Their comments have been incorporated in the draft as it is presented to the Committee.

COMMENT

The draft policy presented to the Committee is a high-level summary of the best practice principles the Shire will adhere to when managing contracts. It is a first step towards more consistent contract management across the organisation.

Detailed guidelines will be developed to elaborate on the policy’s principles.

VOTING REQUIREMENT

Simple Majority

COMMITTEE RECOMMENDATION	ARC3.02.21
Moved by Cr Cuthbert	Seconded by Cr Martin

That Council adopts Policy OR-29 'Contract Management' in **Attachment 1**.

CARRIED 5/0

For: Cr Daw, Mr Wilkinson, Cr Cuthbert, Cr Martin and Cr Russell

Against: Nil

Shire of Mundaring

POLICY

CONTRACT MANAGEMENT

Policy Ref:	OR-29		
Committee Rec:		Date:	
Adopted:		Date:	
Amended:		Date:	
Reviewed:		Date:	
Policy Ref:	AS-04 Purchasing Policy OR-12 Code of Conduct	Delegation Ref:	
Guidelines Ref:	Conflict of Interest Guidelines for Employees		
Local Law Ref:	N/A		

PURPOSE

The purpose of this policy is -

- to provide guidance to Shire employees responsible for creating and managing contracts;
- to provide consistency across the organisation when managing contracts; and
- to establish documented practices for managing contracts.

POLICY

Definition

Contract management: The process that ensures that both parties to a contract fully meet their respective obligations as efficiently and effectively as possible, in order to deliver the financial and operational objectives required from the contract.

Scope

This policy applies to all Shire employees involved in managing contracts. Employment contracts are excluded from this Policy.

Policy

In pursuit of effective contract management Shire employees tasked with contract management will address the following factors:

1. Managing risks

The approach to managing risks for individual contracts will be consistent with the Shire's Risk Management Framework.

Risk exposure will be minimised by measures such as:

- Considering and allocating clear contract management responsibilities during the planning stages of any procurement activity;
- Using the most recent version of the Shire's templates for Requests for Tender (RFT), Requests for Quotations (RFQ), contracts and conditions;
- Requiring conflict of interest declarations from all employees having responsibility for managing the contract;
- Maintaining an up to date contracts register, including the following information:
 - Records file number;
 - Purpose of the contract;
 - Name of the contractor(s);
 - Commencement and expiry dates;
 - Possible extensions as specified in the contract;
 - Extensions exercised;
 - Expiry after extensions;
 - Variations accepted;
 - Estimated annual budget (ie contract value); and
 - Actual contract spend.
- Requiring a bank guarantee within seven days of contract execution, where appropriate (usually for major construction contracts);
- Requiring full contract execution prior to the commencement of work;
- Requiring the contractor to have appropriate public liability, professional indemnity, workers compensation insurance as detailed in the contract;
- Certifying accuracy of invoices prior to processing payment;
- Effectively managing the contract by monitoring, evaluating and following up the contractor's performance.

2. Managing relationships

Communications between both parties to the contract will be open, constructive, non-adversarial and based on mutual understanding.

Should problems arise, they will be resolved in a timely manner. Employees responsible for managing contracts must protect the Shire's interests in all instances.

3. Managing resources

All employees managing contracts will be provided with appropriate training to manage contracts and projects, including but not limited to:

- Intensive induction and familiarisation at the commencement of employment;
- Regular refresher training provided by experienced trainers or organisations.

4. Specifying responsibilities

All decisions relating to the approval of contracts, contract extensions and contract variations, whether as a result of a public tender process or any other procurement processes, will be made in accordance with approved authorisation limits established in the Shire's Purchasing Policy AS-04.

4.1 Contract variations

- Contract variations must not breach the *Local Government (Functions and General) Regulations 1996*, Purchasing Policy AS-04 including authorisation limits and will only be considered if -
 - ✓ they are necessary for the goods or services to be supplied and do not significantly alter the scope of the original contract. They must not be used to avoid undertaking a new procurement process; or
 - ✓ they are a renewal or extension of the term of the contract, were included in the original tender documentation (if the contract results from a tender) and have not yet been exercised.
- The cumulative value of contract variations must not exceed 10% of the original contract value. Should this occur, the contract must be reviewed and an assessment made of whether a separate procurement process should be undertaken.
- Should the cumulative value of variations to a contract formed other than through a public tender process cause the contract to exceed the tender threshold, a formal tender process must be undertaken.

4.2 Contract extensions

- Contract extensions can only be approved before the expiration date of the original contract or previously extended term.
- Where a contract includes an option for extension(s), the performance of the contractor must be assessed and documented prior to approving each extension.
- Contract extensions must provide value for money and must be provided for in the Annual Budget.
- Extensions must be approved by the original contract decision-maker (i.e. Council or the employee with relevant delegated authority).

5. Keeping records

Effective contract management relies on good record keeping. Following is a non-exhaustive list of essential documents to be retained during contract management:

- All tender documentation;
- Council minutes or delegate's decision of preferred contractor;
- The most current version of the contract, incorporating any variations;
- Evidence of insurances held by the contractor;

- Records of communications and meetings with contractors and stakeholders;
- Contractor performance review prior to extension of the contract;
- Agreement from Shire of Mundaring to extend the contract;
- Requests and Shire agreement to vary the contract, including approved variation invoices.

6. Behaving ethically

Employees responsible for managing contracts will at all times comply with the Shire's Code of Conduct and the provisions of the *Local Government Act 1995*.

At any stage during the contractual relationship conflicts of interest, whether real or perceived, must be notified to the Chief Executive Officer and managed in accordance with the Shire's Conflict of Interest Guidelines.

8.3 Committee Self-Assessment - Survey Results

File Code	GV.MTG 6.1
Author	Danielle Courtin, Governance Coordinator
Senior Employee	Garry Bird, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	Nil

SUMMARY

During its meeting on 17 November 2020 the Committee implemented a recommendation from the WA Auditor General and requested that each member assesses the Committee's performance using a self assessment tool and that the results be reported to this Committee meeting.

The results of the self assessment are the subject of this report.

BACKGROUND

During December 2020 a survey was sent out to Committee members requesting them to self-assess the Committee's performance against its Terms of Reference, to ensure the Committee is aligned with the Shire's strategic objectives and is accountable for its performance.

Six committee members completed or part-completed the survey that consisted of 51 questions and an opportunity to comment where appropriate.

STATUTORY / LEGAL IMPLICATIONS

The *Local Government Act 1995* requires a local government to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it (section 7.1A).

Regulation 16 of the *Local Government (Audit) Regulations 1996* details the functions of the audit committee.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Mundaring Strategic Community Plan 2020 - 2030

Priority 4 - Governance

Objective 4.4 – High standard of governance and accountability

SUSTAINABILITY IMPLICATIONS

Nil

RISK IMPLICATIONS

Risk: <u>Compliance</u> and <u>Reputation</u> – The Committee does not fulfill its objectives and functions and fails to comply with its Terms of Reference.		
Likelihood	Consequence	Rating
Possible	Major	High
Action / Strategy		
The Committee has formally assessed its performance and effectiveness against the responsibilities set out in its Terms of Reference and has identified areas for improvement.		

EXTERNAL CONSULTATION

Nil

COMMENT

The self assessment survey was conducted online and is unfortunately not easily reproduced on paper, therefore relevant questions and responses have been extracted and are shown in the table below.

Responses

The responses to the self-assessment survey were sent by email to the Committee members on 11 January 2021. The following table lists the questions to which one or more members responded with “Neither agree nor disagree”, “Disagree” or “Strongly disagree” and the associated comments.

	Question	Comment
Q1	The Audit and Risk Committee (ARC) has the appropriate number of members to perform its duties adequately and efficiently.	While all 6 participating members “agreed” or “strongly agreed” two comments were made: <ul style="list-style-type: none"> It may be an idea to look at increasing the number of independent committee members at some stage or having equal elected members and independents. I would be open to more, probably not open to less members.
Q2	The ARC has the appropriate qualifications, integrity, time and resources to assist Council and comply with its Terms of Reference (ToR).	One member “neither agreed nor disagreed”. Comments: <ul style="list-style-type: none"> Generally I agree with this statement however when it comes to members having time to attend meetings it does appear that, while we always achieve a quorum, there is not a consistency of

		<p>attendance by all members. Given that the ARC meets 4 times a year and the dates and times are planned well in advance absence from a meeting should be the exception.</p> <ul style="list-style-type: none"> I agree but only because I know the people on the committee. If we are looking to quals, integrity etc., should we be doing more interviews/checks of nominee members?
Q4	At least one member of the Committee has recent and relevant financial experience.	<p>All members “agreed” or “strongly agreed”.</p> <p>One comment:</p> <ul style="list-style-type: none"> To the best of my knowledge there are a number that do however, for all members benefit, it may be appropriate when the Committee is reset every 2 years that the members are provided with the relevant experience of each sitting member.
Q6	ARC members have adequate time to devote to their duties and do not have too many conflicting obligations in serving other Shire committees or external commitments.	<p>One member “neither agreed nor disagreed”.</p> <p>Comment: same as for question 2 – no consistency of attendance by members.</p>
Q8	The ARC considers from time to time whether a change in composition of membership is needed in order to provide a fresh perspective.	<p>One member “disagreed”.</p> <p>Comments:</p> <ul style="list-style-type: none"> As per the Terms of Reference this occurs bi-annually and it is noted that the number of independent members was increased from 1 to 2. I have not yet seen this take place - it may have in the past. Automatically after LG elections. An example of this is seeking and including independent members.
Q19	The ARC ensures that the CEO maintains and puts into effect a Code of Conduct.	<p>One member “neither agreed nor disagreed”.</p> <p>Comments:</p> <ul style="list-style-type: none"> While I believe this has been discussed at ARC it does not appear to form part of the Terms of Reference. CEO seems to do this on his own accord. I am unsure of the level of influence ARC has on this.
Q21	The ARC is sceptical in its analysis of issues.	<p>One member “neither agreed nor disagreed”.</p> <p>Comment:</p> <ul style="list-style-type: none"> At times yes.

Q22	The ARC is able to react quickly to effect change and take preventative measures for the future.	<p>Three members “neither agreed nor disagreed”.</p> <p>Comments:</p> <ul style="list-style-type: none"> • Under the Terms of Reference any ARC recommendations are made in an advisory capacity only and are not binding on Council. While ARC can act quickly to recommend change, ultimately it will be Council’s decision. ARC can impose additional reporting requirements on the Administration to be able to monitor any issues that arise. • The process is slow and turn around time is not as quick as it could be at times. • The ARC may highlight areas for action and this action is then taken up by the CEO or relevant directors.
Q23	The Committee ensures that appropriate processes and controls are in place for identifying and responding to risks of fraud.	<p>One member “neither agreed nor disagreed”.</p> <p>Comment:</p> <ul style="list-style-type: none"> • This is touched on at a high level and I do not have the confidence to state categorically that this is the case.
Q26	The Committee conducts and presents its two-yearly self-assessment to Council.	<p>One member “disagreed” and two members “neither agreed or disagreed”.</p> <p>Comments:</p> <ul style="list-style-type: none"> • This has not been a function or requirement of ARC in the past to the best of my knowledge. • New concept. • This is the first self-assessment.
Q27	The Committee has a robust induction process for new members, covering the role of the Committee, its ToR, expected time commitment and an overview of the Shire's Integrated Strategic Planning.	<p>Two members “disagreed”, one member “neither agreed nor disagreed”.</p> <p>Comments:</p> <ul style="list-style-type: none"> • I believe this could be better particularly for independent members. While the relevant documents are provided there has been no induction session conducted. • I think we could do better in inducting new members, especially external community members. • I cannot recall the induction process for this committee as I have been on it for several years. I would have to check this with the Director.
Q28	The ARC has an effective process for participating in continued education to	<p>Two members “disagreed” while 3 members “neither agreed nor disagreed”. Not one member “agreed”.</p>

	remain up to date on financial, governance and other relevant matters.	<p>Comments:</p> <ul style="list-style-type: none"> • I am unaware of any particular process or requirements regarding this. I believe all members would be self motivated to seek additional upskilling and assistance as required however it would be prudent to ensure all members had a baseline understanding of current financial and governance matters. • No evidence of this I can recall. • Could make more training available. • Not aware of any - except EM mandatory training which includes a unit on finance. • The ARC does not have a specific PD process. Councillors are required to undertake financial statement training as part of their mandatory PD. External members are selected based on qualifications and experience.
Q30	The chair is aware of committee members' skill sets and draws on such expertise as needed.	<p>Two members "neither agreed nor disagreed".</p> <p>Comments:</p> <ul style="list-style-type: none"> • Unsure if the chair is aware of the levels of experience and expertise of all members. • Not demonstrated by example, ie the chair drawing on a specific skill set or expertise.
Q35	The Committee has a good understanding of how the Shire identifies, assesses, manages and monitors risks.	<p>One member "neither agreed nor disagreed".</p> <p>Comments:</p> <ul style="list-style-type: none"> • Again at a high level. I would not be confident in saying that I have a good understanding - merely the process that is employed to do this. • Could spend more time on this.
Q36	The Committee monitors the effectiveness of the Risk Management Framework through regular reviews and reporting.	<p>One member "neither agreed nor disagreed".</p> <p>Comment:</p> <ul style="list-style-type: none"> • Could spend more time on this.
Q37	The Committee regularly reviews strategic risks to ensure that extreme and high level risks are managed in accordance with the Risk Management Framework.	<p>Two members "neither agreed nor disagreed".</p> <p>Comments:</p> <p>Have not yet seen critical or material risk reviews undertaken by the committee.</p> <p>Could spend more time on this.</p>
Q39	The Committee considers at least once every year a report from the Risk	<p>One member "disagreed" and one member "neither agreed nor disagreed".</p> <p>Comments:</p>

	Management Committee in relation to the management of Shire risk and satisfies itself that appropriate controls and processes are in place.	<ul style="list-style-type: none"> • Every second year? • Not sure of this question?
Q44	The Committee reviews the Internal Audit Charter and 4-yearly Internal Audit Plan and ensures that internal audit activities are in accordance with these documents.	<p>One member “neither agreed nor disagreed”.</p> <p>Comments:</p> <ul style="list-style-type: none"> • Charter reviewed - not yet had opportunity to audit or review progress. • Done a few meetings ago.
Q50	The Committee reviews all new draft policies and amendments to existing policies and recommends them to Council.	<p>One member “neither agreed nor disagreed”.</p> <p>Comments:</p> <ul style="list-style-type: none"> • I assume this to be the case however how do we confirm this? • Due to timing and content, some may go direct to Council.

Analysis and proposed action

Main areas of concern	Proposed action
<p>1. Induction for new members and continued professional development for sitting members:</p> <ul style="list-style-type: none"> • while information and documents are provided, no induction is conducted for external members. • Elected members do not receive a specific induction either. 	<p>After the local government elections in October 2021 an induction for external members will be provided into local government in general and audit and risk committee functions in particular to all external members.</p> <p>Implementation: October 2021.</p> <p>An in depth induction program is already provided after each election for newly elected members.</p>
<p>2. Continued professional development – other than the mandatory five units of the <i>Council Member Essentials</i> course – is not provided.</p>	<p>Throughout the year elected members are invited to participate in professional development presentations and workshops as and when they are available, for example “Accountable and Ethical Decision Making” and “Lessons from the City of Perth Inquiry” have been arranged during 2020.</p> <p>Elected members are also welcome to express an interest in attending courses throughout the year.</p> <p>External members will be included in any relevant professional development activities provided to elected members with</p>

	<p>immediate effect.</p> <p>Implementation: immediately.</p>
<p>3. The Committee would prefer to spend more time on risk management, monitoring and review.</p>	<p>The strategic risks shown in the Corporate Business Plan will be presented for review to the Committee annually.</p> <p>Implementation: August 2021.</p>
<p>4. Processes can be slow and turnaround time is not as quick as it could be at times.</p>	<p>Further discussion with the committee is required.</p>
<p>5. Number of committee members: some support for increasing the number of external members or having equal numbers of elected members and external members.</p>	<p>Expressions of interest will be advertised in the coming weeks for external members to become members of the Committee after the October 2021 election.</p> <p>If sufficient interest is received, Council may consider changing the Terms of Reference and expanding the Committee with more external members.</p> <p>Implementation: October 2021.</p>
<p>6. Attendance should be consistent and being absent from a meeting should be the exception, given there are only four meetings per year.</p>	<p>Further discussion with the Committee is required.</p>

VOTING REQUIREMENT

Simple Majority

COMMITTEE DECISION	ARC4.02.21
RECOMMENDATION	
Moved by Cr Daw	Seconded by Cr Russell

That the Committee:

- Notes the responses from members to the Committee's self-assessment survey; and
- Requests that the Action Plan be implemented to address the matters of concern to members.

CARRIED 5/0

For: Cr Daw, Mr Wilkinson, Cr Cuthbert, Cr Martin and Cr Russell

Against: Nil

8.4 Audit and Risk Committee Action Items - Status Report

File Code	GV.MTG.6.1
Author	Stan Kocian, Manager Finance and Governance
Senior Employee	Garry Bird, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	Nil

SUMMARY

An update on the status of Audit and Risk Committee action items is provided for the consideration of committee members.

BACKGROUND

The following matters have previously been considered by the Audit and Risk Committee, with follow up actions required.

MEETING REFERENCE	RESPONSIBLE OFFICER	ACTION	STATUS – 11 February 2021
26.5.20 Item 8.3 Auditor General's Report – Contract Extensions and Variations	Director Corporate Services	Draft Contract Management Policy and Guidelines by 30 June 2021	In progress. Draft Policy presented to this meeting.
18.8.20 Item 8.3 Auditor General's Report – Working with Children Checks	Director Corporate Services	Procedure HR-07 to be updated with list of positions requiring Working with Children card.	Completed.
18.8.20 Item 8.5 New Policy OR-30 "Continuing Professional Development"	Director Corporate Services	Draft Policy "Continuing Professional Development" to be represented to 17 November 2020 meeting including budget and delegation implications.	Completed. Policy was adopted 17 December 2020.
17.11.20 Item 8.1 Auditor General's Report – Regulation of Consumer Food Safety by Local	Director Statutory Services	New food safety procedures to be drafted and assessment form for food businesses to be reviewed.	By 31 March 2021.

Government			
17.11.20 Item 8.2 Auditor General's Report – Waste Management Service Delivery	Director Infrastructure Services	Prepare Waste Plan and website update on waste.	By February 2021.
17.11.20 Item 8.3 Audit and Risk Committee Self-Assessment	Director Corporate Services	Committee self-assessment tool sent out to all committee members to be completed and CEO to present report with results to February 2021 meeting.	By February 2021. Report is presented to this meeting.

STATUTORY / LEGAL IMPLICATIONS

There are statutory or legal implications for some of the action items above. Please refer to the minutes of the meeting at which the matter was considered for further information.

POLICY IMPLICATIONS

There are policy implications for some of the action items above. Please refer to the minutes of the meeting at which the matter was considered for further information.

FINANCIAL IMPLICATIONS

There are financial implications for some of the action items above. Please refer to the minutes of the meeting at which the matter was considered for further information.

STRATEGIC IMPLICATIONS

Mundaring Strategic Community Plan 2020 - 2030

Priority 4 - Governance

Objective 4.4 – High standard of governance and accountability

Strategy 4.4.3 – Risks are well managed

SUSTAINABILITY IMPLICATIONS

There are sustainability implications for some of the action items above. Please refer to the minutes of the meeting at which the matter was considered for further information.

RISK IMPLICATIONS

Risk: That action items from the Committee are not completed and expose Council to the risks being addressed by the item.		
Likelihood	Consequence	Rating
Possible	Moderate	Moderate
Action / Strategy		
That staff update the Committee regularly on progress towards completing the required actions.		

EXTERNAL CONSULTATION

Nil

COMMENT

Refer to above for status update.

VOTING REQUIREMENT

Simple Majority

COMMITTEE DECISION	ARC5.02.21
RECOMMENDATION	
Moved by	Cr Cuthbert
Seconded by	Cr Martin

That the Committee receives the *Audit and Risk Committee Action Items Status Report* as at 11 February 2021 and notes the actions undertaken and notes that the Waste Plan in Item 17.11.20 8.2 has been deferred from February 2021 to August 2021.

CARRIED 5/0

For: Cr Daw, Mr Wilkinson, Cr Cuthbert, Cr Martin and Cr Russell

Against: Nil

9.0 URGENT BUSINESS (LATE REPORTS)

Nil

10.0 CLOSING PROCEDURES

10.1 Date, Time and Place of the Next Meeting

The next Audit and Risk Committee meeting will be held on Tuesday, 18 May 2021 in the Committee Room.

10.2 Closure of the Meeting

The Presiding Person declared the meeting closed at 6.12pm.