



SHIRE OF  
**DOWERIN**  
TIN DOG TERRITORY

# MINUTES

## Audit & Risk Committee Meeting

Held in Council Chambers  
13 Cottrell Street, Dowerin WA 6461  
31 July 2024

UNCONFIRMED

ABN: 35 939 977 194

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Shire of Dowerin  
Audit & Risk Committee Meeting  
2.00pm Wednesday 31 July 2024



1. Official Opening

The Acting Chair welcomed those in attendance and declared the Meeting open at 2:00pm.

2. Record of Attendance / Apologies / Leave of Absence

Committee Members:

Cr NP McMorran	Acting Chair & Deputy
Cr RI Trepp	President
Cr BA Ward	
Cr DP Hudson	
Ms TA Jones	

Staff:

Mr A Wooldridge	Acting Chief Executive Officer
Ms K Rose	Governance Coordinator

Apologies: Nil

Approved Leave of Absence: Nil

3. Public Question Time

Nil

4. Disclosure of Interest

Nil

5. Confirmation of Minutes of the Previous Meeting(s)

5.1 Audit & Risk Committee Meeting held on 12 March 2024.

[Attachment 5.1A](#)

Voting Requirements

Simple Majority  Absolute Majority

Officer's Recommendation/Resolution - 5.1

Moved: Cr Ward Seconded: Cr Hudson

0986 That, in accordance with Sections 3.18 and 5.22(2) of the *Local Government Act 1995*, the Minutes of the Audit & Risk Committee Meeting held on 12 March 2024, as presented in Attachment 5.1A, be confirmed as a true and correct record of proceedings.

CARRIED 5/0

For: Cr McMorran, Cr Trepp, Cr Hudson, Cr Ward, T Jones

6. PRESENTATIONS

Nil

**7. OFFICER'S REPORTS**

**7.1 Risk Dashboard Quarterly Report – June 2024**

<h1 style="color: red;">Governance &amp; Compliance</h1>		 <b>SHIRE OF DOWERIN</b> TIN DOG TERRITORY
<b>Date:</b>	22 July 2024	
<b>Location:</b>	Not Applicable	
<b>Responsible Officer:</b>	Aaron Wooldridge, Acting Chief Executive Officer	
<b>Author:</b>	Aaron Wooldridge, Acting Chief Executive Officer	
<b>Legislation:</b>	<i>Local Government Act 1995</i>	
<b>SharePoint Reference:</b>	Compliance/Risk Management/Reporting	
<b>Disclosure of Interest:</b>	Nil	
<b>Attachments:</b>	<a href="#">Attachment 7.1A- Risk Dashboard Quarterly Report – June 2024</a>	

**Purpose of Report**

- Executive Decision                       Legislative Requirement

**Summary**

This Item presents the Risk Dashboard Quarterly Report to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption.

**Background**

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

Appropriate governance of risk management within the Shire provides:

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

The Audit & Risk Committee has a role to play, and its responsibilities include:

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

It is essential to monitor and review the management of risks as changing circumstances may result in some risks increasing or decreasing in significance. By regularly reviewing the effectiveness and efficiency of controls and appropriateness of treatment/action options selected, it can be determined if the organisation’s resources are being put to the best use possible. During the quarterly reporting process, Management is required to review any risks within their area and follow up controls and treatments/actions that are mitigating those risks.

**Comment**

The Risk Dashboard for the June 2024 quarter shows a proactive approach to managing various risks, with most areas having moderate risk levels and adequate controls in place. The outlined actions and responsibilities indicate clear accountability and timelines for addressing these risks.

The committee is encouraged to review attachment with detailed entries in the Risk Dashboard and provide any additional recommendations or support needed to enhance our risk management practices.

**Consultation**

Aaron Wooldridge, Acting Chief Executive Officer

**Policy Implications**

Council Policy 2.2 - Risk Management Policy is applicable.

**Strategic Implications**

**Strategic Community Plan**

<b>Community Priority:</b>	Our Leaders
<b>Objective:</b>	A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs
<b>Outcome:</b>	3
<b>Reference:</b>	L5

**Asset Management Plan**

Identified key controls and actions associated with asset management are factored into the Asset Management Plan.

**Long Term Financial Plan**

Identified key controls and actions associated with financial management are factored into the Long-Term Financial Plan.

**Statutory Implications**

The *Local Government Act 1995* and Regulations 16 and 17 of the *Local Government (Audit) Regulations* are applicable.

**Risk Implications**

<b>Risk Profiling Theme</b>	Failure to fulfil statutory regulations or compliance requirements
<b>Risk Category</b>	Compliance
<b>Risk Description</b>	No noticeable regulatory or statutory impact
<b>Consequence Rating</b>	Insignificant (1)
<b>Likelihood Rating</b>	Rare (1)
<b>Risk Matrix Rating</b>	Low (1)
<b>Key Controls (in place)</b>	Governance Management Framework; Governance Calendar
<b>Action (Treatment)</b>	Document Governance Framework
<b>Risk Rating (after treatment)</b>	Adequate

## Financial Implications

Many of the actions required to manage the risks identified will require resourcing and are being progressed within current budget allocations.

## Voting Requirements



Simple Majority



Absolute Majority

## Officer's Recommendation/Resolution - 7.1

Moved: T Jones

Seconded: Cr Trepp

**0987** That, in accordance with Regulations 16 and 17 of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee:

1. *Receives the Risk Dashboard Quarterly Report - June 2024, as presented in Attachment 7.1A, on the progress of actions to identify risks and track treatments to manage risks at the Shire of Dowerin; and*
2. *Recommends to Council that it adopts the Risk Dashboard Quarterly Report - June 2024.*

### AMENDED MOTION

That, in accordance with Regulations 16 and 17 of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee:


1. **Receives the Risk Dashboard Quarterly Report - June 2024, as presented in Attachment 7.1A, on the progress of actions to identify risks and track treatments to manage risks at the Shire of Dowerin; and**
2. **Recommends to Council that it adopts the Risk Dashboard Quarterly Report - June 2024.**
3. **Acknowledges that the Risk Dashboard still requires a detailed review, which management will undertake by the next Audit & Risk Committee Meeting in September.**

CARRIED 5/0

For: Cr McMorran, Cr Trepp, Cr Hudson, Cr Ward, T Jones

*Please note: the Audit & Risk Committee does not have delegated authority to make decisions. All recommendations of the Audit & Risk Committee are presented to Council for ratification.*

**7.2 Interim Audit Results for the Year Ending 30 June 2024**

<h1>Corporate &amp; Community Services</h1>		 SHIRE OF <b>DOWERIN</b> TIN DOG TERRITORY
<b>Date:</b>	22 July 2024	
<b>Location:</b>	Not applicable	
<b>Responsible Officer:</b>	Aaron Wooldridge, Acting Chief Executive Officer	
<b>Author:</b>	Kahli Rose, Governance Coordinator	
<b>Legislation:</b>	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>	
<b>SharePoint Reference:</b>	Organisation/Corporate Management/Reporting	
<b>Disclosure of Interest:</b>	Nil	
<b>Attachments:</b>	<a href="#">Attachment 7.2A - Interim Audit Management Letter</a> <a href="#">Attachment 7.2B - Interim Audit Findings Report</a>	

**Purpose of Report**

- Executive Decision
  Legislative Requirement

**Summary**

This Item presents the results and findings of the Interim Audit for the year ending 30 June 2024 to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption.

**Background**

The Office of the Auditor General (OAG) conducted its Interim Audit for the Shire of Dowerin on Thursday 4 and Friday 5 April 2024.

The Report on the results of the Audit has been received and is included as an Attachment for the Audit & Risk Committee's information.

**Comment**

The Report identifies eight areas which are considered deficient, being:

1. Outdated Policies
2. Purchasing Policy
3. Purchase Orders are Dated after Invoice Dates
4. Long Outstanding Purchase Orders

Matters outstanding from prior years:

5. Journal Entries
6. Key Account Reconciliations
7. Cancelled Receipts
8. Amendments to Supplier Masterfile

The rating given to seven deficiencies is Moderate, meaning the findings are of sufficient concern to warrant action being taken to rectify the deficiency as soon as practicable. One finding received a scoring of Minor, meaning the finding is not of primary concern, but still warrant action being taken.

The Report details the Finding against each deficiency, indicates the Implications the deficiency may have on the organisation, and makes Recommendations on how the organisation can best rectify the deficiency. Management was made aware of the identified deficiencies at the conclusion of the Audit and were afforded the opportunity to provide comment and context to the deficiency.

While the matters are fully detailed in the Report, they have been summarised below:

#### Finding one

##### Outdated Policies

##### ***Recommendation***

The Shire should develop a policy on Policy Review frequency and update its policies periodically in order to ensure their currency and relevance.

##### ***Management Comment***

Policies are reviewed annually. All policies listed in this finding will be reviewed within the next 12 months.

#### Finding two

##### Purchasing Policy

##### ***Recommendation***

The Shire should formalise and document the management instructions on procedures in obtaining verbal quotations.

##### ***Management Comment***

Policy recently reviewed and staff training completed.

#### Finding three

##### Purchase Orders dated after Invoice Dates

##### ***Recommendation***

Purchase orders should be authorised for all applicable goods and services prior to placing orders.

##### ***Management Comment***

Management have discussed with relevant staff and provided additional training as a refresher.

#### Finding four

##### Long Outstanding Purchase Orders

##### ***Recommendation***

Management should review the outstanding purchase orders periodically and purge unwanted and fulfilled purchase orders from the system.

##### ***Management Comment***

Outstanding orders are being reviewed quarterly.



## MATTERS OUTSTANDING FROM PREVIOUS YEARS

### Finding five

#### Journal Entries

##### ***Recommendation***

All general journals should be independently reviewed and authorised by an appropriate officer and evidence of preparation and review should be retained.

##### ***Management Comment***

All journals are reviewed. New filing procedures and formal evidencing of review will be implemented.

### Finding six

#### Key Account Reconciliations

##### ***Recommendation***

The Shire should arrange for the above reconciliations to be prepared and reviewed by an independent officer. The review should be documented indicating date of review.

##### ***Management Comment***

Management has consciously made attempts to implement a new bank reconciliation module since July23 for the improvement of our reconciliations. The implementation process had taken time due to migration and balancing issues. By the time the new module had been implemented without any more issues, there were a backlog of reconciliations that had to be uploaded into the new system. This module will also include the investment reconciliations that will be commencing in the 2024/25 year. The System is now implemented and functional.

The payroll and creditor reconciliations were being reconciled for each month up to December 2023 until staff turnover had impacted on the continuance due to no handover to the new officer in the role and the disruption of key management at the time. This now has been corrected.

### Finding seven

#### Cancelled Receipts

##### ***Recommendation***

The Shire should introduce a formal process for an officer independent of the receipting function to review cancelled receipts.

##### ***Management Comment***

Formal review of cancelled receipts to be implemented. Currently informal, as part of end of day process.

### Finding eight

#### Amendments to Supplier Masterfile

##### ***Recommendation***

The Shire should generate a report on amendments to Suppliers Masterfile from the system and perform an independent review of the changes to Suppliers Masterfile regularly and evidence of review should be retained.

##### ***Management Comment***

The Supplier Masterfile audit check was not being done as handover was not ever done to the new officer at the time and the disruption of key management at the time (July23 - February24). Management will ensure full awareness of End of Month processes are upskilled to the new officer. Bank account numbers on invoices are currently being checked to payment list and account numbers are being randomly check in aba file. Audit report of changes will be implemented to the EOM process.

Staff will provide additional comment on the Findings and an update of actioning recommendations at the meeting.

**Consultation**

OAG / Auditors

Aaron Wooldridge, Acting Chief Executive Officer

Peter Dittrich, Acting Deputy Chief Executive Officer (outgoing)

Brian Jones, Acting Deputy Chief Executive Officer

**Policy Implications**

Nil

**Strategic Implications**

**Strategic Community Plan**

Community Priority:	Our Organisation
Objective:	We are recognised as a transparent, well governed, and effectively managed Local Government
Outcome:	5.3
Reference:	5.3.2

**Asset Management Plan**

Nil

**Long Term Financial Plan**

Nil

**Statutory Implications**

The *Local Government (Audit) Regulations 1996* provides the legislative framework for the conduct of audits in local government, and the role of the Audit & Risk Committee in considering the results of those audits.

**Risk Implications**

<b>Risk Profiling Theme</b>	Failure to fulfil statutory regulations or compliance requirements
<b>Risk Category</b>	Compliance
<b>Risk Description</b>	No noticeable regulatory or statutory impact
<b>Consequence Rating</b>	Minor (2)
<b>Likelihood Rating</b>	Unlikely (2)
<b>Risk Matrix Rating</b>	Low (4)
<b>Key Controls (in place)</b>	Governance Management Framework; Governance Calendar
<b>Action (Treatment)</b>	Document Governance Framework
<b>Risk Rating (after treatment)</b>	Adequate

## Financial Implications

Nil

## Voting Requirements



Simple Majority



Absolute Majority

## Officer's Recommendation/Resolution - 7.2

Moved: Cr Hudson

Seconded: Cr Ward

**0988** That, in accordance with the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee:

1. Receives the Auditor's Interim Audit Findings Report, as presented in Attachment 7.2B, from Macri Partners Chartered Accountants for the 2023/24 financial year;
2. Notes the Management Comment and Actions taken to address the Findings contained in the Auditor's Interim Audit Management Report; and
3. Recommends to Council that it receives the Auditor's Interim Audit Findings Report, as presented in Attachment 7.2B, from Macri Partners Chartered Accountants for the 2023/24 Interim Audit.

CARRIED 5/0

For: Cr McMorran, Cr Trepp, Cr Hudson, Cr Ward, T Jones

*Please note: the Audit & Risk Committee does not have delegated authority to make decisions. All recommendations of the Audit & Risk Committee are presented to Council for ratification.*

**8. Questions from Members**

Ms T Jones

- Aged Care reporting needs to be included in the Risk Dashboard.
- A register of 'at risk' community members needs to be collated for emergency situations, and highlighted for those that have medical equipment that needs constant power. Must be included with emergency documentation for prompt assistance.
- LEMC drill/mock-up on handling extended power outage events - high risk to the community.
- Ambulances require a constant power supply to keep medical equipment functional. High risk issue during extended periods of power outages. Also to be included in the Risk Dashboard and LEMA review.

**9. Urgent Business Approved by the Person Presiding or by Decision**

**10. Date of the Next Meeting**

25 September 2024, commencing at 2pm.

**11. Closure**

The Chair thanked those in attendance and declared the Meeting closed at 2:44pm