

SHIRE OF WYNDHAM | EAST KIMBERLEY

# AGENDA

## AUDIT (FINANCE AND RISK) COMMITTEE

8 NOVEMBER 2021

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**SHIRE OF WYNDHAM EAST KIMBERLEY  
AGENDA OF THE AUDIT (FINANCE AND RISK)  
COMMITTEE  
KUNUNURRA COUNCIL CHAMBERS  
HELD ON MONDAY 8 AUGUST 2021 AT 5:00 PM**

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**1. DECLARATION OF OPENING**

Members of the Public are advised that recommendations to Council contained within this Agenda and decisions arising from the Committee meeting can be subject to alteration.

Applicants and other interested parties should refrain from taking any action until such time as written advice is received confirming Council's decision with respect to any particular issue.

An audio and/or video record will be made of these proceedings to assist in the taking of minutes.

**2. RECORD OF ATTENDANCE / APOLOGIES**

**3. PUBLIC QUESTION TIME / PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

**4. DECLARATION OF INTEREST**

- Financial Interest
- Impartiality Interest
- Proximity Interest

**5. CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

**That the Minutes of the Audit (Finance and Risk) Committee meeting of 9 August 2021 be accepted as a true and accurate record of proceedings.**

Note: The Minutes of the Audit (Finance and Risk) Committee are provided under separate cover via [www.swek.wa.gov.au](http://www.swek.wa.gov.au)

**6. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS / NOTICES OF MOTIONS**

## 7. REPORTS

### 7.1. STANDING ITEM - RATES DEBTORS

<b>DATE:</b>	8 November 2021
<b>AUTHOR:</b>	Rates Officer
<b>RESPONSIBLE OFFICER:</b>	Felicity Heading, Director Corporate Services
<b>FILE NO:</b>	FM.11.166
<b>DISCLOSURE OF INTERESTS:</b>	Nil

#### VOTING REQUIREMENT

Simple Majority

#### OFFICER'S RECOMMENDATION

**That the Audit (Finance and Risk) Committee reports to Council that the actions being undertaken by the administration in regard to rates debtors, including rates debts in legal process, are sufficient and appropriate.**

#### PURPOSE

To review the status of rates debtors and those rates debts that are in legal process.

#### NATURE OF COUNCIL'S ROLE IN THE MATTER

Leader - plan and provide direction through policy and practices.

#### BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE

At the Ordinary Council Meeting, 16 October 2007, Council resolved the following:

***Minute No. 7936***

***That Council direct the CEO to provide a written report to Council under confidential cover each month in regard to all debts currently in legal process.***

***Carried Unanimously 5/0***

At the Ordinary Council Meeting on 18 March 2008, Council resolved the following:

**Minute No: 8148**

**Moved: Cr J Parker Seconded: Cr F Mills**

**That Council:**

- 1. note the confidential report provided to it in relation to debts owed to Council and under legal action.**
- 2. direct the Executive Manager Corporate Services to provide a written report to the Audit Committee under confidential cover at each Audit Committee meeting in regard to all debts currently in legal process.**
- 3. request the Audit Committee to make recommendations to Council as required and appropriate in relation to the report provided under confidential cover regarding debts currently in legal process.**
- 4. resolve that this requirement replaces the previous requirement on the CEO to report information to Council.**

**Carried Unanimously 8/0**

This requirement is now fulfilled by a combination of this report and Standing Item – Sundry Debtors.

The Outstanding Rates Debtors over three years report has also been incorporated into the confidential attachment to this item to give a complete picture of rates debtors.

### **STATUTORY IMPLICATIONS**

This item in a Council Meeting needs to be discussed behind closed doors in accordance with section 5.23.(2)(e)(iii) of the *Local Government Act 1995* because the item may disclose information about the business, professional, commercial or financial affairs of a person.

### **POLICY IMPLICATIONS**

The following Council Policies are relevant to this item:

*CP/FIN-3212 Rates and Charges Debt Collection*

*CP/FIN-3219 Covid-19 Financial Hardship - Rates and Sundry Debtors*

*CP/COM-3582 Community Grant Program*

### **FINANCIAL IMPLICATIONS**

Legal fees may be incurred to recover debts or revenue written off if debt recovery is considered not economically viable. Should debts become not recoverable it affects the cash position of the Shire. Provision is made for debts that are not recoverable at the end of each financial year.

## **STRATEGIC IMPLICATIONS**

*Strategic Community Plan 2017-2027*

Focus Area 4: Civic Leadership

Goal 4.4: Sustainably maintain the Shire's financial viability

Strategy 4.4.4 : Apply best practice financial management to ensure long term sustainability

## **RISK IMPLICATIONS**

### **Risk:**

Failure to adequately resource and manage funding requirements which meet the needs of the Shire's service delivery requirements and strategic objectives.

### **Controls:**

Policies updated in accordance with schedule and operational requirements.

Implementation of Long Term Financial Plan and Annual Budget.

## **COMMUNITY ENGAGEMENT**

The Shire of Wyndham East Kimberley *CP/GOV-3100 Community Engagement Policy* has been considered in relation to this item.

No community engagement is required however regular communication is had with ratepayers.

## **COMMENTS**

### **Rates and Services Debtors Summary**

<b>Rates &amp; Services Levied 2021/22 (including arrears) at 30 September 2021</b>	<b>Overdue at 30 September 2021</b>
<b>\$14,061,321</b>	<b>\$1,052,788</b>

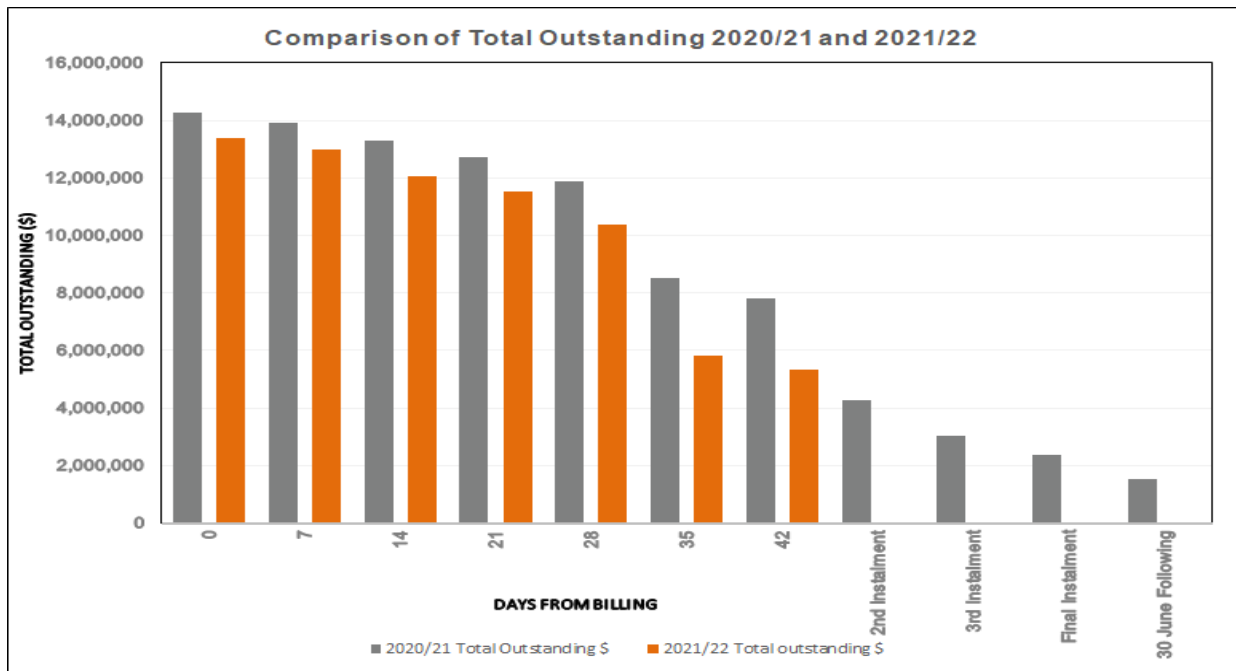
Rates for the financial year of 2021/22 were raised on 12 August 2021 and notices issued on 3 September 2021. Interim rating occurs periodically throughout the year. The Overdue amount of \$1,052,788 is analysed in the Confidential Attachment. Details of rates debtors provided in this report are as at 30 September 2021.

### Comparison of Rates received 2020/21 and 2021/22

NB: It should be noted that the table below includes Rates, Waste Management Charges, Waste Receptacle Charges, Back Rates, ESL & Deferred Rates.

		2020/21			2021/22		
Days from Billing		Total Outstanding	Received	% of Total Outstanding at Billing Received	Total outstanding	Received	% of Total Outstanding at Billing Received
		\$	\$	%	\$	\$	%
0	Notices Issued	14,250,592			13,400,297		
7		13,917,365	333,227	2.34%	12,971,055	429,243	3.20%
14		13,314,408	936,184	6.57%	12,077,485	1,322,812	9.87%
21		12,730,868	1,519,724	10.66%	11,537,328	1,862,970	13.90%
28		11,877,067	2,373,525	16.66%	10,387,700	3,012,597	22.48%
35		8,526,843	5,723,749	40.16%	5,804,063	7,596,235	56.69%
42		7,809,394	6,441,198	45.20%	5,323,931	8,076,366	60.27%
2nd Instalment		4,265,205	9,985,387	70.07%			
3rd Instalment		3,033,878	11,216,713	78.71%			
Final Instalment		2,350,158	11,900,434	83.51%			
30 June Following		1,538,134	12,712,458	89.21%			
<b>Total</b>			<b>12,712,458</b>			<b>\$8,076,366</b>	





### Instalment Status Report at 30 September 2021

Instalment Option	Number of Properties	% Total Properties*	Properties up to date	Properties Behind	Instalments Overdue \$	% of Properties Overdue
2 Instalment	38	1.36%	38	0	\$0	0%
4 Instalment	92	3.30%	92	0	\$0	0%
<b>All Instalment Payers</b>	<b>130</b>	<b>4.66%</b>	<b>130</b>	<b>0</b>	<b>\$0</b>	<b>0%</b>
2,787	*excluding non-rateable properties					

### Additional Information

#### Impact of COVID-19

It should be noted that in response to the COVID-19 pandemic a number of initiatives have been put in place to assist ratepayers, businesses and the community in general that impact the Shire's debt collection processes. These include the adoption of Council policy *CP/FIN-3219 COVID-19 Financial Hardship - Rates and Sundry Debtors* to allow those experiencing financial hardship to apply for debt relief including the waiver of interest and fees and charges, and minor amendments to the existing policy *CP/FIN-3212 Rates and Charges Debt Collection* to allow for extended payment arrangement terms and for greater discretion in debt collection. During the 2020/21 financial year legal action was placed on hold for all accounts. For the 2021/22 financial year legal action will commence with only those ratepayers approved under Council policy *CP/FIN-3219 COVID-19 Financial Hardship - Rates and Sundry Debtors* being exempt.

To date eleven applications for Financial Hardship have been received from ratepayers. All applications have been approved. Outstanding balance of approved assessments totals \$235,898, of which approximately \$25,000 relates to arrears.

Total rates collected for the same period during the 2020/21 financial year was \$6,441,198 or 45.2% compared to \$8,076,366 or 60.27% for 2021/22. This was mainly due to the collection of arrears from the liquidation sale of properties in the Valentine Falls Estate.

**ATTACHMENTS**

*(Confidential Attachment provided under separate cover).*

Confidential Attachment - Rates Debtors November 2021

## 7.2. STANDING ITEM - SUNDRY DEBTORS

<b>DATE:</b>	8 November 2021
<b>AUTHOR:</b>	Coordinator Finance and Customer Services
<b>RESPONSIBLE OFFICER:</b>	Felicity Heading - Director Corporate Services
<b>FILE NO:</b>	FM.07.02
<b>DISCLOSURE OF INTERESTS:</b>	Nil
<b>COUNCIL'S ROLE IN THE MATTER:</b>	Leader - Plan and provide direction through policy and practices
<b>VOTING REQUIREMENT:</b>	Simple Majority

### **VOTING REQUIREMENT**

Simple Majority

### **OFFICER'S RECOMMENDATION**

**That the Audit (Finance and Risk) Committee reports to Council that the actions being undertaken by the administration in regard to sundry debtors including sundry debts in legal process are sufficient and appropriate.**

### **PURPOSE**

To review the status of sundry debtors, including airport debtors, and sundry debts in legal process.

### **NATURE OF COUNCIL'S ROLE IN THE MATTER**

Leader - plan and provide direction through policy and practices.

### **BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE**

The listing of 90+ day sundry debtors was provided at the Ordinary Council Meeting on a monthly basis until March 2009 when Council resolved that the 90+ days debtor list be removed from the Council Agenda as a standing item and be presented to the Audit (Finance and Risk) Committee (Committee) for consideration and to make recommended actions to Council as this falls within the scope of the committee's purpose.

In line with the more strategic focus of the new Committee the report in April 2012 only included debtor balances at 90+ days and over \$500.

To further progress this strategic focus this item has been changed to provide summary information regarding all sundry debts including airport landing fees administered by Avdata on the Shire's behalf.

Further changes were recommended to the Audit Committee at the February 2014 meeting to modify the report by removing the categories previously reported and to report sundry debtors as a whole, with airport debtors still being identified separately and that only debtors in excess of \$20,000 be provided with more detail. These changes were supported by the Committee and have been considered in the writing of this report.

### **STATUTORY IMPLICATIONS**

This item in a Council Meeting needs to be discussed behind closed doors under Section 5.23. (2) (e) (iii) of the *Local Government Act 1995* because the item may disclose information about the business, professional, commercial or financial affairs of a person and because the item also contained legal advice to the Council.

### **POLICY IMPLICATIONS**

Policies relevant to this item:

Council Policy *CP/FIN-3214 Sundry Debt Collection*

Council Policy *CP/FIN-3219 Covid-19 Financial Hardship - Rates and Sundry Debtors*

### **FINANCIAL IMPLICATIONS**

Legal fees may be incurred to recover debts or revenue written off if debt recovery is considered not economically viable.

It should be noted however, that as outlined in section 9 of the *CP/FIN-3214 Sundry Debt Collection Policy*, when possible 'Debt collection and legal fees associated with the recovery of outstanding debts will be recovered from the sundry debtor to the extent allowable under legislation and will be assessed on a case by case basis'.

### **STRATEGIC IMPLICATIONS**

*Strategic Community Plan 2017-2027*

Focus Area 4: Civic Leadership

Goal 4.4: Sustainably maintain the Shire's financial viability

Strategy 4.4.4: Apply best practice financial management to ensure long term sustainability

### **RISK IMPLICATIONS**

*Risk:* Failure to adequately resource and manage funding requirements which meet the needs of the Shire's service delivery requirements and strategic objectives.

*Control:* Policies updated in accordance with schedule and operational requirements.

## **COMMUNITY ENGAGEMENT**

The Shire of Wyndham East Kimberley CP/COM-3100 Community Engagement Policy has been considered in relation to this item.

No community engagement is required however there is regular contact with debtors generally.

## **COMMENTS**

### **Sundry Debtors (General) Summary as at 30 September 2021**

<b>Categories</b>	<b>90 Days</b>		<b>60 Days</b>	<b>30 Days</b>	<b>Current</b>	<b>Total</b>
	<b>No</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Sundry Debtors</b>	<b>36</b>	<b>311,725</b>	<b>14,362</b>	<b>49,705</b>	<b>654,050</b>	<b>1,029,842</b>

Note: The information in the above table is from the Shire's Debtors System. The revenue is recognised when the debt is raised.

### **Sundry Debtors (Airport Landing Fees) Summary as at 30 September 2021**

<b>Categories</b>	<b>90 Days</b>		<b>60 Days</b>	<b>30 Days</b>	<b>Current</b>	<b>Total</b>
	<b>No</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Kununurra Airport	18	57,826	2,604	6,016	132,897	199,343
Wyndham Airport	1	59	0	66	1,519	1,644
<b>Total</b>	<b>19</b>	<b>57,885</b>	<b>2,604</b>	<b>6,082</b>	<b>134,416</b>	<b>200,987</b>

Note: The information in the above table is provided by Avdata. The revenue is recognised on a monthly basis from invoicing details provided.

## **Additional Information**

### **Virgin Administration**

It should be noted that Virgin Australia Holdings Limited and its related entities were placed into Voluntary Administration effective from 20 April 2020. Further details are provided in confidential attachment 1.

### **Impact of COVID-19**

In response to the COVID-19 pandemic the Shire has put in place a number of initiatives to assist ratepayers, businesses, and the community in general that have an impact on the Shire's debt collection processes. These include the adoption of Council policy *CP/FIN-3219 Financial Hardship - Rates and Sundry Debtors* to allow those experiencing financial hardship to apply for debt relief including the waiver of interest and fees and charges, and minor amendments to the existing policy *CP/FIN-3214 Sundry Debt Collection* to allow for extended payment arrangement terms. In addition to this legal action has been placed on hold for most outstanding sundry debtors.

### **ATTACHMENTS**

Confidential Attachment 1 - Sundry Debtors at 30 September 2021 (Confidential attachment provided under separate cover).

### 7.3. STANDING ITEM - INSURANCE CLAIMS

<b>DATE:</b>	8 November 2021
<b>AUTHOR:</b>	Director Corporate Services.
<b>RESPONSIBLE OFFICER:</b>	Felicity Heading - Director Corporate Services
<b>FILE NO:</b>	RM.01.2
<b>DISCLOSURE OF INTERESTS:</b>	Nil
<b>COUNCIL'S ROLE IN THE MATTER:</b>	Leader - Plan and provide direction through policy and practices
<b>VOTING REQUIREMENT:</b>	Simple Majority

#### **VOTING REQUIREMENT**

Simple Majority

#### **OFFICER'S RECOMMENDATION**

**That the Audit (Finance and Risk) Committee recommends to Council that it notes the Insurance Claims Report and associated attachments.**

#### **PURPOSE**

To report to the Audit (Finance and Risk) Committee (the Committee) the insurance claims that have been lodged for the 2020/21 and 2021/22 financial years, the associated costs and the status of the claims.

#### **BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE**

The Audit (Finance and Risk) Committee has as one of its functions to facilitate the effective management of financial and other risks and the protection of Council assets. The Shire administration is currently allocating time and resources to risk management and it is appropriate that the Shire's risk performance is reported to the Committee as a standard report on a quarterly basis.

#### **STATUTORY IMPLICATIONS**

This item in a Council Meeting needs to be discussed behind closed doors under Section 5.23.(2)(a) and Section 5.23.(2)(e)(iii) of the *Local Government Act 1995* because the item deals with a matter affecting an employee or employees, and because the item may disclose information about the business, professional, commercial or financial affairs of a person.

## **POLICY IMPLICATIONS**

The following Shire documents are relevant to this report:

- Corporate Insurance Strategy
- CP GOV-3108 Risk and Opportunity Management Policy

## **FINANCIAL IMPLICATIONS**

Insurance premiums have been considered in the 2020/21 and 2021/22 budget processes. The Shire has, in terms of its insurance policies, insurance excesses that it has to absorb as a “first loss” in the event of a claim. These excesses are set out in the detailed insurance schedules accompanying the insurance policies.

There are no other financial implications arising out of the preparation of this report.

## **STRATEGIC IMPLICATIONS**

*Strategic Community Plan 2017-2027*

Focus Area 4: Civic Leadership

Goal 4.4: Sustainably maintain the Shire’s financial viability

Goal: 4.3: Ensure a strong and progressive organisation delivering customer focused services

Strategy 4.3.2: Create a culture that encourages innovation, collaboration, best practice and organisational discipline to improve efficiency, effectiveness and productivity

Strategy 4.4.4: Apply best practice financial management to ensure long term sustainability

## **RISK IMPLICATIONS**

**Risk:** Failure to manage the appropriateness and effectiveness of the Shire’s systems and procedures in relation to risk management, internal control and legislative compliance.

**Control:** Audit Regulation 17 Conducted every three years and recommendations implemented.

Annual review of insurance cover.

## **COMMUNITY ENGAGEMENT**

The Shire of Wyndham East Kimberley’s *CP/GOV-3100 Community Engagement Policy* has been considered in relation to this item.

No community engagement is required.

## **COMMENTS**

The Terms of Reference for the Audit (Finance and Risk) Committee set out as one of the objectives to “facilitate the effective management of financial and other risks and the protection of Council assets”. Part of the *Local Government Operational Guidelines Number*



09 - *Audit in Local Government* identifies that “good audit committee practices in monitoring internal control and risk management programs typically include: assessing the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance.”

The attachments detail the cost of claims across four categories where claims were made for the financial years 2020/21 and 2021/22. These can be summarised as follows:

	2020/21 (Q1 - Q4)		2021/22 (Q1)	
	Estimated Costs	Number of Claims	Estimated Costs	Number of Claims
WorkCare	\$342,480	9	\$2,500	1
Property	\$108,356	9	\$0	0
Liability	\$0	0	\$5,000	2
Motor Vehicle	\$1,405	1	\$1,250	1
<b>Total</b>	<b>\$452,241</b>	<b>19</b>	<b>\$8,750</b>	<b>4</b>

### **WorkCare**

There were nine WorkCare claims submitted in 2020/21 with the total paid to date of \$232,617 and estimated total costs of \$342,480. Four of these claims have been finalised and five are current. It should be noted that the estimated costs are a conservative estimate and it is anticipated that actual costs will be considerably less than this amount. There has been one claim submitted in the first quarter of 2021/22 with costs paid to date of \$389 and estimated total costs of \$2,500.

The Shire recruited a Safety and Wellbeing Officer in 2019 to assist in the development, implementation and management of the Shire’s Workplace OSH processes, procedures, as well as coordinating health and wellbeing programs and initiatives. The Shire has also been working closely with its insurers, LGIS, to provide training to all staff on their responsibilities for maintaining a safe workplace. This has resulted in more instances of reporting but has not changed the number of claims made. Incident reporting has provided valuable data to enable the Shire to better manage its risk. This has positive implications for the cost of insurance.

### **Property**

There were nine claims for property damage lodged during the 2020/21 year of which one was rejected. The total cost of the claims was \$108,356. There have been no claims lodged to date in 2021/22.

### **Liability**

There were no liability claims lodged for the 2020/21 year. There have been two liability claims lodged to date in 2021/22 with a total paid to date of \$2,203 and an estimated total cost of \$5,000.

**Motor Vehicle**

One motor vehicle claim was lodged for the 2020/21 year with costs totaling \$1,405. There has been one claim lodged to date in 2021/22 with estimated total costs of \$1,250.

**ATTACHMENTS**

*(Confidential Attachments provided under separate cover).*

Attachment 1 - LGIS WorkCare Claims Report

Attachment 2 - LGIS Property Claims Report

Attachment 3 - LGIS Liability Claims Report

Attachment 4 - LGIS Motor Vehicle Claims Report

## 7.4. STANDING ITEM - LEASES

<b>DATE:</b>	8 November 2021
<b>AUTHOR:</b>	Director Corporate Services.
<b>RESPONSIBLE OFFICER:</b>	Felicity Heading - Director Corporate Services
<b>FILE NO:</b>	CP.07 and CP.16
<b>DISCLOSURE OF INTERESTS:</b>	Nil
<b>COUNCIL'S ROLE IN THE MATTER:</b>	Leader - Plan and provide direction through policy and practices
<b>VOTING REQUIREMENT:</b>	Simple Majority

### VOTING REQUIREMENT

Simple Majority

### OFFICER'S RECOMMENDATION

**That the Committee recommends to Council that it notes the Confidential Lease Schedule and the New and Renewal Lease Schedule attached.**

### PURPOSE

To consider the attached Confidential Lease Schedule and New and Renewal Lease Schedule.

### NATURE OF COUNCIL'S ROLE IN THE MATTER

Provider - provide physical infrastructure and essential services.

### BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE

The Shire of Wyndham East Kimberley administers over thirty five leases including airport leases, commercial leases and leases to community organisations.

In December 2007 the Audit (Risk and Finance) Committee resolved:

***Minute No. A066***

***Moved: Cr Keith Wright***

***Seconded Cr Frederic Mills***

- 1. That the Audit Committee note that the responsibility for the management of leases and periodical contracts is that of the Executive Manager Corporate Services.**
- 2. That the Audit Committee note that the Executive Manager Corporate Services monitors the leases and coordinates the lease database and reporting to Executive Managers, the Audit Committee and Council.**
- 3. That the Audit Committee request staff to present an updated Lease Spreadsheet certified by Executive Manager Corporate Services to each Audit Committee meeting as a standing item.**

**Carried Unanimously 4/0**

### **STATUTORY IMPLICATIONS**

This item in a Council Meeting needs to be discussed behind closed doors under Section 5.23.(2)(e)(iii) of the *Local Government Act 1995* because the item may disclose information about the business, professional, commercial or financial affairs of a person.

### **POLICY IMPLICATIONS**

CP/PMG-3780 Leasing of Council Managed Reserve Land – Community is relevant.  
CP/PMG-3781 Leasing of Council Managed/Owned Land – Commercial is relevant.

### **FINANCIAL IMPLICATIONS**

There are no direct financial implications from the preparation of this report.

### **STRATEGIC IMPLICATIONS**

*Strategic Community Plan 2017-2027*

Focus Area 4: Civic Leadership

Goal 4.4: Sustainably maintain the Shire's financial viability

Goal: 4.3: Ensure a strong and progressive organisation delivering customer focused services.

Strategy 4.3.2: Create a culture that encourages innovation, collaboration, best practice and organisational discipline to improve efficiency, effectiveness and productivity

Strategy 4.4.4: Apply best practice financial management to ensure long term sustainability

### **RISK IMPLICATIONS**

**Risk:** Failure to provide community services which meet the needs and expectations of the community to support social cohesion and participation.

**Control:** Provide community leases to various community groups in line with Council Policy CP PMG-3780 Leasing of Council Managed Reserve Land - Community to support community organisations in the provision of services, facilities and events.

### **COMMUNITY ENGAGEMENT**

The Shire of Wyndham East Kimberley CP/GOV-3100 Community Engagement Policy has been considered in relation to this item.

No community engagement is required.

### **COMMENTS**

Shire officers are currently working on six outstanding new and renewal leases. While the Shire is making every attempt to finalise the remaining leases as soon as possible, control over the timeline in progressing the leases is not vested entirely in the Shire. Details of outstanding leases are contained in Attachment 2.

### **ATTACHMENTS**

(Confidential attachments provided under separate cover)

Confidential Attachment 1 - Lease Schedule

Confidential Attachment 2 - New and Renewal Lease Schedule

## 7.5. AUDIT (FINANCE AND RISK) COMMITTEE TERMS OF REFERENCE REVIEW

<b>DATE:</b>	8 November 2021
<b>AUTHOR:</b>	Director Corporate Services.
<b>RESPONSIBLE OFFICER:</b>	Felicity Heading - Director Corporate Services
<b>FILE NO:</b>	FM.02.8
<b>DISCLOSURE OF INTERESTS:</b>	Nil
<b>COUNCIL'S ROLE IN THE MATTER:</b>	Leader - Plan and provide direction through policy and practices
<b>VOTING REQUIREMENT:</b>	Simple Majority

### VOTING REQUIREMENT

Simple Majority

### OFFICER'S RECOMMENDATION

**That the Audit (Finance and Risk) Committee recommends to the Council that it adopt the revised Audit (Finance and Risk) Committee Terms of Reference.**

### PURPOSE

The Audit (Finance and Risk) Committee is established in accordance with Part 7 of the Local Government Act 1995 and the Local Government (Audit) Regulations 1996 which requires all local governments to establish an audit committee.

These Terms of Reference outline the Committee's objectives, powers, composition and membership, terms of membership, meetings, quorum, duties and responsibilities of both the Committee and its members. This report is for the Audit (Finance and Risk) Committee to consider the changes made after a review of the Terms of Reference and recommend to Council that it adopt the changes.

### BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE

The Audit (Finance and Risk) Committee Terms of Reference were last reviewed in August 2018 when amendments were made to incorporate changes in line with the Department of Local Government, Sport and Cultural Industries' published "A Guide to Local Government

Auditing Reforms". The Terms of Reference are due for review to ensure they are current and compliant with Legislation and best practice.

### **STATUTORY IMPLICATIONS**

The relevant legislation relating to the terms of reference are:

- *Local Government Act 1995*, section 5.8 - 5.25 Committees and their meetings and matters affecting council and committee meetings.
- *Local Government Act 1995* - 7.1A Audit committee; 7.1B Delegation of some powers and duties to audit committees; 7.1C Decisions of audit committees.
- *Local Government Act 1995* - 7.13(1)(ab) Regulations as to the functions of Audit Committees and 7.13(2) Regulations may be made under section 5.25 in relation to Committees.
- *Local Government (Audit) Regulations 1996*

### **POLICY IMPLICATIONS**

Nil

### **FINANCIAL IMPLICATIONS**

Nil

### **STRATEGIC IMPLICATIONS**

*Strategic Community Plan 2017-2027*

Focus Area 4: PERFORMANCE - Civic Leadership

Goal: 4.3: Ensure a strong and progressive organisation delivering customer focused services

Goal 4.4: Sustainably maintain the Shire's financial viability

Strategy 4.3.2: Integrate all planning, resources and reporting in accordance with best practice and statutory requirements

Strategy 4.4.4: Apply best practice financial management to ensure long term sustainability

### **RISK IMPLICATIONS**

**Risk:** Failure to manage the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal control and legislative compliance

**Control:** Review policies and procedures in accordance with the review schedule.

Undertake Audit Regulation 17 Review and implement recommendations as an opportunity to improve and effect lasting organisational change.

### **COMMUNITY ENGAGEMENT**

The Shire of Wyndham East Kimberley's CP/GOV-3100 Community Engagement Policy has been considered in relation to this item.

No community engagement is required.

### **COMMENTS**

Minor amendments have been made to the reviewed Audit (Finance and Risk) Committee Terms of Reference to reference the Office of the Auditor General as the Shire's Auditors, the inclusion of the responsibilities of the Director Corporate Services, and updates to the strategic risks and controls.

### **ATTACHMENTS**

Attachment 1 - DRAFT Audit (Finance and Risk) Committee Terms of Reference - November 2021.



## 7.6. PROPOSED MEETING DATES FOR THE AUDIT (FINANCE AND RISK) COMMITTEE FOR 2022

<b>DATE:</b>	8 November 2021
<b>AUTHOR:</b>	Director Corporate Services.
<b>RESPONSIBLE OFFICER:</b>	Felicity Heading - Director Corporate Services
<b>FILE NO:</b>	FM.02.8
<b>DISCLOSURE OF INTERESTS:</b>	Nil
<b>COUNCIL'S ROLE IN THE MATTER:</b>	Leader - Plan and provide direction through policy and practices
<b>VOTING REQUIREMENT:</b>	Simple Majority

### OFFICER'S RECOMMENDATION

That the Audit (Finance and Risk) Committee recommends to the Council:

1. That the Audit (Finance and Risk) Committee meetings for 2022 are held in accordance with the following dates, times and place:

Date	Time	Place
Monday, 7 March 2022	5:00 pm	Council Chambers, Kununurra
Monday, 13 June 2022	5:00 pm	Council Chambers, Kununurra
Monday, 12 September 2022	5:00 pm	Council Chambers, Kununurra
Monday, 5 December 2022	5:00 pm	Council Chambers, Kununurra

2. That local public notice of the meetings outlined in recommendation (1) above is provided in accordance with Regulation 12 of the *Local Government (Administration) Regulations 1996*.

### PURPOSE

To consider the proposed dates, times and place for the Audit (Finance and Risk) Committee meetings to be held for 2022 in accordance with Regulation 12 of the *Local*

*Government (Administration) Regulations 1996* and recommend to the Council that it endorse the proposal of the Committee.

## **BACKGROUND/PREVIOUS CONSIDERATIONS BY COUNCIL/COMMITTEE**

At the November 2020 Audit (Finance and Risk) Committee meeting, the Committee recommended to the Council the following meeting dates, times and place for the 2021 meetings to be held.

Monday 8 February 2021, 5.00pm, Council Chambers, Kununurra

Monday 10 May 2021, 5.00pm, Council Chambers, Kununurra

Monday 9 August 2021, 5.00pm, Council Chambers, Kununurra

Monday 8 November 2021, 5.00pm, Council Chambers, Kununurra

Pursuant to section 7.12A of the *Local Government Act 1995*, at the 27 October 2020 Ordinary Council Meeting, the Council provided delegated authority to the Audit (Finance and Risk) Committee to meet annually with the Council's auditor(s), the delegation for which is reflected in Item DA-55 of the Delegations Register 2020/2021.

## **STATUTORY IMPLICATIONS**

### ***Local Government Act 1995***

#### ***Part 5, Division 2***

#### ***5.23. Meetings generally open to public***

- (1) *Subject to subsection (2), the following are to be open to members of the public —*
- (a) *all council meetings; and*
  - (b) *all meetings of any committee to which a local government power or duty has been delegated.*

### ***Local Government (Administration) Regulations 1996***

#### ***Part 2***

#### ***12. Meetings, public notice of (Act s. 5.25(1)(g))***

- (1) *At least once each year a local government is to give local public notice of the dates on which and the time and place at which —*
- (a) *the ordinary council meetings; and*
  - (b) *the committee meetings that are required under the Act to be open to members of the public or that are proposed to be open to members of the public,*
- are to be held in the next 12 months.*
- (2) *A local government is to give local public notice of any change to the date, time or place of a meeting referred to in subregulation (1).*

*(3) Subject to subregulation (4), if a special meeting of a council is to be open to members of the public then the local government is to give local public notice of the date, time, place and purpose of the special meeting.*

*(4) If a special meeting of a council is to be open to members of the public but, in the CEO's opinion, it is not practicable to give local public notice of the matters referred to in subregulation (3), then the local government is to give public notice of the date, time, place and purpose of the special meeting in the manner and to the extent that, in the CEO's opinion, is practicable.*

### **POLICY IMPLICATIONS**

There are no direct policy implications associated with this item.

### **FINANCIAL IMPLICATIONS**

Minor expenditure will be incurred to ensure the appropriate advertising occurs for the proposed meetings. Funds are provided for this within the 2021/22 Annual Budget.

### **STRATEGIC IMPLICATIONS**

*Strategic Community Plan 2012-2022*

Goal: 4.3: Ensure a strong and progressive organisation delivering customer focused services

Goal 4.4: Sustainably maintain the Shire's financial viability

Strategy 4.3.2: Integrate all planning, resources and reporting in accordance with best practice and statutory requirements

Strategy 4.4.4: Apply best practice financial management to ensure long term sustainability

### **RISK IMPLICATIONS**

**Risk:** Failure to manage the disbursement of funds to meet the needs of the Shires' forward planning requirements, including the Strategic Community Plan, Corporate Business Plan, Long Term Financial Plans and Annual Budget.

**Controls:** Quarterly Progress Reporting of the Corporate Business Plan, Quarterly Reporting and Risk Assessment of Forward Planning Documents and Strategic Risks, Monthly Financial Management Reports.

### **COMMUNITY ENGAGEMENT**

Shire Policy CP/GOV-3100 Community Engagement Policy has been considered in relation to this item.

Engagement will take place in accordance with the Shire's Community Engagement Guidelines and will include local public notice of the proposed meeting dates, times and

place in accordance with the legislative requirements.

## **COMMENTS**

The proposed schedule has taken into account the proposed dates of the Ordinary Council Meetings for the 2022 calendar year, Council Briefing sessions and the past convention of having one meeting per quarter.

It is proposed that for 2022 the meetings take place in March, June, September and December, which is a change from the previous dates of February, May, August and November. This change is recommended to allow for more effective reporting particularly for the March meeting. Previously it has been difficult to provide updated information to the February meeting due to staff leaves and business closures over the Christmas and January period.

Consideration has also been made to ensure that the meetings occur at a time and location that is beneficial to the majority of the community in order to retain an open and transparent meeting process.

It is advantageous to meet on the day before a Council briefing session (generally the 2nd Tuesday of each month). This provides the opportunity to discuss any matters arising from the Audit (Finance and Risk) Committee at the briefing session and leave sufficient time to prepare reports for the next Ordinary Council Meeting which generally occur on the 4th Tuesday of each Month.

It is therefore proposed that the Committee meetings take place at 5:00 pm on the day before the Council briefing session with the exception of the December meeting. It is proposed that the December meeting take place the week before the Ordinary Council Meeting as there is no Council briefing session in December.

The proposed meeting dates, times and place are as follows:

- Monday, 7 March 2022, 5.00pm, Council Chambers, Kununurra
- Monday, 13 June 2022, 5.00pm, Council Chambers, Kununurra
- Monday, 12 September 2022, 5.00pm, Council Chambers, Kununurra
- Monday, 5 December 2022, 5.00pm, Council Chambers, Kununurra

## **ATTACHMENTS**

Nil

## **8. MATTERS BEHIND CLOSED DOORS**

## **9. CLOSURE**