



SHIRE OF WYNDHAM | EAST KIMBERLEY

AGENDA FOR SPECIAL AUDIT (FINANCE AND RISK) COMMITTEE

10 August 2020

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**SHIRE OF WYNDHAM EAST KIMBERLEY
AGENDA OF THE AUDIT (FINANCE AND RISK)
COMMITTEE
KUNUNURRA COUNCIL CHAMBERS
HELD ON TUESDAY, 11 AUGUST 2020 AT 5:00 PM**

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 11 May 2020 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

6. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS / NOTICES OF MOTIONS

7. REPORTS

7.1. STANDING ITEM - INSURANCE CLAIMS

DATE:	10 August 2020
AUTHOR:	Finance Officer
RESPONSIBLE OFFICER:	Felicity Heading, Acting Director Corporate Services
FILE NO:	RM.01.2
DISCLOSURE OF INTERESTS:	NIL

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 2018/19 and 2019/20 financial years, the associated costs and the status of the claims.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Leader - plan and provide direction through policy and practices.

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 2019/20 and 2020/21 budget processes. The Shire has in terms of its insurance policy, 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 two 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 2018/19 and 2019/20. These can be summarised as follows:

	2018/19 (Q1 - Q4)		2019/20 (Q1 - Q4)	
	Total Costs	Number of Claims	Estimated Costs	Number of Claims
WorkCare	\$42,359	6	\$100,773	10
Property	\$10,380	6	\$22,792	3
Liability	\$0	1	\$0	0
Motor Vehicle	\$719	1	\$12,502	4
Total	\$53,458	14	\$136,066	17

Six WorkCare claims were lodged during the 2018/19 year, all of which have been finalised. The total cost of these claims was \$42,359. There were ten claims lodged for the 2019/20 year of which four are listed as current on the attached report. Two of the listed current claims have been rejected, one has been finalised and one is pending. The total paid to date is \$51,917 and the estimated total costs are \$100,773. Generally the amounts estimated are greater than the actual costs at the time the claims are finalised. The data is therefore conservative. There have been no claims to date in 2020/21.

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.

There were six claims for property damage lodged during the 2018/19 year totalling \$10,380. There were three claims lodged for the 2019/20 year all of which have been finalised with

costs totaling \$22,792. One claim was for damage due to vandalism to the Kununurra oval cricket pitch, one for lightning damage to the radio communications tower at the Kununurra depot and one for storm damage to the pool shade sail at the Kununurra Leisure Centre. There have been no claims to date in 2020/21.

There was one liability claim made for the 2018/19 year. This was a claim in respect of water damage to hire vehicles parked at the airport. The Shire has made a without prejudice payment to settle this claim. There were no liability claims lodged for the 2019/20 year and there have been no claims to date in 2020/21.

One Motor Vehicle claim was made during the 2018/19 year with costs of \$719. Four claims were made during the 2019/20 all of which have been finalised with costs totaling \$12,502. There have been no claims to date in 2020/21.

ATTACHMENTS

(Confidential Attachments provided under separate cover).

Attachment 1 - Shire of Wyndham East Kimberley - LGIS WorkCare

Attachment 2 - Shire of Wyndham East Kimberley - LGIS Property Claims

Attachment 3 - Shire of Wyndham East Kimberley - LGIS Liability Claims

Attachment 4 - Shire of Wyndham East Kimberley - Motor Vehicle Claims

7.2. STANDING ITEM - RATES DEBTORS

DATE:	10 August 2020
AUTHOR:	Rates Officer
RESPONSIBLE OFFICER:	Felicity Heading, Acting Director Corporate Services
FILE NO:	FM.11.1
DISCLOSURE OF INTERESTS:	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

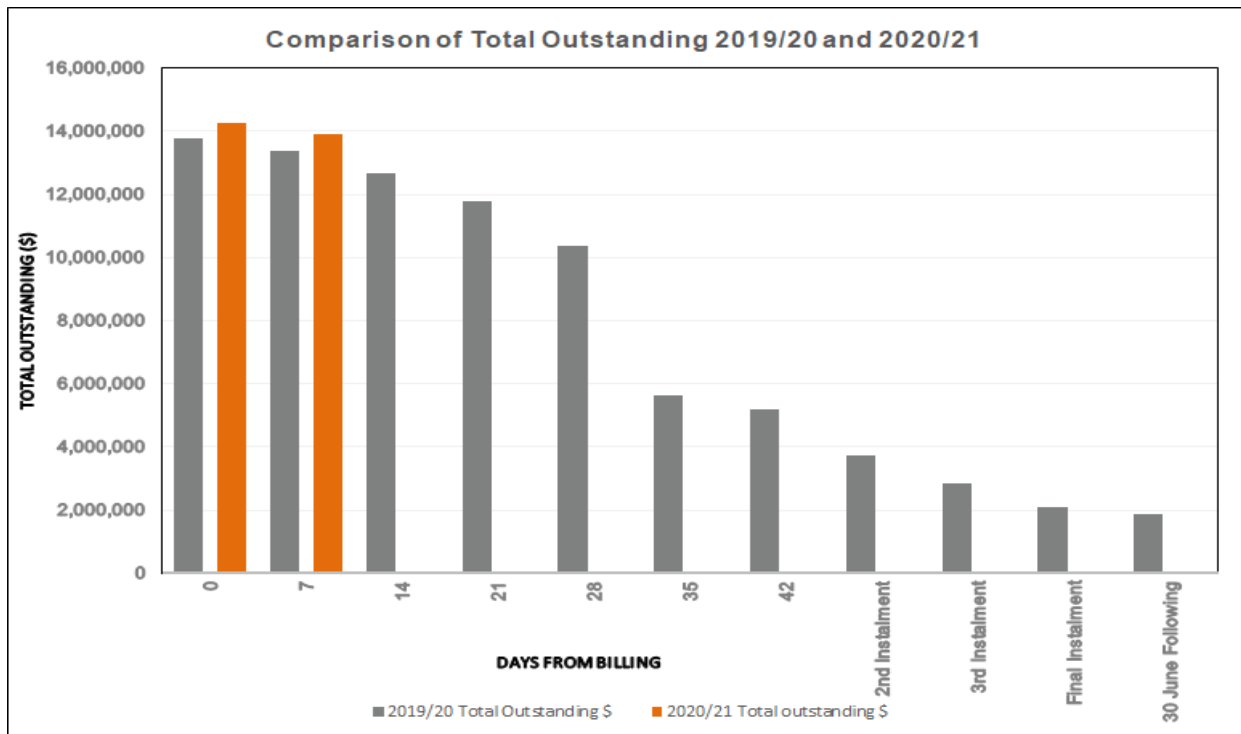
Rates & Services Levied 2020/21 (including arrears) at 26 July 2020	Overdue at 26 July 2020
\$ 14,324,176	\$1,757,088

Rates for the financial year of 2020/21 were raised on 10 July 2020 and notices issued on the 17 July 2020. Interim rating occurs periodically throughout the year. The Overdue amount of \$1,757,088 is analysed in the Confidential Attachment.

Comparison of rates received 2019/20 and 2020/21

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

		2019/20			2020/21		
Days from Billing		Total Outstanding	Received	Total % of of Billing Received	Total outstanding	Received	Total % of of Billing Receive
		\$	\$	%	\$	\$	%
0	Notices Issued	13,755,411			14,245,876		
7		13,387,247	368,164	2.68%	13,912,650	333,227	2.42%
14		12,670,945	716,302	7.88%			
21		11,772,160	898,785	14.42%			
28		10,384,303	1,387,857	24.51%			
35		5,615,165	4,769,139	59.18%			
42		5,203,347	411,818	62.17%			
2nd Instalment		3,744,575	1,458,772	72.78%			
3rd Instalment		2,848,867	895,708	79.29%			
Final Instalment		2,093,115	755,752	84.78%			
30 June Following		1,854,201	238,913	86.52%			
Total			11,901,210				



Instalment Status Report at 26 July 2020

There are currently no overdue instalments as the due date for the first instalment is 21 August 2020.

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 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. In addition legal action has been placed on hold for most outstanding rates debtors.

The total percentage of rates collected for the 2019/20 financial year was 86.52%. For the comparison, the total percentage of rates collected for the 2018/19 financial year was 89.91% a difference of 3.39%. This can partly be explained by the reduction in collections in March and April 2020 due to the impact of COVID-19 and the Shires response to those impacts as well as some large ongoing debtors.

ATTACHMENTS

(Confidential Attachment provided under separate cover).

Confidential Attachment - Rates Debtors August 2020

7.3. STANDING ITEM - SUNDRY DEBTORS

DATE:	10 August 2020
AUTHOR:	Coordinator Finance
RESPONSIBLE OFFICER:	Felicity Heading, Acting Director Corporate Services
FILE NO:	FM.07.02
DISCLOSURE OF INTERESTS:	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 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 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 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

Council Policy *CP/FIN-3214 Sundry Debt Collection* is relevant to this item.

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 9.1 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 July 2020

Categories	90 Days		60 Days	30 Days	Current	Total
	<u>No</u>	\$	\$	\$	\$	\$
Sundry Debtors	19	321,330	156,496	125,118	238,186	841,113

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 July 2020

Categories	90 Days		60 Days	30 Days	Current	Total
	<u>No</u>	\$	\$	\$	\$	\$
Kununurra Airport	14	82,456	16,331	57,488	58,204	214,479
Wyndham Airport	2	1,760	0	1,224	1,876	4,860
Total	16	84,216	16,331	58,712	60,080	219,339

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 all for outstanding sundry debtors.

ATTACHMENTS

Confidential Attachment 1 - Sundry Debtors at 30 July 2020 (Confidential attachment provided under separate cover).

7.4. STANDING ITEM - LEASES

DATE:	10 August 2020
AUTHOR:	Coordinator Finance
RESPONSIBLE OFFICER:	Felicity Heading, Acting Director Corporate Services
FILE NO:	CP.07 and CP.16
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to the 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 ranging from airport leases, community and commercial leases.

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 financial implications from the preparation of this report.

A number of Lessee's have applied for financial hardship relief either under the Shire's Financial Hardship Policy or through requests for deferment or waivers of lease fees. These requests are being considered by the administration and the full financial impact will be reported to Council. The Annual Budget process estimated that the revenue from lease income is expected to reduce by approximately \$48,700, which is approximately half of the regular lease income.

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: Review policies and procedures in accordance with review schedule

Risk: Failure to secure land which promotes heritage and meets the operational and service delivery requirements of the Shire.

Control: The Shire will be required to develop a Heritage List, which will replace the previous Municipal Heritage Inventory.

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 seven 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.

With the advent of COVID-19 and the associated restrictions on movement and gatherings organisations have not been able to meet in order to pass resolutions. This has affected Shire Officers in being able to progress aspects of those leases that are not as yet finalised.

As stated above there is an expectation that lease revenue for the financial year will be halved due to the impact of Covid-19.

ATTACHMENTS

Confidential Attachment 1 - Lease Schedule

Confidential Attachment 2 - New and Renewal Lease Schedule

7.5. STRATEGIC RISK REGISTER

DATE:	10 August 2020
AUTHOR:	Senior Governance and Risk Officer
RESPONSIBLE OFFICER:	Vernon Lawrence Chief Executive Officer
FILE NO:	RM.02.1
DISCLOSURE OF INTERESTS:	

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That the Audit (Finance and Risk) Committee note the Quarterly Strategic Risk Report for Quarter 4.

PURPOSE

For the Audit (Finance and Risk) Committee note the Quarterly Strategic Risk Report as attached in attachment 1.

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 11 May 2020 Audit (Finance and Risk) Committee resolved to adopt the Strategic Risk Report for Quarter 2:

COMMITTEE RESOLUTION

Minute Number: 11/05/2020 AC464

Moved: Cr M McKittrick

Seconded: Cr G Lodge

That the Audit (Finance and Risk) Committee Note the Quarterly Strategic Risk Report for Quarter 3.

At the 26 February 2019 Ordinary Council meeting, Council resolved to adopt CP GOV-3108 Risk and Opportunity Management Policy, endorsing the accompanying Risk and Opportunity Management Framework. Risk Management processes are encouraged in local governments to effectively manage business systems and processes, achieve an appropriate balance between realising opportunities for gain, while minimising adverse impacts, an essential element of sound corporate governance. The Risk and Opportunity Policy and Framework, requires all Elected Members and Officers to use an interactive process consisting of several steps, that when undertaken in sequence, enable a sound basis for decision-making and facilitate continuous improvement in performance.

As recommended in the Framework, and in consistency with advice delivered within the Audit Regulation 17 Review in 2019, Strategic Risk should be reported on from the Administration to the Audit (Finance and Risk) Committee once per quarter.

In May 2019 the Audit (Finance and Risk) Committee workshopped the risk information developed by the Administration, whereby several individual business unit registers were integrated to identify both the Shires corporate wide operational, and strategic risks. These strategic risks were then circulated to Council Officers to perform a risk assessment to develop a risk rating and tolerance level. This data was then consolidated into the Strategic Risk Register .

By integrating information from Councils forward planning documents, policies, local laws, objectives in the Corporate Business Plan and other strategic information, the administration highlighted 21 strategic risks associated with achieving the organisation's long term strategic objectives. These Strategic Risks are presented in Attachment 1 of this report.

The Strategic Risk Register (Attachment 1), links each risk to the meaningful goals created in the Strategic Community Plan. Each risk belongs to one of the nine risk categories outlined in the Risk and Opportunity Framework, and is analysed against the risk rating matrix for evaluation. Current implemented Council controls are listed in the risk mitigation section of the register. There is a comments section provided for information on current controls, interim updates, or operational issues exceeding the risk tolerance of the Administration which need to be referred to the Audit finance and Risk Committee. Where risk exceeds the tolerance level of the Administration, additional remediations will be recommended in the Officer's Recommendation to the Audit (Finance and Risk) Committee.

The remediation section of the Register contains actions from Council to the Administration which manage the strategic risks, with status updates every quarter for consideration by the Audit Finance and Risk Committee. The Audit Finance and Risk Committee may task additional strategic remediations to the Council to resolve, as well as agree to re-evaluate risks where necessary by way of amendment to the recommendation. Residual risks, quarter to quarter, which are rated high or extreme and require significant investment of time and money, should be captured in the Corporate Business Plan.

STATUTORY IMPLICATIONS

Local Government (Audit) Regulations 1996 - Reg 17

17 . CEO to review certain systems and procedures

(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —

- (a) risk management; and
- (b) internal control; and
- (c) legislative compliance.

(2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.

(3) The CEO is to report to the audit committee the results of that review.

POLICY IMPLICATIONS

The Strategic Risk Register implements various policies, local laws, forward planning documents and informing strategies to mitigate the Shires Strategic Risk. The Strategic Risk Register is informed by the CPGOV-3108 Risk and Opportunity Management Policy

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2012-2022

Focus Area 1: Healthy vibrant active communities

Focus Area 2: Enhancing the environment

Focus Area 3: Economic Prosperity

Focus Area 4: Civic Leadership

Goal 1.1: Bring community together and promote our rich culture and heritage

Goal 1.2: Increase participation in sporting, recreation and leisure activities

Goal 1.3: Promote quality education, health, childcare, aged care and youth services

Goal 2.1: Conserve the Shire's unique natural environment for the enjoyment of current and future generations

Goal 2.2: Provide sustainable public infrastructure that serves the current and future needs of the community

Goal 2.3: Make towns safe and inviting for locals and visitors

Goal 3.1: To deliver the critical infrastructure that will create the conditions for economic growth across the Shire

Goal 3.2: To be business friendly and the Shire of choice for inward investment in the Kimberley

Goal 3.3: Develop and retain skilled people that business need to succeed

Goal 4.2: Good decision making through engagement with the community

Goal 4.4: Sustainably maintain the Shire's financial viability

Goal: 4.1: Effective representation through advocacy at a regional, state and national level

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

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 Review conducted by external Auditor

COMMUNITY ENGAGEMENT

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

COMMENTS

A range of comments in the register refer to some impact from the COVID-19 Pandemic, and the effects of the pandemic on the Shire's strategic goals will likely continue to create pressure. A number of residual risk ratings have been increased to high. This increase is where corporate business plan actions that were required to mitigate the risk have not been finalised or did not commence.

A number of projects were not started. Examples include the Shire's Workforce plan, Asset Management Plan, Port Logistics Study and Aboriginal Engagement Plan which were not started in the year 2019-20. Most of these planning documents have been deferred to the 2020-21 financial year. In most instances these actions were reflective of planning which was required, or a review of an existing plan.

ATTACHMENTS

Attachment 1 - Strategic Risk Register Q4

Attachment 2 - Strategic Risk Register Q4 - High And Extreme Risk Areas

8. MATTERS BEHIND CLOSED DOORS

9. CLOSURE