



## Audit & Risk Committee Notice of Meeting | 8<sup>th</sup> September 2020

Dear Councillors

I respectfully advise that the AUDIT & RISK COMMITTEE MEETING will be held in Lesser Hall, Jennaberring Road, Quairading, WA on Tuesday 8<sup>th</sup> September 2020 commencing at 5:00pm.

MEETING AGENDA ATTACHED

Graeme Fardon

**GRAEME FARDON**  
**CHIEF EXECUTIVE OFFICER**

Date: 4<sup>th</sup> September 2020



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# SHIRE OF QUAIRADING

## ITEM 1 OPENING & ANNOUNCEMENTS

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The Chairperson opened the Meeting at \_\_\_\_\_ pm.

"Before we start our Meeting, I would like to acknowledge that we are meeting on Noongar land and we pay respect to the original custodians...past, present and future and welcome you all here today for this Meeting".

Item 11.1 ICT Strategic Plan and ICT Disaster Recovery Plan is to be presented first to allow Council's Consultant Focus Networks to speak to the Agenda Item.

## ITEM 2 ATTENDANCE AND APOLOGIES

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### Councillors

Cr JN Haythornthwaite	Chairperson / Deputy Shire President
Cr WMF Davies	Shire President
Cr BR Cowcill	
Cr JW Haythornthwaite	
Cr JR Hippiisley	
Cr B McGuinness	
Cr PD Smith	
Cr TJ Stacey	

### Council Officers

Mr GA Fardon	Chief Executive Officer
Mr NL Gilfellow	Executive Manager of Corporate Services
Mr A Rourke	Executive Manager of Works & Services
Mr RM Bleakley	IPR/ Strategic Projects Officer

### Observers/Visitor

### Apologies

### Approved Leave of Absence

## ITEM 3 DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

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Nil.

## ITEM 4 DECLARATIONS OF INTEREST

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Councillors to use pro forma declaration of interest handed to Chief Executive Officer prior to meeting or verbal declaration of interest.

- Declarations of Financial Interest – Local Government Act 1995 Section 5.60a
- Declarations of Proximity Interest – Local Government Act 1995 Section 5.60b
- Declarations of Impartiality Interest – Administration Regulations 1996 Section 34c

## ITEM 5 CONFIRMATION OF MINUTES AND BUSINESS ARISING

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### 5.1 Confirmation of Minutes – 9<sup>th</sup> June 2020

#### RECOMMENDATION

**MOVED Cr \_\_\_\_\_ SECONDED Cr \_\_\_\_\_**

That the Minutes of the Audit & Risk Committee Meeting held on the 9<sup>th</sup> June 2020 be confirmed as a true and accurate record. (Attached)

**CARRIED \_\_\_\_ / \_\_\_\_**

**VOTING REQUIREMENTS – Simple Majority**

### 5.2 Business Arising

# SHIRE OF QUAIRADING

The Quairading Audit & Risk Committee Minutes of the Meeting held on 9<sup>th</sup> June 2020 commencing at 4.59 pm.

## ITEM 1 OPENING & ANNOUNCEMENTS

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The Chairperson opened the Meeting at 4.59 pm.

"Before we start our Meeting, I would like to acknowledge that we are meeting on Noongar land and we pay respect to the original custodians...past, present and future and welcome you all here today for this Meeting".

The Chairperson Cr Jo Haythornthwaite thanked the Shire President and Cr McGuinness for the manner in which they conducted the electronic Council Meetings and the Strategic Planning Committee Meeting during the Covid-19 Pandemic.

## ITEM 2 ATTENDANCE AND APOLOGIES

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### Councillors

Cr JN Haythornthwaite	Chairperson / Deputy Shire President
Cr WMF Davies	Shire President
Cr BR Cowcill	
Cr JW Haythornthwaite	
Cr JR Hippiisley	
Cr B McGuinness	
Cr PD Smith	
Cr TJ Stacey	

### Council Officers

Mr GA Fardon	Chief Executive Officer
Mr NL Gilfellon	Executive Manager of Corporate Services
Mr A Rourke	Executive Manager of Works & Services
Mr RM Bleakley	IPR/ Strategic Projects Officer

### Observers/Visitor

n/a

### Apologies

Nil.

### Approved Leave of Absence

Nil.

## ITEM 3 DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

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Nil.

## ITEM 4 DECLARATIONS OF INTEREST

---

Councillors to use pro forma declaration of interest handed to Chief Executive Officer prior to meeting or verbal declaration of interest.

Nil, at this time.

## ITEM 5 CONFIRMATION OF MINUTES AND BUSINESS ARISING

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### 5.1 Confirmation of Minutes – 10<sup>th</sup> March 2020

**RECOMMENDATION: AR20-19/20**

**MOVED Cr Cowcill SECONDED Cr McGuinness**

That the Minutes of the Audit & Risk Committee Meeting held on the 10<sup>th</sup> March 2020 be confirmed as a true and accurate record.

**CARRIED 8/0**

### 5.2 Business Arising

Nil.

## ITEM 6 STANDING ITEMS – EXTERNAL AUDIT

*Audit & Risk Committee - Terms of Reference 7.6*

### 6.1 Auditor's Interim Management Letter

<b>Meeting Date</b>	9 <sup>th</sup> June 2020
<b>Responsible Officer</b>	CEO Graeme Fardon
<b>Reporting Officer</b>	EMCS Nathan Gilfellow
<b>Attachments</b>	Moore Stephens – Interim Management Report (Under Separate Cover)
<b>Owner/Applicant</b>	Shire of Quairading
<b>Disclosure of Interest</b>	Nil

### OFFICER RECOMMENDATION

**RECOMMENDATION: AR21-19/20**

**MOVED Cr Davies SECONDED Cr Hippisley**

That the Audit & Risk Committee Recommend to Council:

1. That Council receive the Interim Management Letter from Council's Auditor Mr Greg Godwin of Moore Stephens for the audit Year ended 30th June 2020.
2. That Council notes Management's Responses and Planned Actions from the Auditor's Letter.

**CARRIED 8/0**

### IN BRIEF

- Council has undertaken the Interim Audit with Council Auditors. The entire process has been conducted offsite.
- The Pre Audit Meeting was conducted with Greg Godwin, the Audit and Risk Committee and Executive Staff on the 10<sup>th</sup> March 2020.
- Council Auditor Greg Godwin has presented his Interim Management Report to the Chair of the Audit and Risk Committee showing matters raised with Management. The Auditors Letter is attached under separate cover.
- Comments from Management to matters raised have been included in the attached.

### MATTER FOR CONSIDERATION

Receipt of the Interim Management Letter for the Year Ended 30th June 2020.

### BACKGROUND

The Annual Interim Audit of Council's Financials for the audit year ending 30<sup>th</sup> June 2020 was conducted with an Offsite Audit Visit from Late March to Early May.

Council's Auditor, Mr Godwin, has now completed the Interim Audit and has provided the Interim Management Report Letter.

## STATUTORY ENVIRONMENT

### *Local Government Act 1995*

Part 7 refers to Audits of Council and the Conduct of the Audit.

Section 5.53 of the Local Government Act 1995 states as follows: -

- 5.53. (1) The local government is to prepare an annual report for each financial year.
- (2) The annual report is to contain -
- (a) a report from the Mayor or President;
  - (b) a report from the CEO;
  - (c) a report of the principal activities commenced or continued during the financial year;
  - (d) an assessment of the local government's performance in relation to each principal activity;
  - (e) an overview of the principal activities that are proposed to commence or to continue in the next financial year;
  - (f) the financial report for the financial year;
  - (g) such information as may be prescribed in relation to the payments made to employees;
  - (h) the auditor's report for the financial year; and
  - (i) such other information as may be prescribed.

### *Local Government Act 1995*

#### 7.12A. Duties of local government with respect to audits

- (1) A local government is to do everything in its power to: -
  - (a) Assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and
  - (b) Ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government must: -
  - (a) Examine an audit report received by the local government; and
  - (b) Determine if any matters raised by the audit report, require action to be taken by the local government; and
  - (c) Ensure that appropriate action is taken in respect of those matters.
- (4) A local government must: -
  - (a) Prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
  - (b) Give a copy of that report to the Minister within 3 months after the audit report is received by the local government.
- (5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

### **Council Delegated of Authority**

#### *Delegation F.1 – Audit Committee: Meeting with Auditor*

Council delegates authority and power to the Audit & Risk Committee to meet with the Local Government's Auditor at least once per year.



## POLICY IMPLICATIONS

Audit and Risk Committee Terms of Reference

(e) The Committee is to review the findings of the External Audit. This may include, but not be limited to, the following: -

- Discussion of any major issues which arose during the audit;
- Any accounting and audit judgments; and
- Levels of errors identified during the audit.

(f) The Committee will also support the Auditor as required and has Function to oversee the following:-

- The implementation of Audit Recommendations made by the Auditor, which have been accepted by Council, and
- The implementation of accepted Recommendations from reviews of Council's systems and procedures.

(h) The Committee is to review the report to the Chief Executive Officer and Management's response to the External Auditor's findings and recommendations.

## FINANCIAL IMPLICATIONS

The Interim Audit is a part of the Annual Audit and costs are as per the Audit Contract. These costs are budgeted for each year. The current budget provision for auditing is \$22,700.

## STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

### Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability

## COMMUNITY CONSULTATION

Nil

## RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial - Risk Matrix Rating is considered Low. Cost of the Annual Audit is included in the Budget. The Audit's purpose is not to uncover any financial fraud, however having strong financial processes, as raised in the Management report can reduce the risk of this occurring.

Health – Risk Matrix Rating is considered Low

Reputation – Risk Matrix Rating is considered Low

Operation – Risk Matrix Rating is considered Low

Natural Environment – Risk Matrix Rating is considered Low

## COMMENT

Management comments to the matters raised are included in the Management Letter. All matters that have been raised have been discussed with key Staff, with training having commenced where necessary.

## ITEM 7      STANDING ITEMS – INTERNAL AUDIT

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### *Audit & Risk Committee - Terms of Reference 7.5*

No matters for consideration.

## ITEM 8      STANDING ITEMS – FINANCIAL REPORTING

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### *Audit & Risk Committee - Terms of Reference 7.2*

No matters for consideration.

## ITEM 9      STANDING ITEMS – CONTROLS, SYSTEMS AND PROCEDURES

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### *Audit & Risk Committee - Terms of Reference 7.3*

No matters for consideration.

## ITEM 10 STANDING ITEMS – RISK MANAGEMENT REPORTS AND ISSUES

*Audit & Risk Committee - Terms of Reference 7.1, 7.3*

### 10.1 Report on Excess Annual Leave and Long Service Leave

<b>Meeting Date</b>	9 <sup>th</sup> June 2020
<b>Responsible Officer</b>	EMCS Nathan Gilfellon
<b>Reporting Officer</b>	SFO Jodie Yardley
<b>Attachments</b>	Nil
<b>Owner/Applicant</b>	Shire of Quairading
<b>Disclosure of Interest</b>	Nil

#### OFFICER RECOMMENDATION

**RECOMMENDATION: AR22-19/20**

**MOVED Cr Hippisley SECONDED Cr Stacey**

That the Audit and Risk Committee Recommend to Council that: -

Council receive the report on the Shire's Leave Liabilities.

**CARRIED 8/0**

#### Committee Discussion

The Chief Executive Officer provided further detail on his intentions to take his currently deferred Long Service Leave later in the Year, subject to the availability of a Relief Acting CEO.

#### IN BRIEF

- Since 2017, Council has requested that excess Annual Leave and Long Service Leave be reported to the Audit and Risk Committee
- Council receive the report on the Shire's Leave Liabilities.

#### MATTER FOR CONSIDERATION

Report on Excess Annual Leave and Long Service Leave Entitlements and Leave Liabilities.

#### BACKGROUND

Since 2017, Council has requested that excess Annual Leave and Long Service Leave be reported to the Audit and Risk Committee.

The current policy defines excess leave as when the Employee has accrued more than eight weeks paid annual leave.

#### STATUTORY ENVIRONMENT

*Local Government Act 1995*

Local Government (Long Service Leave Regulations)

Local Government Industry Award 2010

The Industry Award defines Excess Leave as -

*"An Employee has an **excess leave accrual** if the employee has accrued more than eight weeks paid annual leave"*

## **POLICY IMPLICATIONS**

Current Policy: Leave Management Policy (ORG.2)

## **FINANCIAL IMPLICATIONS**

Annual and Long Service Leave Reserve Fund Cash Balance as at 31<sup>st</sup> May 2020 is \$205,457.

The Annual Budget treats Current Leave as Accruals.

The Annual and Long Service Leave Reserve funds any prior year Leave entitlements taken by Staff or paid out.

The current Liability for both types of Leave (if all Claimed on 31<sup>st</sup> May 2020) is calculated at \$290,778.

## **STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027**

### **Governance Objective: Strong governance and community engagement**

<b>ITEM</b>	<b>OUTCOMES AND STRATEGIES</b>
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability

## **COMMUNITY CONSULTATION**

N/A

## **RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.**

Financial – Risk Matrix Rating is considered as Medium Risk. Financial exposure and therefor Risk escalation, if Leave accruals are not monitored and managed.

Health – Risk Matrix Rating is considered as Low Risk

Reputation – Risk Matrix Rating is considered as Low Risk

Operation – Risk Matrix Rating considered Low Risk

Natural Environment – Risk Matrix Rating is considered as Low Risk.

## **COMMENT**

This report has been prepared to inform the Audit and Risk Committee of the current leave liabilities and of any employees who have excess leave and the steps taken to reduce these liabilities.

As at the 31<sup>st</sup> May 2020, one employee with excess annual leave has commenced leave on 25<sup>th</sup> May 2020 for two weeks. This will reduce their leave to be under the excess leave threshold.

The CEO has approved of One Employee's Plan to take their Long Service Leave in three instalments. The first of which has now been taken.

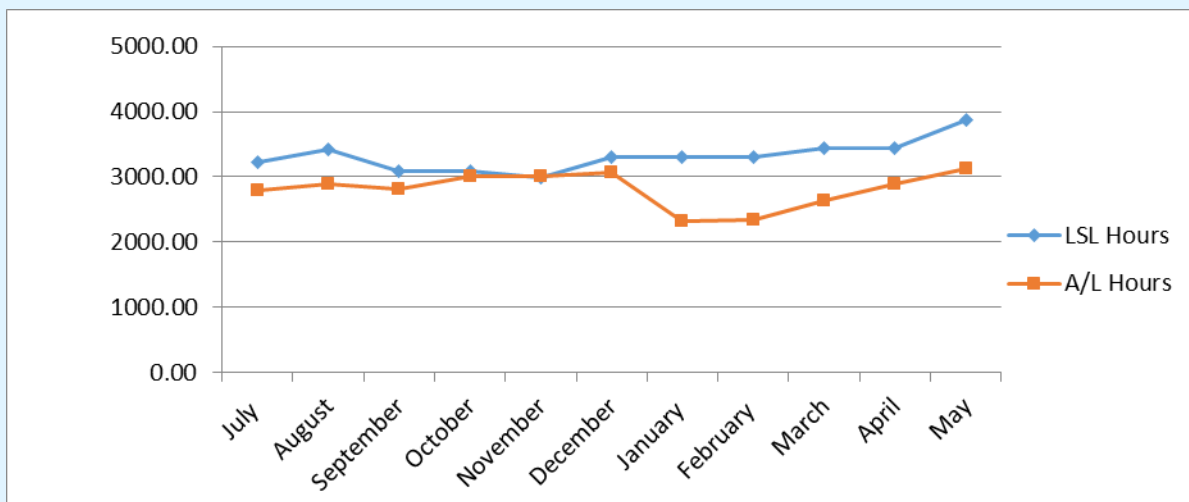
One Employee has Long Service Leave Liabilities as at the 6<sup>th</sup> September 2019. This has been approved to commence in March 2020 although due to COVID-19 it has been postponed to a mutually agreeable date.

Since February 2020, there has been a significant increase of 30% (in Dollar Value) in the Annual Leave Liability through additional accrued leave and annual leave not being taken due to COVID-19.

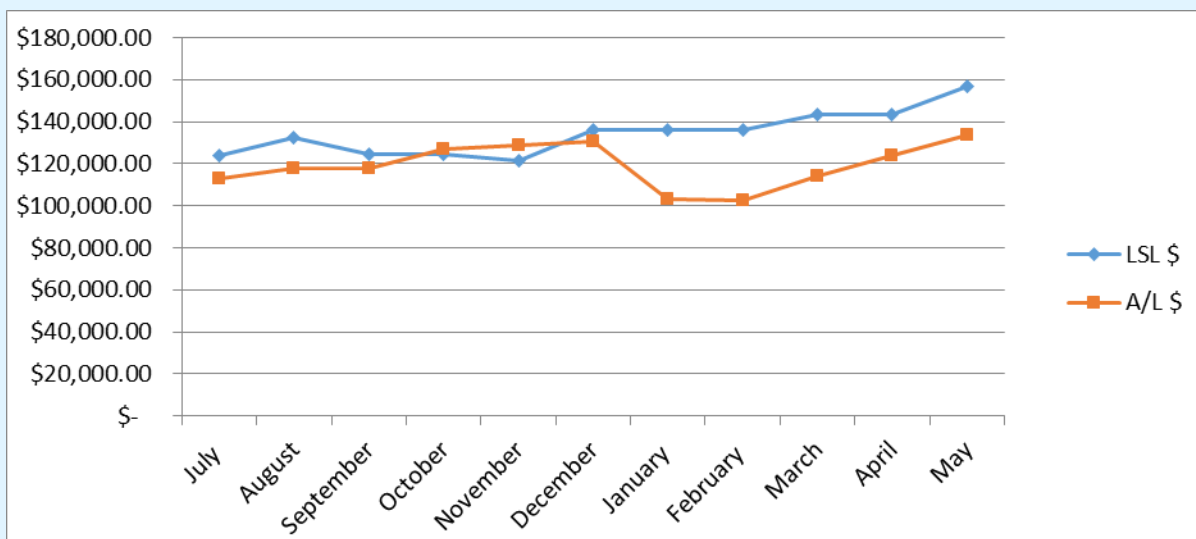
The Long Service Leave Liability has increased 15% (in Dollar Value) since February 2020. This is due to one employee becoming eligible and two increasing their accrued leave entitlement.

	<b>LSL Hours</b>	<b>LSL \$</b>	<b>AL Hours</b>	<b>AL \$</b>
<b>June</b>	3,507	134,820	3,056	127,501
<b>July</b>	3,218	124,006	2,795	113,180
<b>August</b>	3,426	132,468	2,890	118,114
<b>September</b>	3,080	124,610	2,817	117,850
<b>October</b>	3,080	124,610	3,003	126,828
<b>November</b>	2,981	121,657	3,016	129,068
<b>December</b>	3,300	135,877	3,071	130,333
<b>January</b>	3,300	135,877	2,312	102,902
<b>February</b>	3,300	135,877	2,344	102,873
<b>March</b>	3,448	143,288	2,638	114,171
<b>April</b>	3,448	143,288	2,881	124,120
<b>May</b>	3,867	156,814	3,122	133,964

### Accumulated Hours of Leave



### Outstanding Accumulated Dollar Value of Leave



## ITEM 11      STANDING ITEMS – OTHER

*Audit & Risk Committee - Terms of Reference 9.2 & 9.5*

### 11.1 Annual Assessment Report on Community Engagement

<b>Meeting Date</b>	9 <sup>th</sup> June 2020
<b>Responsible Officer</b>	CEO Graeme Fardon
<b>Reporting Officer</b>	CEO Graeme Fardon
<b>Attachments</b>	Community Engagement Policy, Community Action Plan
<b>Owner/Applicant</b>	N/A
<b>Disclosure of Interest</b>	Nil

### OFFICER RECOMMENDATION

#### RECOMMENDATION: AR23-19/20

#### MOVED Cr Hippisley SECONDED Cr Cowcill

That the Audit & Risk Committee Recommend to Council:

That Council receive the Annual Assessment Report of Council's Community Engagement for the 2019/2020 year.

**CARRIED 8/0**

### IN BRIEF

- In accordance with Council's Community Engagement Policy, an Annual Assessment of the level of engagement achieved is to be reported to the June Audit & Risk Committee.
- In December 2019, Council adopted the Community Action Plan for the 12 months ahead.
  - The Action Plan describes how the Shire of Quairading will increase its level of engagement with the community and acknowledges the desire of Council to share information in keeping with our vision to position Quairading as the best place to live, work and visit.
  - The Action Plan provides direction to Councillors and Staff on identified activities with the objective of maximising meaningful and appropriate Community engagement across all areas of the Organisation.
  - The Action Plan will be assessed and reviewed each June to ensure that community engagement remains focussed and relevant to the Shire of Quairading community and stakeholders.

### MATTER FOR CONSIDERATION

For Council to receive the Annual Community Engagement Assessment Report in accordance with the Shire's Community Engagement Policy.

### BACKGROUND

Community consultation is a key component of the Integrated Planning and Reporting requirements of the Local Government (Administration) Regulations 1996. The Shire's Strategic Community Plan has identified 'Strong governance and community engagement' as one of its five (5) key objectives and lists



Strategy G3 – Community Engagement as an issue to be addressed. Each strategy has a specific goal, a commitment to the community and a set of methodologies.

Community engagement is an umbrella term that covers information sharing, consultation and active participation between the Shire and community. It seeks to ensure people have an opportunity to participate in decisions that affect them.

In a local government context community engagement can take many forms, ranging from receiving a letter about a neighbour's development application, Council e-newsletters or responding to a "have your say" advertisement, to attending a facilitated workshop on a major project.

Community engagement is any activity that assists Council: -

- Provide opportunities for the community to voice an opinion on any proposals, plans, services and activities
- Work more closely with the community to shape policy options and priorities.

Community engagement does not necessarily mean achieving consensus. However, community input into Council's decision-making process provides the potential for a better, more informed decision for everyone. This results in:

- Improving the relationship between the Community and Council;
- Enhancing Community ownership of decisions;
- Adding value to Council's decision-making processes by drawing on the skills and wisdom of people and groups in the Community.
- Maximising the possible positive impacts of Council decision and minimising the possible negative impacts.

## STATUTORY ENVIRONMENT

*Local Government Act 1995 – s.5.56 Planning for the future*

Local Government (Administration) Regulations 1996 – Reg 19(c)(9)

*(9) A local government is to ensure that the electors and ratepayers of its district are consulted during the development of a strategic community plan and when preparing modifications of a strategic community plan*

## POLICY IMPLICATIONS

Strategic Community Plan 2017-2027

CS.4 Community Engagement Policy

Strategic Document – Community Engagement Action Plan 2019 - 2020

## FINANCIAL IMPLICATIONS

Nil - Community Engagement has been undertaken within Council's Operating Budgets.

## STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

### Social Objective: Active, healthy, safe and inclusive community

ITEM	OUTCOMES AND STRATEGIES
S1	Active community
S1.1	Provide facilities and support participation in sport and recreational activities, facilities and clubs
S1.2	Promote increased participation in the social and cultural life of the community

## Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability
G3	Community Engagement
G3.2	Collaborate with the community to achieve desired outcomes

### COMMUNITY CONSULTATION

Community consultation is a key component of the Integrated Planning and Reporting requirements of the Local Government (Administration) Regulations 1996.

The Shire's Strategic Community Plan 2017 - 2027 has identified "Strong governance and community engagement" as one of its five (5) key objectives and lists Strategy G3 – Community Engagement as an issue to be addressed.

The Shire's Community Engagement Policy specifies that an Annual Assessment be undertaken to gauge the level of community engagement achieved, and report back to the Audit and Risk Committee Meeting each June.

### RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial - Risk Matrix Rating is assessed as Low. Community Engagement was undertaken within Council's adopted Budget.

Health – Risk Matrix Rating is assessed as Low. Covid Community Updates played an important role in keeping the Community informed on the emerging Declared Emergency.

Reputation – Risk Matrix Rating is assessed as Low. Risk Mitigated through a high level of Community engagement.

Operation – Risk Matrix Rating is assessed as Low. Higher level of Community Engagement achieved with existing Staff resources however at times other projects and competing priorities were needing to be compromised. In particular, there was significant resources allocated to the production and publishing of the Covid 19 Community information.

Natural Environment – Risk Matrix Rating is assessed as Low.

### COMMENT

The Community Engagement Policy and Action Plan are aimed to ensure: -

- Increased community awareness about Council's services, planning and program delivery;
- Increased awareness of community views and issues that should be considered as part of the decision-making process;
- Increased awareness of the needs and diversity of the local community;
- Development of solutions and outcomes that are broadly supported by the community;
- Increased satisfaction with council and strengthening of trust between Council and community;
- Increased understanding, community ownership and acceptance of decisions;
- Enhanced relationships with Council and the community working together to address local issues;
- Improved decision making and community outcomes;
- Potential for time, resource and cost savings;
- Increased transparency and accountability with regard to council decision making.

## Communications and engagement approach

A range of communication and engagement activities were undertaken in 2019/2020 to inform, consult and involve participants from across the community.

	METHOD	HOW WE ENGAGED
Online	Advertisements (Newspapers, Notice board, Banksia Bulletin, Passion Sheet and Shire Newsletters)	Public Notices, Tenders, Land Sales, Compliance Notices, Vacancies
	Bulk Text Messaging	Telstra Messaging – Emergency SMS system reports regularly to subscribers on Emergency/Bushfire/ Harvest Ban information. 450 Subscribers in 2019/2020 compared to 388 in 2018/2019.
	Regional Radio	Regular Radio Interviews regarding Community & Shire Activities - Triple M - Monthly 101.3fm Voice of the Avon - Quarterly
	Hotline/Phone-in	Harvest Ban Hotline
	Email / Mailchimp	Business and Tourism – Caravan Club notification; assisting our community groups, clubs and businesses find the latest funding opportunities through targeted Grants emails and Mailchimp Bimonthly Council Newsletter (Months of June, August and December) February and April editions were not published due to the production of the Weekly Covid-19 Community Update.
	Social Media	Shire Facebook Page
	Website	Council, Council facilities, Community Activities/Groups, Latest News
	Survey	Community Grants Program Survey
Indirect	Mail outs	Community Update COVID-19 X 9
	Town Clock Noticeboard, Banner, Poster, Signage	Electronic Notice Board, Newly branded Town Signage and Banners
	Suggestion Box	Council Community Suggestion Box at the Ag Show
	Client Request System	Client requests are generated through various medians including reports by phone, email, website or over the front counter at the Administration Centre and Works Depot.
In Person	Engagement Sessions	Community Park Project, Rebranding Project, Tourism Steering Committee, Aged Accommodation Project, Sporting Precinct Working Group, Quarterly Reconciliation Action Plan Committee Meetings, Wheatbelt Youth Council Meetings (Youth, Shire, School and the Police).
	Council Community Connect Calls	COVID-19 Council Community Contact one-on-one calls by Councillors to identified "At Risk" Community Members
	Council Meetings	Open to Public (excluding March and April Council Meetings due to Covid-19 Restrictions)
	Annual Electors Meeting	Open to Public
	Citizenship Ceremonies	3x Citizenship ceremonies held 24 October 2019, 26 January 2020, 5 March 2020
	Site Tour	Shire of Menzies Shire President & Councillor – Cabin Tour, QARRAS – Cabin Tour
	Council Ag Show Stand 12 October 2019	Council Stand – including Displays of the main Street Layby Concept, Community Park Concept, Caravan Park Cottages and the Container Deposit Scheme. Stand attended to by Councillors and the CEO and EMWS. NAIDOC Day Cultural Stand and Walk in Unity – CEO and Community.
Australia Day	Australia Breakfast held at the Bowling Club, Launch of the District's new Branding and Awards for Citizen of the Year and Recognition Awards- 26 January 2020 – in excess of 200 persons attended	

METHOD		HOW WE ENGAGED
Tourism		Tourism Strategy Launch 19 February 2020 - Estimated 40 Community Members in Attendance
		Tourist Visitor Survey - Ongoing (Roe Tourism)
In Person		Shire Administration Centre - Front Counter - DoT Health & Building, Rates, Facility Bookings, Planning, Cemetery, Ranger Services
		Works Depot Reception - Works Reports and Enquiries, Contractor and Supplier Enquiries
		Shire Officers @ CRC - Community Group Engagement, Meetings, Bulletins.

## Comments on the Trends of the various Avenues used (Refer to the respective Graphs below)

### Customer Service Requests

The number of Customer Requests from 2018/19 to 2019/2020 remains consistent. A further analysis of the percentage of Closed and Open Requests will be analysed and reported in the 2019/2020 Annual Report.

### Social Media - Facebook

Increasing number of Posts on the Shire Facebook Page

7.0% decrease in the reach of Facebook Posts over the 12 months. Largely attributed to the drop in Posts during the Covid Pandemic when other avenues of Community Information were utilised.

Reduction in the level of "negative feedback to Posts"

### Emergency SMS System

450 Subscribers in 2019/2020 compared to 388 in 2018/2019.

Level of Communications is determined by Seasonal / Bushfire Conditions.

### Shire eNewsletter (Mailchimp) and COVID-19 Community Update

The last Shire Newsletter was published December 2019. The Newsletter has been intermittently replaced by the COVID-19 Community Update Letter keeping the Quairading Community & District up to date on trading local Businesses, access to Shire Facilities & Bookings.

9 x Covid Community Updates were published and mailed to each letterbox.

Level of engagement remained very consistent with 188 Subscribers to the e-newsletter and an average "Opening Rate" of 64%.

### Department of Transport (DoT) Transactions

The 12-month trend line (in red) shows transactions have remained consistent, but a decline is clearly visible during the COVID-19 lockdown when Clients were encouraged to conduct their Licensing transactions online with DoT.

### Administration Centre - Front Counter Attendance

This is a new measure of total time with front counter customers introduced in June 2019. The red line indicates an average of 30 Hours per week of Staff time attending to face to face Customer Service.

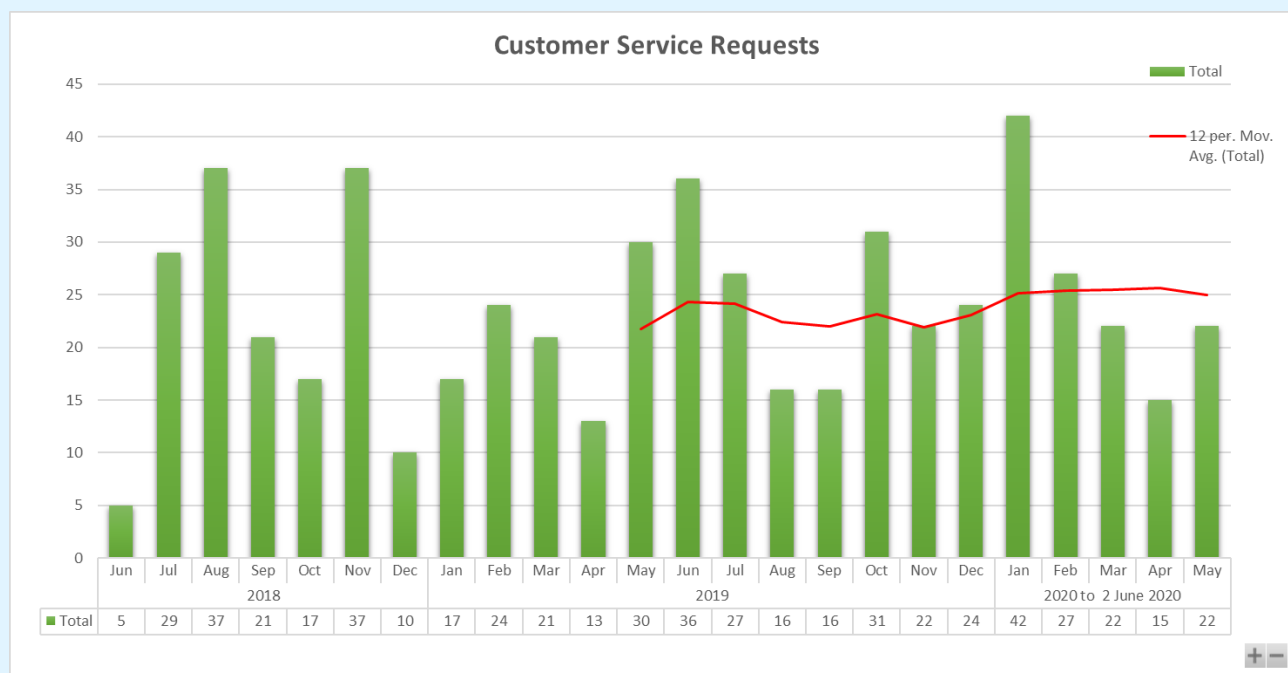
### Shire of Quairading Website Google Analytics

There has been a decrease in user activity across the Shire’s Website. The Website is an area the Administration Staff still needs to review with the object of increasing usability and functionality.

The decrease could very well be attributed to the commencement of the Visit Quairading WA website, Facebook and Instagram which has attracted many followers. The decline may also have resulted while Council and the Community were finalising the District Branding and new Logo.

## STATISTICS OF INTEREST

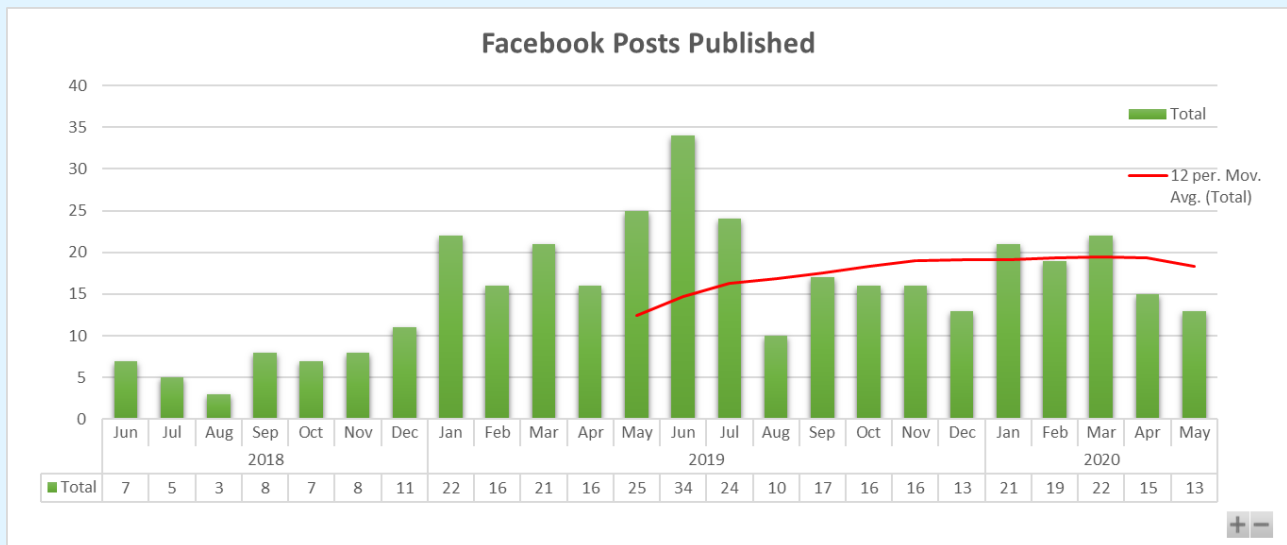
### Customer Service Module:



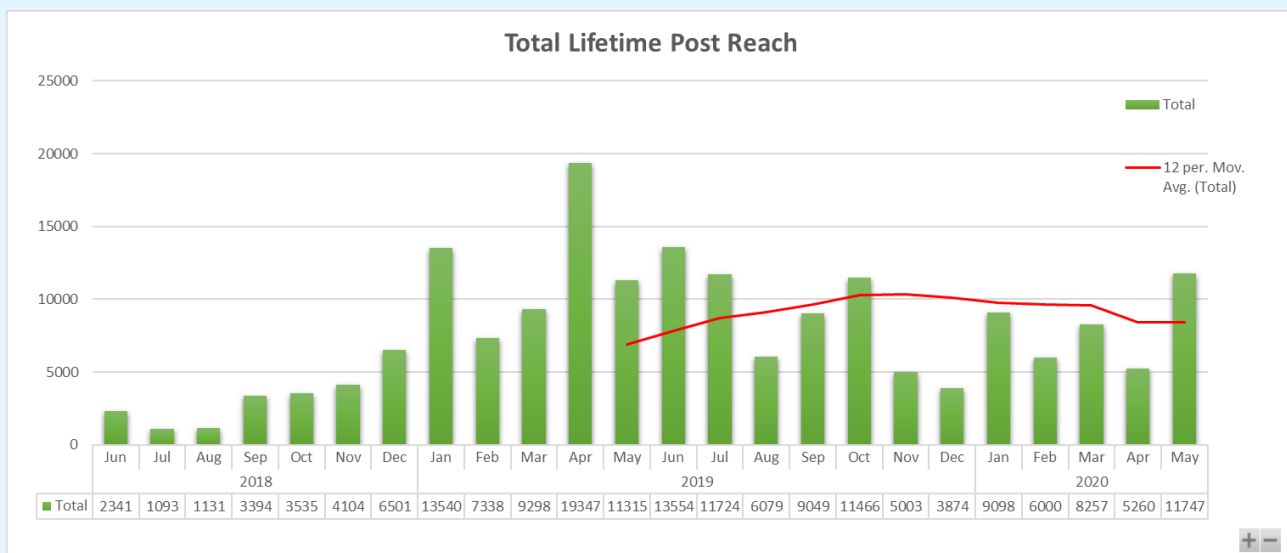
Financial Year	No. of Requests received
2018/2019	292
2019/2020 - Jan to 2 <sup>nd</sup> Jun 2020	264
<b>Total</b>	<b>556</b>

## Social Media – Facebook:

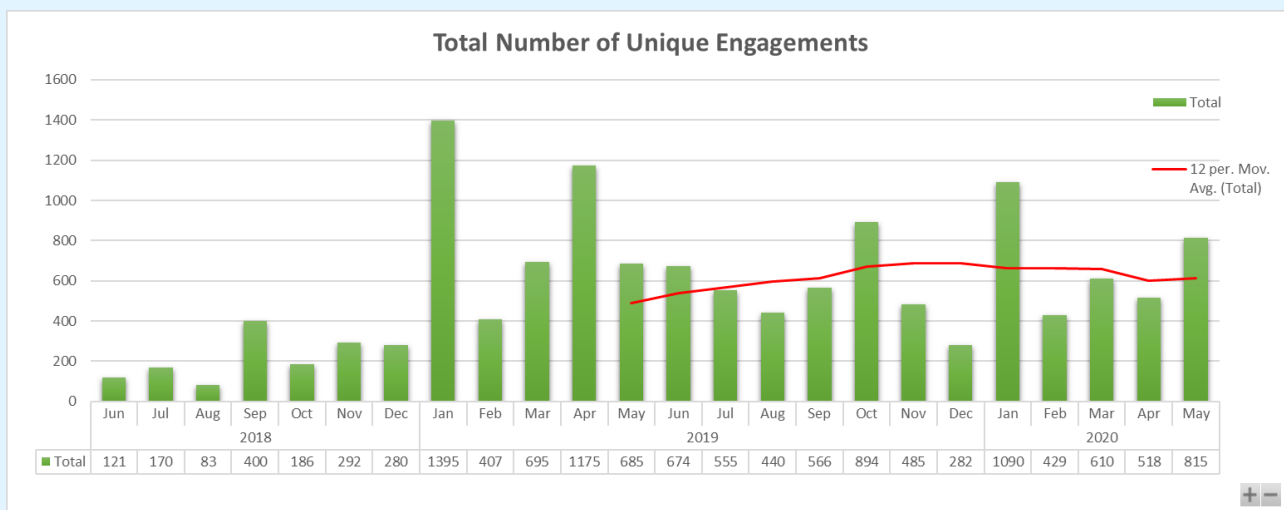
641 Followers on the Shire’s Facebook Page.



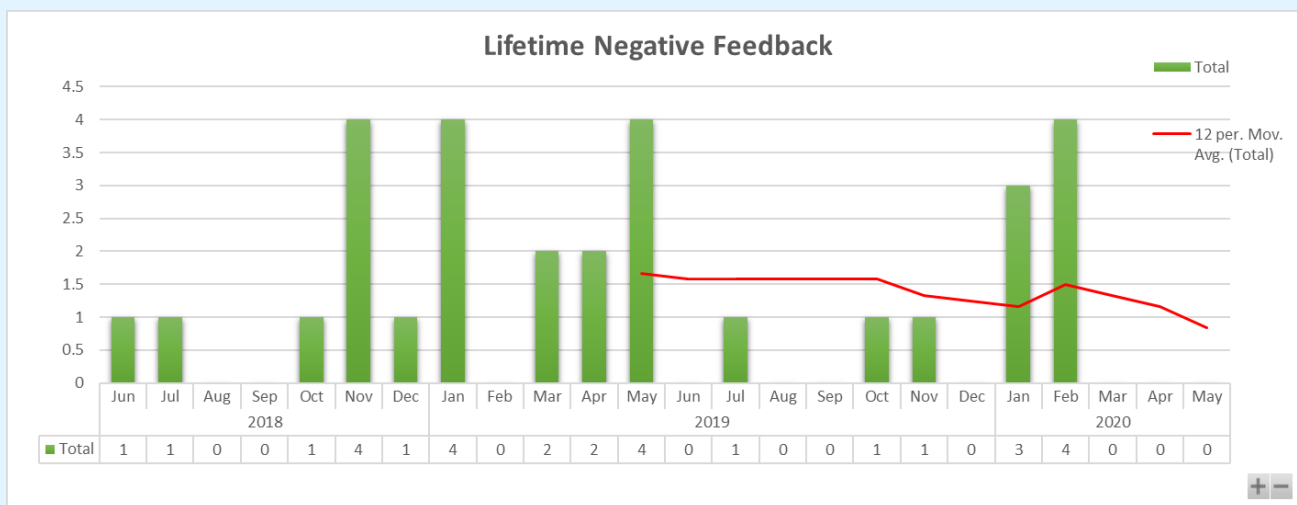
Financial Year	No. of Posts
2018/2019	176
2019/2020 - Jan to 28 <sup>th</sup> May 2020	186
<b>Total</b>	<b>362</b>



Financial Year	No. of Lifetime Post reach
2018/2019	94,150
2019/2020 - Jan to 28 <sup>th</sup> May 2020	87,557
<b>Total</b>	<b>181,707</b>

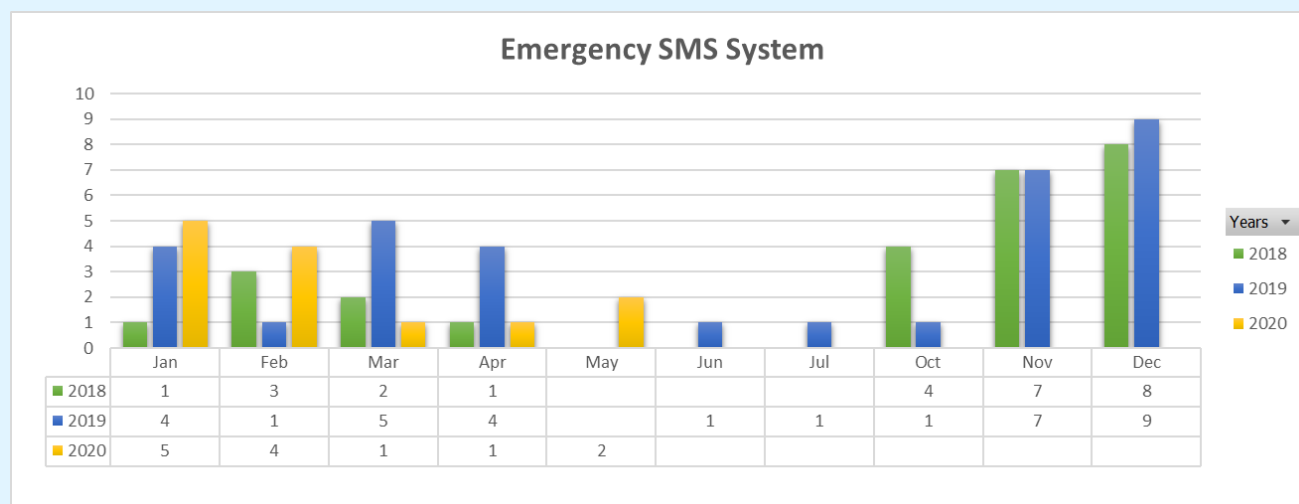


Financial Year	No. of Engagements	Unique
2018/2019		6,442
2019/2020 - Jan to 28 <sup>th</sup> May 2020		6,684
<b>Total</b>		<b>13,126</b>



Financial Year	No. of times people have given negative feedback to your post
2018/2019	19
2019/2020 - Jan to 28 <sup>th</sup> May 2020	10
<b>Total</b>	<b>29</b>

## Emergency SMS System:



Financial Year	No. of Emergency SMS sent
2018/2019	34
2019/2020 - Jan to 2 <sup>nd</sup> June 2020	31
<b>Total</b>	<b>65</b>

Current number of Members on the Emergency SMS System Database is 450.

## Shire eNewsletter (Mailchimp):

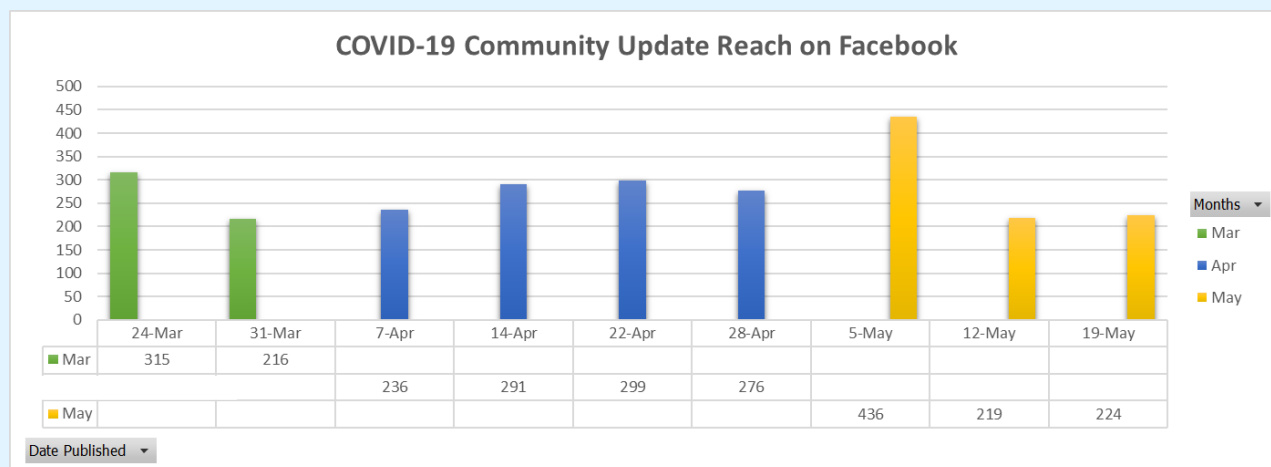
Years	Date Published	Subscribers	Opened	% Opened
2018	Feb	176	109	62%
	Apr	175	114	65%
	Jun	179	114	64%
	Aug	179	112	63%
	Oct	184	109	59%
	Dec	181	120	66%
2019	Feb	180	109	61%
	Apr	178	107	60%
	Jun	188	116	62%
	Aug	188	126	67%
	Dec	188	119	63%



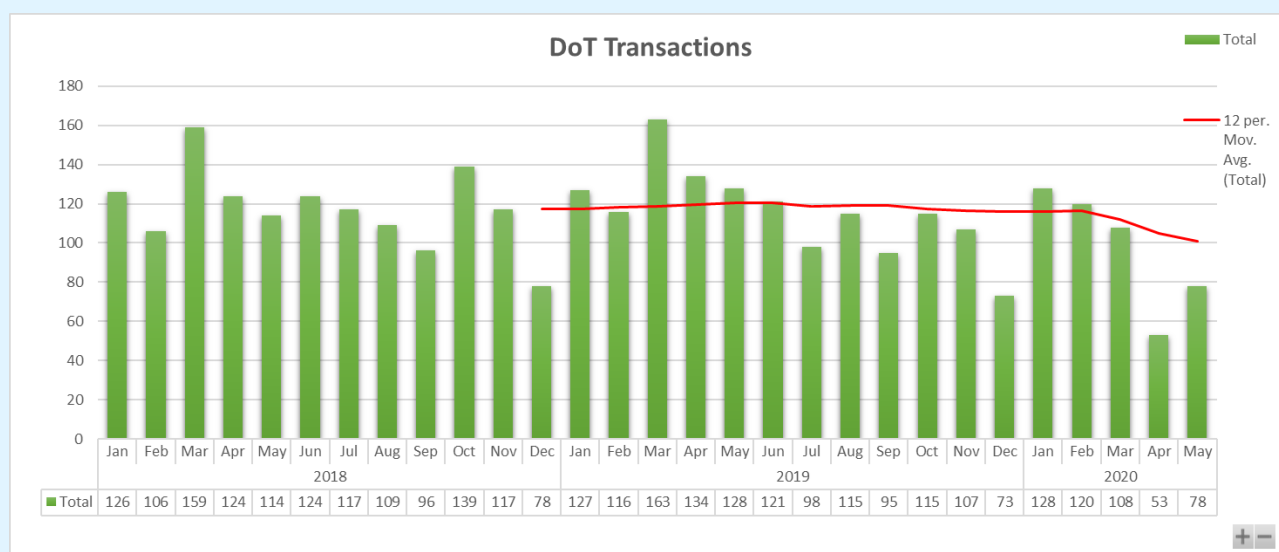
### COVID-19 Community Update:

9 x 450 Community Mail Out letters distributed per date below: -

24<sup>th</sup> March 2020, 31<sup>st</sup> March 2020, 7<sup>th</sup> April 2020, 14<sup>th</sup> April 2020, 28<sup>th</sup> April 2020, 5<sup>th</sup> May 2020, 12<sup>th</sup> May 2020, 19<sup>th</sup> May 2020, 3<sup>rd</sup> June 2020.

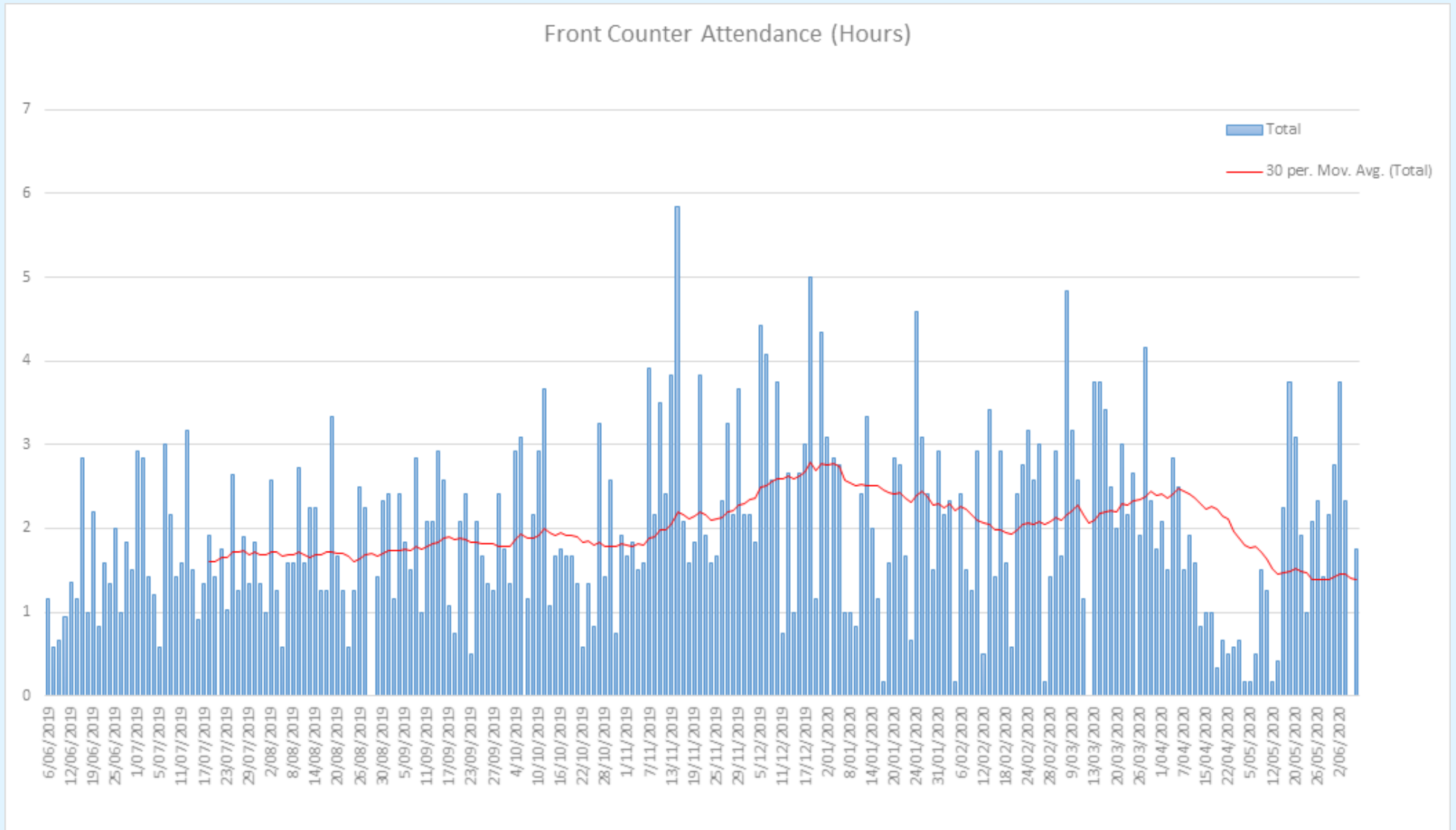


### Department of Transport(DoT) Transactions:

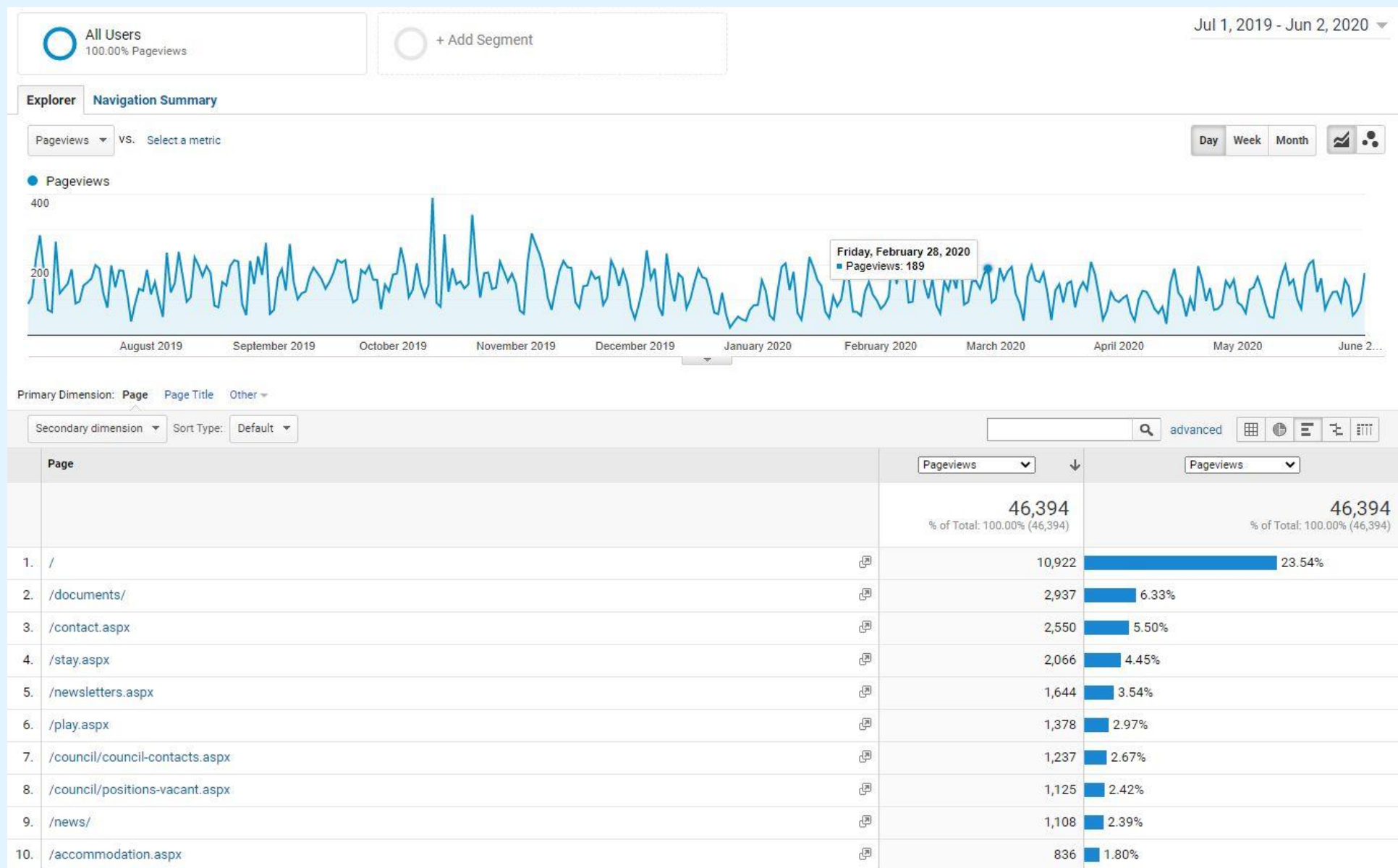


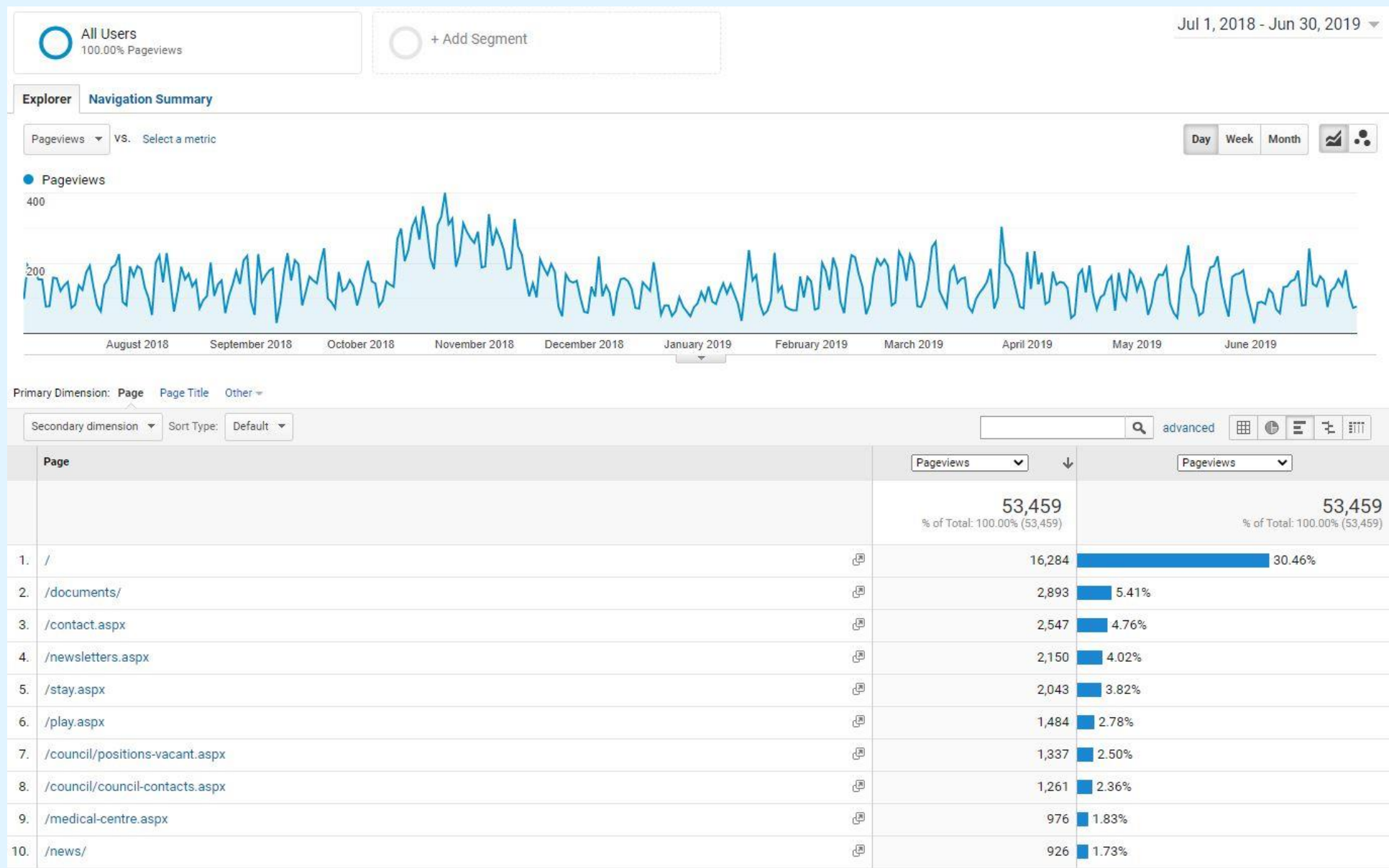
Financial Year	No. of Transactions
2018/2019	1,445
2019/2020 - Jan to 29 <sup>th</sup> May 2020	1,090
<b>Total</b>	<b>2,535</b>

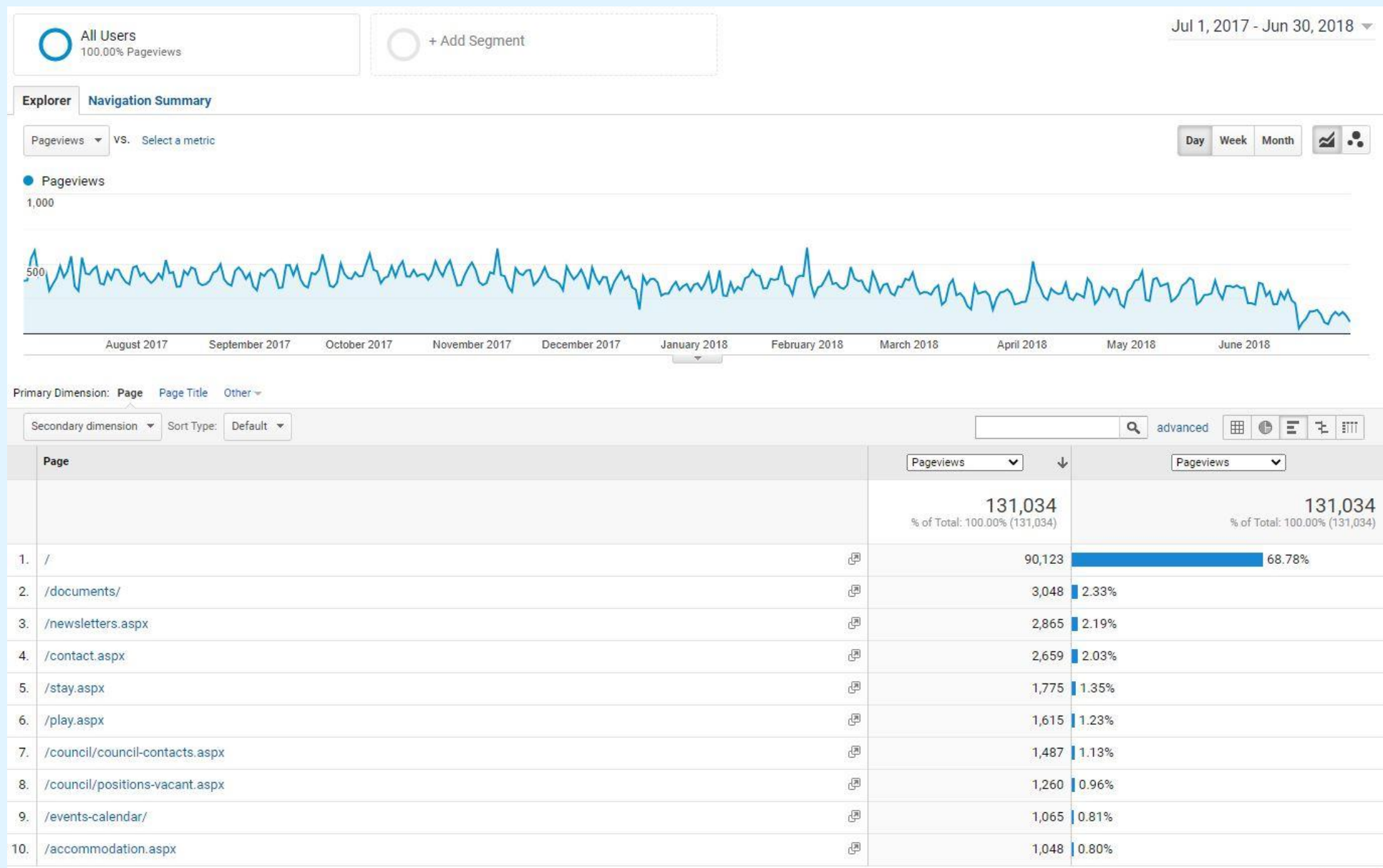
### Administration Centre – Front Counter Attendance (Hours per day):



## Shire of Quairading Website Google Analytics:







## 11.2 Review of Committee Performance, Membership and Terms of Reference

<b>Meeting Date</b>	9 <sup>th</sup> June 2020
<b>Responsible Officer</b>	CEO, Graeme Fardon
<b>Reporting Officer</b>	CEO, Graeme Fardon
<b>Attachments</b>	Terms of Reference
<b>Owner/Applicant</b>	Audit & Risk Committee
<b>Disclosure of Interest</b>	

### COMMITTEE RECOMMENDATION

#### RECOMMENDATION: AR24-19/20

#### MOVED Cr Davies SECONDED Cr Hippisley

That the Committee has reviewed its Structure and Performance for 2019/2020 Year and that there be no change to the Committee's Terms of Reference.

**CARRIED 8/0**

### IN BRIEF

- Council re -constituted the Audit and Risk Committee on the 31<sup>st</sup> October 2019, following the 2019 Local Government Elections.
- All Councillors have been appointed as Members of the Committee.
  - Committee's Terms of Reference (ToR) were reviewed by the Committee and subsequently endorsed by Council in December 2019.
  - The December A&R Committee meeting requested that the Performance Review of the Audit & Risk Committee be listed for the June 2020 Committee Meeting.
  - Clause 9.5 of the A&R T provides for the annual Review of the Committee's Performance, Membership and Terms of Reference to ensure that the Committee is operating at maximum effectiveness and for Committee to recommend any changes it considers necessary to Council for approval.

### MATTER FOR CONSIDERATION

Conduct review of the Performance and effectiveness of the Committee and to recommend any changes in the Committee's Terms of Reference to Council for Approval.

### BACKGROUND

The Terms of Reference (Copy attached) were last reviewed in December 2019 and the Terms of Reference now align with the most recent legislative amendments effected by the State Government. The amendments were largely required due to the Office of the Auditor General taking on the responsibility of Local Government Audits.

There are no further recommended changes to the current Terms of Reference.

### STATUTORY ENVIRONMENT

Local Government Act 1995 Part 7 refers to the Audit Committees

Local Government (Audit) Regulations 1996.

#### Reg16. Functions of audit committee

An audit committee has the following functions –

- (a) to guide and assist the local government in carrying out –
  - (i) its functions under Part 6 of the Act; and
  - (ii) its functions relating to other audits and other matters related to financial management;
- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;
- (c) to review a report given to it by the CEO under regulation 17(3) (the **CEO's report**) and is to –
  - (i) report to the council the results of that review; and
  - (ii) give a copy of the CEO's report to the council;
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under –
  - (i) regulation 17(1); and
  - (ii) the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- (f) to oversee the implementation of any action that the local government –
  - (i) is required to take by section 7.12A(3); and
  - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
  - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
  - (iv) has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
- (g) to perform any other function conferred on the audit committee by these regulations or another written law.

#### POLICY IMPLICATIONS

Current Terms of Reference of the Audit & Risk Committee.

#### FINANCIAL IMPLICATIONS

Nil.

#### STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

#### Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability

## **COMMUNITY CONSULTATION**

No consultation was required or undertaken in relation to this report.

### **RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.**

Financial - Risk Matrix Rating is assessed as Low. Financial risk is mitigated by having an effective Audit & Risk Committee.

Health – Risk Matrix Rating is assessed as Low

Reputation – Risk Matrix Rating is assessed as Low. Risk mitigated by Annual Review of the Committees performance and Terms of Reference.

Operation – Risk Matrix Rating is assessed as Low

Natural Environment – Risk Matrix Rating is assessed as Low.

## **COMMENT**

To assist the Committee with the Annual Review Process the following areas of the Terms of Reference are highlighted: -

### **Membership**

All Councillors are to be Members of the Committee.

Appointment of the Committee was in accordance with the provisions of the Local Government Act.

x2 Meetings had full Attendance, 1 meeting had x7 Councillors and 1 meeting had x6 Councillors in Attendance.

### **Secretarial / Administrative**

CEO ensured that there were sufficient resources provided to the Committee to adequately carry out its functions.

### **Meetings**

Committee is to meet Quarterly – Meetings held in the months of September, October (Special), December, March and June.

### **Notice of Meetings and Agenda Papers**

All Notice of Meetings and Agenda Papers and Supporting documents were provided by the Administration into the Document Centre in a timely manner and within the timeframe specified in the Terms of Reference.

### **Minutes of Meetings**

Minutes were prepared in accordance with the Local Government Act and lodged onto the Document Centre within the five (5) Working days of the meeting.

### **Roles of the Committee**

Committee to support the Auditor and to oversee the implementation of the Audit Recommendations.

Committee met with the Auditor Mr Greg Godwin by telephone in December 2019 and March 2020.

The Committee is required to monitor the integrity of the financial statements of the Council, including its annual report, reviewing significant financial reporting issues and judgments which they contain.



The Committee is required to: -

- Keep under review the effectiveness of the Council's internal controls and risk management systems;
- Monitor and advise the CEO in the reviews of certain systems as prescribed from time to time by the Audit and Financial Management Regulations.
- Review and recommend the approval, where appropriate, of statements to be included in the annual report concerning internal controls and risk management;
- Receive and review reports from the Chief Executive Officer on the activities of the Strategic Risk Management Plan and the Operational Risk Management Plan ("Risk Management Dashboard").

In September 2019, the Committee considered the CEO's Report pursuant to Regulation 17 in regard to the Chief Executive Officer's review on the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal control and legislative compliance.

At the March 2020 Meeting, the Committee considered and received the CEO's Reports on the following: -

- Report on the Office of the Auditor General Recommendations
- Statutory Compliance Return for 2019
- Report on Management Override Mitigation

Other issues considered included the feasibility and possible cost of an independent external Auditor and also engaging an independent experienced LG Practitioner to undertake the Annual Statutory Compliance Return.

The Committee is also responsible for facilitating / arranging Chief Executive Officer's Performance Review Process – Process commenced for completion of the 2020 CEO Performance Review, with a Target date of the end of July 2020.

#### Further Review Items

- Effectiveness of the Presiding Member (Chairperson)
- Effectiveness of the Committee Meeting Procedures
- Meetings are conducted effectively, with sufficient time allocated for significant or emerging issues.
- Level of Communications with Council's Auditor, Committee Chairperson, CEO and Senior Management.
- Adequacy of Reports provided to the Committee.
- Any other resources that the Committee may require.

## ITEM 12 COUNCILLORS' EMERGING ISSUES

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### **Cr Stacey**

Nil

### **Cr John Haythornthwaite**

Cr John Haythornthwaite queried the intent Clause 5.2 of the Terms of Reference. The Chief Executive Officer clarified that in the rare event of a Special Meeting of the Audit & Risk Committee, that every endeavour would be made to ensure that the Special Meeting be convened at a suitable time to maximise Committee member attendance.

The Chief Executive Officer also provided information on the Constitution of Council Committees and the requirement for Committee Members to vote on all Recommendations before the Committee and then the Recommendations if passed, are then submitted to Council.

### **Cr McGuinness**

Nil

### **Cr Davies**

Cr Davies proposed that a Dinner be held after the June 2020 Council Meeting with Partners also invited, given that it had been in excess of 6 Months since Council met socially.

There was broad support from the meeting and the matter was left with the Shire President and the Chief Executive Officer to arrange the Post Meeting Dinner.

### **Cr Hippisley**

Nil

### **Cr Cowcill**

Nil

### **Cr Smith**

Councillor Smith commented that following discussions in Item 6.1, identified savings on Consultants Fees for the preparation of the IT and the Disaster Recovery Plan could be directed by Management towards future improvements in Processes and Documentation.

### **Cr Jo Haythornthwaite**

Nil.

**ITEM 13      CONFIDENTIAL BUSINESS – AS PER LOCAL GOVERNMENT ACT S5.23 (2)**

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*No matters for consideration.*

**ITEM 14      NEXT MEETING DATE**

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The next Audit & Risk Committee Meeting is scheduled to take place on Tuesday 8<sup>th</sup> September 2020, commencing at 5.00 pm on at the Council Chambers, 10 Jennaberring Road, Quairading. (Venue to be confirmed).

**ITEM 15      CLOSURE**

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There being no further business, the Chairman closed the Meeting at 6.12 pm.

I certify the Minutes of the Audit & Risk Committee Meeting held on 9<sup>th</sup> June 2020 were confirmed on 8<sup>th</sup> September 2020 as recorded on Resolution No. \_\_\_\_\_

Confirmed..... 08/09/2020

## ITEM 6      STANDING ITEMS – EXTERNAL AUDIT

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### *Audit & Risk Committee - Terms of Reference 7.6*

No matters for consideration.

## ITEM 7      STANDING ITEMS – INTERNAL AUDIT

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### *Audit & Risk Committee - Terms of Reference 7.5*

No matters for consideration.

## ITEM 8 STANDING ITEMS – FINANCIAL REPORTING

*Audit & Risk Committee - Terms of Reference 7.2*

### 8.1 Grant Funding Status Report

<b>Meeting Date</b>	8 <sup>th</sup> September 2020
<b>Responsible Officer</b>	CEO Graeme Fardon
<b>Reporting Officer</b>	IPR&SPO Richard Bleakley
<b>Attachments</b>	(i) Grants Register Status Report 1 (ii) Grants Register Status Report 2 (Summary Report)
<b>Owner/Applicant</b>	Shire of Quairading
<b>Disclosure of Interest</b>	Nil

### OFFICER RECOMMENDATION

**MOVED Cr \_\_\_\_\_** **SECONDED Cr \_\_\_\_\_**

That the Audit and Risk Committee recommend to Council that: -

Council notes the Grants Status Reports dated September 2020.

**CARRIED \_\_\_ / \_\_\_**

**VOTING REQUIREMENTS –Simple Majority**

### IN BRIEF

- This Report provides an update on the status of grants submitted and new grant opportunities and provides for information and discussion.
- This Report includes Grants that are continuing /carried over from the 2019/2020 and are being acquitted in the current Financial Year.
- Report details current successful Grants (Competitive and Non Competitive).
- No Grant Applications have been declined in 2020/2021.
- Further Grant Funding avenues being explored by the Grants Team.

### MATTER FOR CONSIDERATION

Noting the Grants Status Report.

### BACKGROUND

Council requires the Chief Executive Officer to report on the Eligible Grant Eligibility and Grant Activity during the 2020/2021 Year.

Report is to include Grant funding success rate i.e. no. of applications no. achieved and value / timelines of received funding.

### STATUTORY ENVIRONMENT

Nil

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

All Grants reported have been included in Council's Adopted Budget for the 2020/2021 Financial Year.

Details of Council's cash and In Kind Contributions are listed in the Grants Register Status Report (Attachment No. 1)

**STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027****Governance Objective: Strong governance and community engagement**

ITEM	OUTCOMES AND STRATEGIES
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability

**COMMUNITY CONSULTATION**

No consultation was required or undertaken in relation to this report.

**RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.**

Financial - Risk Matrix Rating is assessed as Low. All Grants approved have been included in the 2020/2021 Adopted Budget.

Health – Risk Matrix Rating is assessed as Low

Reputation – Risk Matrix Rating is assessed as Low. The Report provides transparency on the treatment and use of the Government Grant Funding and provides Committee with information to assess how Management are administering the various Grants.

Operation – Risk Matrix Rating is assessed as Low. Preparation and maintenance of the Grants Register is undertaken within Council's existing Organisational Structure and resources.

Natural Environment – Risk Matrix Rating is assessed as Low.

**COMMENT**

Attachment 1 – Grants Register Status Report 1 as at 4<sup>th</sup> September 2020 provides a summary of current project grant portfolio, which details the 11 Funding Agreements which are currently operational/active and 4 pending research projects, with an approximate investment of \$ 5.6M from Federal and State Government, External and Council sources.

## GRANTS REGISTER REPORT SEPTEMBER 2020

Date (All)

Project Name	Grant Value	Sum of Shire (Cash)	Sum of Shire (InKind)	Other Contribution (Kind)	Total Project Cost
<b>Acquittal Period</b>					
<b>Sportsground Floodlighting</b>					
Project completed on 14th August. Grant acquittal submitted	\$43,619	\$146,472	\$0	\$0	\$190,091
<b>Acquittal Period Total</b>	<b>\$43,619</b>	<b>\$146,472</b>	<b>\$0</b>	<b>\$0</b>	<b>\$190,091</b>
<b>Active</b>					
<b>Better Choices</b>					
Second iteration of Better Choices Program including event at Cunderdin 2020/21	\$8,348	\$0	\$5,000	\$0	\$13,348
<b>Financial Assistance Grant</b>					
Total FAG's for 20/21 will be the same as 19/20, being \$1,824,630 with \$982,619 prepaid to Council as an Advance Payment. Balance to be paid quarterly instalments.	\$1,837,365				\$1,837,365
<b>Roads to Recovery Funding</b>					
5 year program	\$356,530	\$0	\$0	\$0	\$356,530
<b>Wheatbelt Secondary Freight Network</b>					
Can Claim 40% , 40% and then 20% upon Certificate of Completion	\$1,223,129	\$87,371			\$1,310,500
<b>Direct Main Roads Grant</b>					
All received for 20-21	\$137,540	\$0	\$0	\$0	\$137,540
<b>Emergency Services Levy</b>					
Ongoing annual payment for local bush fire brigades.	\$74,790	\$0	\$0	\$0	\$74,790
<b>Revegetation Project</b>					
The project was for revegetation and/or fencing projects. The total of the funding requested was \$24,624 and included \$4,500 towards Project Officer salary. Advertising commenced for 2020 planting.	\$24,624	\$0	\$0	\$0	\$24,624



Project Name	Grant Value	Sum of Shire (Cash)	Sum of Shire (InKind)	Other Contribution (Kind)	Total Project Cost
<b>Swimming Lessons</b>					
Project has been approved by Royal Lifesaving Western Australia	\$2,000	\$1,300			\$3,300
<b>Airport Upgrade</b>					
Grant agreement signed.	\$38,484	\$44,134	\$0	\$0	\$82,618
<b>Drought Community Program</b>					
Program approval and Grant Agreement received	\$1,000,000	\$115,000	\$0	\$0	\$1,115,000
<b>Roads &amp; Infrastructure Funding</b>					
Waiting on Funding Agreement. Three road upgrade projects - Stacey Bus Rd, Badjalung North Rd, Pannell Rd + hockey lights \$35k	\$393,347				\$393,347
<b>Active Total</b>	<b>\$5,096,157</b>	<b>\$247,805</b>	<b>\$5,000</b>	<b>\$0</b>	<b>\$5,348,962</b>
<b>Application Submitted</b>					
<b>Community Park &amp; Nature Playground</b>					
EOI submitted to Lotterywest	\$470,000	\$150,000	\$0	\$0	\$620,000
<b>Application Submitted Total</b>	<b>\$470,000</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$620,000</b>
<b>New / Researching</b>					
<b>Independent Living Units</b>					
Focus Group to reconvene following the relaxation of COVID-19 restrictions.	\$0	\$30,000	\$0	\$0	\$30,000
<b>Old School Site</b>					
Working Group to reconvene in September / October 2020 2 x Noongar reps to be included	\$0	\$3,000	\$0	\$0	\$3,000
<b>Interpretive Signage - Toapin Weir</b>					
Preliminary studies to renew interpretive/tourist signage	\$0	\$500			\$500
<b>Natural Disaster Resilience Program (NDRP)</b>					
Scoping of Upgrade to Shire Hall ablutions to include shower facilities as Shire Emergency Centre	\$0				\$0
<b>New / Researching Total</b>	<b>\$0</b>	<b>\$33,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,500</b>
<b>Grand Total</b>	<b>\$5,609,776</b>	<b>\$577,777</b>	<b>\$5,000</b>	<b>\$0</b>	<b>\$6,192,553</b>

# Grant Program Status

2019/20 and 2020/21

(3rd Quarter 2020)

Status: **Approved Programs**  
 Year (Multiple Items)

Status	No. Grants	Grant Value (\$)
<b>Competitive</b>		
Closed	3	\$3,425
Acquittal Period	1	\$43,619
Active	3	\$48,832
Application Submitted	1	\$470,000
New / Researching	4	\$0
<b>Competitive Total</b>	<b>12</b>	<b>\$565,876</b>
<b>Non-competitive</b>		
Project Completed	2	\$383,376
Active	8	\$5,366,507
<b>Non-competitive Total</b>	<b>10</b>	<b>\$5,749,883</b>
<b>Grand Total</b>	<b>22</b>	<b>\$6,315,759</b>

Status: **New / Researching**

Programme Name	Status/Comments	Responsible Officer
Independent Living Units	Focus Group to reconvene following the relaxation of COVID-19 restrictions.	Richard Bleakley
Old School Site	Working Group to reconvene in September / October 2020 2 x Noongar reps to be included	Jen Green / Sarah Caporn
Interpretive Signage - Toapin Weir	Preliminary studies to renew interpretive/tourist signage	Jen Green
Natural Disaster Resilience Program (NDRP)	Scoping of Upgrade to Shire Hall ablutions to include shower facilities as Shire Emergency Centre	CESM - Simon Bell
<b>Grand Total</b>		

**Comment:**  
 Grant Guru subscription (through RDA Wheatbelt) has come online in early September 2020.

# Grant Program Status

2019/20 and 2020/21

Page 43 of 55

(3rd Quarter 2020)

Year	(Multiple Items)
Status	<b><i>Declined</i></b>

Grant	Grant Value	Shire Contribution
<b>Grand Total</b>		

Comment:  
No grant applications rejected in the current Financial Year

## ITEM 9      STANDING ITEMS – CONTROLS, SYSTEMS AND PROCEDURES

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### *Audit & Risk Committee - Terms of Reference 7.3*

No matters for consideration.

## ITEM 10 STANDING ITEMS – RISK MANAGEMENT REPORTS AND ISSUES

*Audit & Risk Committee - Terms of Reference 7.1, 7.3*

### 10.1 Report on Excess Annual Leave and Long Service Leave

<b>Meeting Date</b>	8 <sup>th</sup> September 2020
<b>Responsible Officer</b>	EMCS Nathan Gilfellon
<b>Reporting Officer</b>	SFO Jodie Yardley
<b>Attachments</b>	Nil
<b>Owner/Applicant</b>	Shire of Quairading
<b>Disclosure of Interest</b>	Nil

#### OFFICER RECOMMENDATION

**MOVED Cr \_\_\_\_\_ SECONDED Cr \_\_\_\_\_**

That the Audit and Risk Committee Recommend to Council that: -

Council receive the report on the Shire's Leave Liabilities.

**CARRIED \_\_\_/\_\_\_**

#### VOTING REQUIREMENTS – Simple Majority

#### IN BRIEF

- Since 2017, Council has requested that excess Annual Leave and Long Service Leave be reported to the Audit and Risk Committee
- Council receive the report on the Shire's Leave Liabilities.

#### MATTER FOR CONSIDERATION

Report on Excess Annual Leave and Long Service Leave Entitlements and Leave Liabilities.

#### BACKGROUND

Since 2017, Council has requested that excess Annual Leave and Long Service Leave be reported to the Audit and Risk Committee.

The current policy defines excess leave as when the Employee has accrued more than eight weeks paid annual leave.

#### STATUTORY ENVIRONMENT

*Local Government Act 1995*

Local Government (Long Service Leave Regulations)

Local Government Industry Award 2010

The Industry Award defines Excess Leave as -

*"An Employee has an **excess leave accrual** if the employee has accrued more than eight weeks paid annual leave"*

## POLICY IMPLICATIONS

Current Policy: Leave Management Policy (ORG.2)

## FINANCIAL IMPLICATIONS

Annual and Long Service Leave Reserve Fund Cash Balance as at 31<sup>st</sup> August 2020 is \$205,901.

The Annual Budget treats Current Leave as Accruals.

The Annual and Long Service Leave Reserve funds any prior year Leave entitlements taken by Staff or paid out.

The current Liability for both types of Leave (if all Claimed on 31<sup>st</sup> August 2020) is calculated at \$230,012.

## STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

### Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability

## COMMUNITY CONSULTATION

N/A

## RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial – Risk Matrix Rating is considered as Medium Risk. Financial exposure and therefor Risk escalation, if Leave accruals are not monitored and managed.

Health – Risk Matrix Rating is considered as Low Risk

Reputation – Risk Matrix Rating is considered as Low Risk

Operation – Risk Matrix Rating considered Low Risk

Natural Environment – Risk Matrix Rating is considered as Low Risk.

## COMMENT

This report has been prepared to inform the Audit and Risk Committee of the current leave liabilities and of any employees who have excess leave and the steps taken to reduce these liabilities.

As at the 31<sup>st</sup> August 2020, no employee has excess annual leave.

The CEO has approved of One Employee's Plan to take their Long Service Leave in three instalments. The first of which has now been taken. The second instalment has been deferred by agreement due to the COVID-19 pandemic.

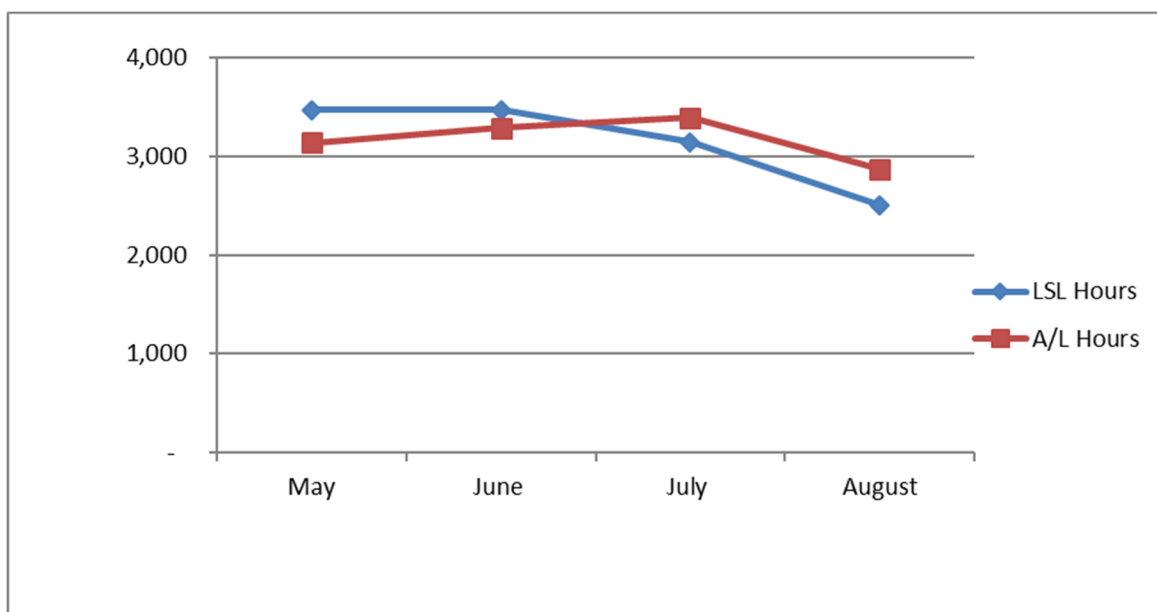
One Employee has Long Service Leave Liabilities as at the 6<sup>th</sup> September 2019. This has been approved to commence in September 2020.

Since May 2020, there has been a significant decrease of 10% (in Dollar Value) in the Annual Leave Liability through annual leave being taken. In addition, two employees have retired and been paid lump sum payments.

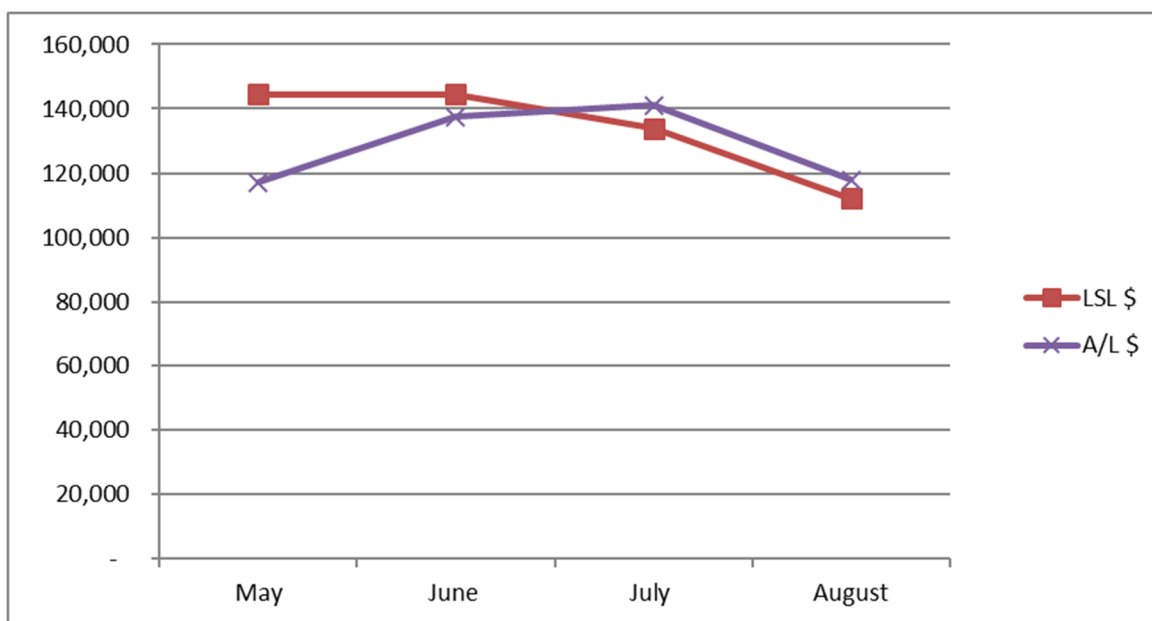
The Long Service Leave Liability has decreased 22% (in Dollar Value) since May 2020. This is due to two employees retiring.

	<b>LSL Hours</b>	<b>LSL \$</b>	<b>AL Hours</b>	<b>AL \$</b>
<b>May</b>	3,472	144,506	3,141	131,346
<b>June</b>	3,472	144,506	3,293	137,579
<b>July</b>	3,152	133,795	3,396	141,026
<b>August</b>	2,511	112,029	2,879	117,983

### Accumulated Hours of Leave



### Outstanding Accumulated Dollar Value of Leave



## ITEM 11 STANDING ITEMS – OTHER

*Audit & Risk Committee - Terms of Reference 9.2 & 9.5*

### 11.1 ICT Strategic Plan and ICT Disaster Recovery Plan

<b>Meeting Date</b>	8 <sup>th</sup> September 2020
<b>Responsible Officer</b>	CEO Graeme Fardon
<b>Reporting Officer</b>	EMCS Nathan Gilfellow
<b>Attachments</b>	(i) ICT Strategic Plan (Under separate cover) (ii) ICT Disaster Recovery Plan (Under separate cover)
<b>Owner/Applicant</b>	Nil
<b>Disclosure of Interest</b>	Nil

### OFFICER RECOMMENDATION

**MOVED Cr \_\_\_\_\_ SECONDED Cr \_\_\_\_\_**

That the Audit and Risk Committee recommend to Council that: -

1. Council adopt the ICT Strategic Plan 2020 - 2023
2. Council adopt the ICT Disaster Recovery Plan
3. Council allocate a budget of \$41,200 to Computer Maintenance and \$30,500 to Computers Capital Works both from Budget Surplus.

**CARRIED \_\_\_\_ / \_\_\_\_**

**VOTING REQUIREMENTS – Simple Majority\***

\*Absolute Majority will be needed for Council adoption.

### IN BRIEF

- The Shire engaged Focus Networks in May 2020 to assist in developing an ICT Strategic Plan and ICT Disaster Recovery Plan.
- The ICT Strategic Plan is a resource that the Shire can use to plan for, manage and review their Information, Communication and Technology assets over a 4-year period.
- The ICT Disaster Recovery Plan is a resource to coordinate the actions of the Shire during an ICT disaster.
- The key themes, being explored within the Strategic Plan have been taken from the Gartner IT Reports and are used to underpin the Goals of the Plan. Each area is shown with the current state, best practice and future recommendation.

### MATTER FOR CONSIDERATION

The adoption of the ICT Strategic Plan and ICT Disaster Recovery Plan and the allocation of Budget to support items identified within the Strategic Plan.



## BACKGROUND

In August 2018, Focus Networks provided an IT Audit Service Report on the Shire of Quairading Network and IT Systems to gain a snapshot of the Shire's IT environment.

The Office of the Auditor General published an Information Systems Audit Report 2020 – Local Government Entities (Report 27: 2019-20). The report covered system audits of 10 Local Governments in Western Australia and found "significant shortcomings" in their information security practices.

In an interview with ALGA, Ms Spencer said, "All local government entities, including those not sampled in this audit, need to carefully consider the standards and the recommendations in this report to improve information security practices and protect the confidentiality, integrity and availability of information and systems."

### ICT Strategic Plan

The Shire engaged Focus Networks in May 2020 to assist in developing an ICT Strategy that will: -

- Assist the Chief Executive Officer, Executive Team and Elected Members to better understand the complexity of managing information and technology within the local government sphere.
- Improve the Shire's ICT capability.
- Enable the Shire to operate at or above the ICT Baseline Standard/benchmark set by the OAG.
- ensure ICT is adequately managed to support all aspects of local government operations, and
- Investigate the future ICT trends and how they relate to the Shire of Quairading.
- Support all related elements of the Integrated Planning and Reporting Framework.

This document will be the action plan for guiding Council's strategic direction in ICT over the next 4 years for the effective management of information and communications technology and to ensure that the Shire's ICT systems are controlled and maintained in line with corporate objectives and emerging trends. This document establishes a baseline which identifies the minimum requirements for the effective provision of information and communications technologies, as well as information management services, and solutions to effectively support the Shire's operations. Understanding the complexity of information and communications technology management within local government is the first step in applying the necessary measures to ensure that the baseline ICT standards are being met. This document also aims to provide true value to the community by enhancing and supporting all the services Council delivers.

### ICT Disaster Recovery Plan

The ICT Disaster Recovery Plan is an important document containing process and procedures to recover and protect a business' IT infrastructure in the event of an incident.

The Shire's Auditors and the State Records Office (SRO) have both raised that the Shire does not currently have a ICT Disaster Recovery Plan. The SRO have indicated that a copy of an ICT Disaster Recovery Plan will need to be presented to the SRO by December 2020.

Without formally defined processes, it is difficult for the Shire to evaluate the risks and ensure that organisation can quickly respond to, and recover from disruptive ICT events. Implementing complementary standards for ICT Disaster Recovery and Business Continuity will help the Shire to ensure holistic risk management outcomes.

A business impact analysis (BIA) was conducted by Focus Networks in conjunction with Executive Management and is viewed as the cornerstone of informed ICT disaster recovery decision-making.

A BIA provides the basis for aligning ICT disaster recovery plans (and broader business continuity management) to business priorities.

A BIA is a systematic process to determine and evaluate the potential effects of an interruption to critical/core business functions as a result of an incident. The BIA identifies business functions, the critical systems supporting them, and their dependencies.

Without a process to understand these, the Shire is unable to make informed decisions about ICT disaster recovery strategies.

It has been listed that a review of the ICT Disaster Plan should be undertaken annually to maintain contact and staffing lists.

Business continuity management and disaster recovery is a process of continuous improvement, and Council is strongly encouraged to ensure that the necessary skills and capabilities are in place to guarantee ongoing risk management for the organisation.

Continuous improvement requires not only resolving individual issues, but maintaining the health, effectiveness and relevance of the Shire's ICT disaster recovery capability to support business continuity capabilities.

## **STATUTORY ENVIRONMENT**

### **Local Government Act S5.56**

Planning for the future

- (1) A local government is to plan for the future of the district.
- (2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.

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

Division 3 – Planning for the future

19C. Strategic community plans, requirements for (Act s. 5.56)

- (1) A local government is to ensure that a strategic community plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.
- (2) A strategic community plan for a district is to cover the period specified in the plan, which is to be at least 10 financial years.
- (3) A strategic community plan for a district is to set out the vision, aspirations and objectives of the community in the district.
- (4) A local government is to review the current strategic community plan for its district at least once every 4 years.
- (5) In making or reviewing a strategic community plan, a local government is to have regard to –
  - (a) the capacity of its current resources and the anticipated capacity of its future resources; and
  - (b) strategic performance indicators and the ways of measuring its strategic performance by the application of those indicators; and
  - (c) demographic trends.
- (6) Subject to subregulation (9), a local government may modify its strategic community plan, including extending the period the plan is made in respect of.
- (7) A council is to consider a strategic community plan, or modifications of such a plan, submitted to it and is to determine\* whether or not to adopt the plan or the modifications.

\*Absolute majority required.

(8) If a strategic community plan is, or modifications of a strategic community plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.

(9) A local government is to ensure that the electors and ratepayers of its district are consulted during the development of a strategic community plan and when preparing modifications of a strategic community plan.

(10) A strategic community plan for a district is to contain a description of the involvement of the electors and ratepayers of the district in the development of the plan or the preparation of modifications of the plan.

#### 19DA. Corporate business plans, requirements for (Act s. 5.56)

(1) A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013. (

2) A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.

(3) A corporate business plan for a district is to – (a) set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and (b) govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and (c) develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.

(4) A local government is to review the current corporate business plan for its district every year.

(5) A local government may modify a corporate business plan, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local government's strategic community plan.

(6) A council is to consider a corporate business plan, or modifications of such a plan, submitted to it and is to determine\* whether or not to adopt the plan or the modifications. \*Absolute majority required.

(7) If a corporate business plan is, or modifications of a corporate business plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan

#### **POLICY IMPLICATIONS**

N/A.

#### **FINANCIAL IMPLICATIONS**

The Current Budget for IT is currently \$70,000. The proposed Budget for 2020/21 year (detailed below) is \$141,700. Therefore, it is recommended that an additional \$71,700, from the current Budget Surplus of \$122,026 be utilized to fund this year's ICT requirements.

In the 2020/21 budget, a Reserve Fund (budgeted to end the year with \$113,964 in funds) was modified to include all IT Hardware and Software purchases. It has not been recommended to use Reserve Funds due to the current budget surplus and to allow the funds to be used for future purchases identified in the ICT Strategic Plan. This will allow the funds to be used in the future to afford major Software upgrades without impacting normal Council operations.

## STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

### Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability

#### CONSULTATION

Consultation for the ICT Disaster Recovery Plan was undertaken with Shire Staff and current IT providers.

#### RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial - Risk Matrix Rating is assessed as Low. The Plans will have a financial impact on the Budget, as the works identified will increase the current budget significantly. However, the works being done over the next 4 years should decrease the financial risk of large non-budgeted expenditure from IT disaster or Cyber-attacks.

Health – Risk Matrix Rating is assessed as Low

Reputation – Risk Matrix Rating is assessed as Low. Cyber-attacks on government have been becoming more common and wider spread. This has caused reputational damage due to concern of the disclosure of public information. The Plans have recommended ways of reducing damage from attacks, therefore decreasing the chance of loss of information and mitigate reputational risk.

Operation – Risk Matrix Rating is assessed as Low. The ICT Strategy is created to provide direction in a rapidly changing business environment. The first wave of the Covid-19 pandemic has shown the need for workplaces to be flexible in the way that they function with many businesses during this time being completely digital. The current Shire of Quairading IT environment is not currently setup to be digital, therefore any future situations such as the one just experienced, may significantly impact whether the Council is able to operate.

The Plans have also been created with consideration of future trends, such as Cloud based technology or work from home. The Plans will allow the Shire to react faster to changes from changing trends.

The ICT Disaster Recovery Plan is an operational plan that can be activated during an IT Disaster. This will give Management direction on continuing operations during this time, which should decrease the risk that Council is unable to operate for a long length of time.

Natural Environment – Risk Matrix Rating is assessed as Low.

#### COMMENT

The ICT Strategic Plan has been allocated over a period of 4 years. The priorities and timing of costs have been allocated over the 4 years by Focus Networks. The costs in each year across the 4 years is an increase over the current and previous IT Budgets. This is in order to position the Shire strongly in a quickly changing ICT environment.

In order to lessen the impact on the current financial position and to undertake the works within current staffing, Management has proposed an alternative budget based on the timing and priorities recommended within the Plan. This will also form an agile approach to ICT upgrades and improvements which should provide better results in a fast changing IT environment. The current and proposed budget has been listed below in table 1.1 and 1.2.

Table 1.1 - Current Budget

Description	Amount
IT Vision (SynergySoft)	\$25,000
IT Support	\$29,812
Other Licences	\$5,000
Minor IT Purchases	\$5,000
Council Connect (Website Hosting)	\$5,188
<b>Total</b>	<b>\$70,000</b>

Table 1.2 - Proposed Budget

Description	Amount
IT Vision (SynergySoft)	\$25,000
IT Support	\$24,000
Minor IT Purchases	\$2,000
Council Connect (Website Hosting)	\$5,188
Altus Bank Reconciliation Module (Setup) <sup>1</sup>	\$8,000
New Computers/ Laptops <sup>2</sup>	\$35,732
Website Development <sup>3</sup>	\$5,000
Adobe Professional (SaaS)	\$1,250
Office 365 (SaaS)	\$4,000
5.1 Backups <sup>4</sup>	\$8,800
5.7 Internet Gateway <sup>5</sup>	\$2,620
5.8 ISP Links <sup>6</sup>	\$7,200
5.2 Domain <sup>7</sup>	\$12,910
<b>Total</b>	<b>\$141,700</b>

1. Includes the Purchase and Setup of the IT Vision Bank Reconciliation Module. The annual cost can be absorbed in the current SynergySoft budget.
2. As per Appendix A for the 2020/21 year for Councillors and Staff and will be part of the Capital budget. \$5,232 will be for the Transition of Administration Staff to "Office 365".
3. Website Development is a provision for the implementation of bookings and payment capabilities for the Caravan Park.
4. \$5,640 is for backup of current data offsite. \$3,160 is for backup of cloud based emails. A transition to cloud based Office 365 is set to following a successful transition to Office 365 for other Microsoft Applications. Medical Practice migration will be postponed until investigation into a connection utilising the Administration Office Server has been undertaken.
5. \$2,620 has been included to improve the Internet Gateway at the Administration Office. Improvements at the Medical Practice have been postponed until investigation into a connection to using the Administration Office has been undertaken.
6. \$800 per month x 9 months for NBN Satellite. 4G costs already in budget.
7. As per item 5.2. Medical Practice will be postponed until successful implementation of the Administration Office.

ITEM 12 COUNCILLORS' EMERGING ISSUES

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**ITEM 13      CONFIDENTIAL BUSINESS – AS PER LOCAL GOVERNMENT ACT S5.23 (2)**

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*No matters for consideration.*

**ITEM 14      NEXT MEETING DATE**

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The next Audit & Risk Committee Meeting is scheduled to take place on Tuesday 8<sup>th</sup> December 2020, commencing at 5.00 pm on at the Council Chambers, 10 Jennaberring Road, Quairading.

**ITEM 15      CLOSURE**

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There being no further business, the Chairman closed the Meeting at \_\_\_\_\_ pm.