



Shire of Quairading

Audit and Risk Committee Meeting Minutes

10th December 2019

Disclaimer

Disclaimer

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SHIRE OF QUAIRADING

The Quairading Audit and Risk Committee Minutes of the Meeting held on 10th December 2019 commencing at 4.56 pm.

ITEM 1 OPENING & ANNOUNCEMENTS

The Chairperson opened the Meeting at 4.56 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 welcomed Councillors to the Meeting, particularly the newly elected Councillors to their first Audit & Risk Committee Meeting.

The Chairperson provided a brief overview of the conduct of the Committee Meetings and highlighted that Committee does not have Delegated Authority from Council, so all Motions are Recommendations to Council.

ITEM 2 ATTENDANCE AND APOLOGIES

Councillors

Cr Haythornthwaite	Chairperson
Cr WMF Davies	Shire President
Cr BR Cowcill	
Cr JW Haythornthwaite	
Cr JR Hippisley	
Cr B McGuinness	
Cr PD Smith	
Cr TJ Stacey	

Council Officers

Mr GA Fardon	Chief Executive Officer
Mr A Rourke	Executive Manager of Works & Services
Mr RM Bleakley	IPR/ Strategic Projects Officer
Ms J Yardley	Senior Finance Officer

Observers/Visitor

Nil.

Apologies

Mr NL Gilfellon	Executive Manager of Corporate Services
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Approved Leave of Absence

Nil.

ITEM 3 DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

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

5.1 Confirmation of Minutes – 10th September 2019

RECOMMENDATION: AR06-19/20

MOVED Cr Davies SECONDED Cr Hippisley

That the Minutes of the Audit & Risk Committee Meeting held on 10th September 2019 be confirmed as a true and accurate record.

CARRIED 7/1

5.2 Business Arising

Cr Smith enquired on the progress to implement the Internal Audit Checklist and the Actions / Recommendations from the Auditor Generals Reports.

The Chief Executive Officer advised that the main focus has been the finalisation of the Annual Financial Statements and the Annual Audit. The CEO commented that the implementation timeframe for Internal Audit Checklist will be discussed by the Executive Management Team in early 2020.

The CEO undertook to provide an Action / Implementation timeframe to Councillors as soon as possible.

5.3 Confirmation of Special Meeting Minutes – 31st October 2019

RECOMMENDATION: AR07-19/20

MOVED Cr Hippisley SECONDED Cr Stacey

That the Minutes of the Special Audit & Risk Committee Meeting held on the 31st October 2019 be confirmed as a true and accurate record.

CARRIED 8/0

5.4 Business Arising

Nil.

ITEM 6 STANDING ITEMS – EXTERNAL AUDIT

Audit & Risk Committee - Terms of Reference 7.6

6.1 Audit Certificate and Management Letter Year Ended 30th June 2019

Meeting Date	10 th December 2019
Responsible Officer	CEO Graeme Fardon
Reporting Officer	EMCS Nathan Gilfellon
Attachments	(i) Independent Auditor's Report (ii) Management Report Letter. (iii) Annual Financial Statements to the 30 th June 2019
Owner/Applicant	Mr Greg Godwin, Auditor, Moore Stephens
Disclosure of Interest	Nil.

RECOMMENDATION: AR08-19/20

MOVED Cr Davies SECONDED Cr Hippisley

That the Audit and Risk Committee recommend to Council:

1. That Council receive and note the Audit Report from Council's Auditor Mr Greg Godwin (Moore Stephens) for the Year Ended 30th June 2019.
2. That Council note that the Annual Meeting with the Auditor, pursuant to Section 7.12A of the Local Government Act was held on the 4th December 2019.

CARRIED 8/0

IN BRIEF

- Council's Auditor Mr Godwin has completed and presented the Independent Audit Report for the Year ended 30th June 2019.
- Audit Report to be Received and Noted by Council.
- Management Letter has been prepared and sent to the Shire President by the Auditor.
- There are no Matters raised by the Auditor for the Audit & Risk Committee to consider.

MATTER FOR CONSIDERATION

Receipt of the Annual Auditor's Report and Management Letter for the Year Ended 30th June 2019.

BACKGROUND

The Annual Audit of Council's Financial Statements for the Year ended 30th June 2019 was conducted with an Onsite Audit Visit on from the 4th to the 6th November 2019.

Mr Godwin conducted a Post Audit Exit Meeting Tele-meeting with 6 Elected Members and Senior Staff on Wednesday 4th December 2019.

Council's Auditor, Mr Godwin, has now completed the Audit and has provided the "Independent Auditor's Report" dated the 5th December 2019.

STATUTORY ENVIRONMENT

Local Government Act 1995

- Annual Financial Statements prepared by Council in accordance with Section 6.4

- 2018/19 Audit Completed in accordance with Section 7.9
- Section 7.12A - Council is required to meet with the Auditor at least once in every Year

Local Government (Audit) Regulations 1996

Applies

POLICY IMPLICATIONS

N/A.

FINANCIAL IMPLICATIONS

Audit Fees are provided for in Council's Adopted Budget. No further financial implications are envisaged from the Audit Report.

STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 – 2027

Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G4	Sound Organisation
G4.1	Maintain sustainability ratios at or above basic level

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. Independent Audit conducted by Council's Auditor in accordance with Legislation, Australian Accounting Standards and Moore Stephens Memorandum of Audit. The Audit comprised of an Interim Audit in June and a Final Audit in November 2019. Audit Opinion is Unqualified and there are no Significant Matters to report to Council. Audit Report is forwarded by Mr Godwin to the Minister for Local Government, the Shire President and the Chief Executive Officer.

Health – Risk Matrix Rating is assessed as Low

Reputation – Risk Matrix Rating is assessed as Low. Unqualified Audit Report is included in Council's Annual Report which is received by Council and also presented to the Annual Meeting of Electors.

Operation – Risk Matrix Rating is assessed as Low. Audit Visits and follow up work were undertaken as part of Council's normal Administration and Finance Operations.

Natural Environment – Risk Matrix Rating is assessed as Low.

ITEM 7 STANDING ITEMS – INTERNAL AUDIT

No matters for consideration.

ITEM 8 STANDING ITEMS – FINANCIAL REPORTING

No matters for consideration.

ITEM 9 STANDING ITEMS – CONTROLS, SYSTEMS AND PROCEDURES

Audit & Risk Committee - Terms of Reference 7.2

9.1 Rates Collection Policy

Meeting Date	10 th December 2019
Responsible Officer	CEO Graeme Fardon
Reporting Officer	EMCS Nathan Gilfellon
Attachments	FIN.5 Rates Collection Policy
Owner/Applicant	Shire of Quairading
Disclosure of Interest	Nil

Committee Discussion

Cr Smith proposed that the Policy include an outstanding rates trigger point of 3%.

RECOMMENDATION: AR09-19/20

MOVED Cr Smith SECONDED Cr John Haythornthwaite

That the Finance and Risk Committee recommend to Council that Council adopt the FIN.5 Rates Collection Policy with a trigger point of 3% on outstanding rates.

MOTION LOST 3/5

OFFICER RECOMMENDATION

RECOMMENDATION: AR10-19/20

MOVED Cr Davies SECONDED Cr McGuinness

That the Finance and Risk Committee recommend to Council that Council adopt the FIN.5 Rates Collection Policy.

CARRIED 5/3

IN BRIEF

- Council requested that the Administration prepare a Draft Policy for Rate Collection, which includes an Outstanding Rates Target Percentage.
- Research has been undertaken of multiple Councils to obtain relevant wording for the Draft Policy.
- Draft Policy submitted for Committee Consideration and Recommendation to Council.

MATTER FOR CONSIDERATION

The establishment of a new Policy - FIN.5 Rate Collection Policy.

BACKGROUND

All local governments have policies relevant to their operations. The Shire of Quairading has a number of policies that it maintains and reviews. As a continuous improvement initiative, Council at its Ordinary Meeting held on the 26th September 2019 (Motion 57-19/20) resolved that: -

That Council request the Chief Executive Officer to prepare a Draft Outstanding Rates Collection Policy, which includes an outstanding rates target percentage and present the Draft to the December 2019 Audit & Risk Committee Meeting for Consideration.

It was observed during the research for this Draft Policy that only one of the Councils researched had a Target Percentage for Outstanding Rates. This was a Percentage of 5%, but did not clearly state whether that percentage was of Total Rates Levied (including Prior Year Rates) or just the Current Years Rates Levied.

Whilst the Target Percentage may be intended to aspirational and reaching, it must be highlighted that Council had Outstanding Rates as at the 30th June 2019 totalling \$237,459, which includes a number of properties that Council is seeking to sell for long outstanding Rates and also Pensioner properties which are legally able to defer the payment of Rates until the Pensioner entitlement ceases or the property is sold, normally as a Deceased Estate.

10% of Council's Rates Levied in 2019/2020 equates to \$229,960.

Council's Outstanding Rates Debtors (as at 5th December 2019) totals \$409,223 which includes Ratepayers who have lawfully elected to pay by 4 Instalments during the 2019/2020 year.

The process for the Sale of a Property for Outstanding Rates is very protracted under the Local Government Act and then there is no guarantee that the sale of the land will be achieved and also that if sold, that the Proceeds of the sale will cover the outstanding Rates after Selling Expenses, which will then need the balance of the Unpaid Rates to be written off.

On the basis of the above issues raised, the Draft does not include a Percentage for Outstanding Rates as it should be Council's and the Administrations aim to maximise cashflow by the management of all Revenue Streams.

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Rates and Charges (Rebates and Deferments) Act 1992

POLICY IMPLICATIONS

Establishment of a new Policy.

FINANCIAL IMPLICATIONS

The Policy if adopted would formalise the Rate Collection Process to be undertaken by Council's Administration, in accordance with both the Local Government Act and the Rates and Charges (Rebates and Deferments) Act and the relevant Regulations.

The Policy may give guidance to the Rate Collection Procedure, with the objective of improving the Cashflow to Council from Rates and Charges that have been lawfully levied on properties in the District.

STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 – 2027

Nil.

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. Policy would be largely procedural as Council Staff are actively pursuing and managing Rates and Sundry Debtors that are owed to Council. Failure to effectively manage Council's Finances, including Revenue Streams would result in an increased Financial Risk.

Health – Risk Matrix Rating is assessed as Low

Reputation – Risk Matrix Rating is assessed as Low. Sound and consistently applied Rate Collection Policy and Procedures will minimise the risk of reputational damage.

Operation – Risk Matrix Rating is assessed as Low. Rate Collection and Revenue monitoring is part of Council's normal operations.

Natural Environment – Risk Matrix Rating is assessed as Low.

COMMENT

The attached Policy documents are provided for Council consideration and are self-explanatory.



RATES COLLECTION POLICY

Document Status	Draft
Statutory Environment	Local Government Act 1995 Local Government (Financial Management) Regulations 1996 Rates and Charges (Rebates and Deferments) Act 1992

Record of Policy Review					
<i>Version</i>	<i>Author</i>	<i>Council Adoption</i>	<i>Resolution</i>	<i>Reason for Review</i>	<i>Review Date</i>
01	Nathan Giffellon			New Policy for consideration	10/12/2019

PURPOSE

To provide guidance in the recovery of all Rates Revenue owed to the Shire, including outstanding Rates, Rubbish Charges and ESL Charges, as the Shire requires reliable revenue streams in order to meet the service provisions of the organisation.

To enable the Shire to meet its service obligations, it is necessary to ensure that revenues are received in a timely manner. The Shire is required to ensure that where revenue is not received in a timely manner, that appropriate measures are undertaken to recover outstanding amounts.

As a means to encourage the early payment of rates in full, the Shire may offer and administer a 'Rates Incentive Scheme'. This scheme provides eligible ratepayers with the opportunity to win prizes for prompt and full payment.

OBJECTIVE

To provide a framework for the efficient and effective collection of outstanding rates and charges debts to reduce the likely occurrence of unrecoverable debts and to ensure consistency for all debt collection activities, whilst treating all people respectfully, fairly and consistently, and to fulfil statutory requirements in relation to the collection of rates and charges.

POLICY

1. Recovery of Rates, Service and ESL Charges

The recovery of outstanding rates will be collected in a fair and timely manner. Rate notices are due for payment 35 days from date of issue in accordance with the Local Government Act 1995.

1.1 Amounts that remain outstanding past the prescribed due date will have interest applied.

Interest is calculated on the number of days from the due date of payment until the day the payment is received by the Shire of Quairading. This includes overdue amounts where the rate payer has elected to pay by an instalment option.

1.2 Accounts unpaid by the due date shown on the Rate Notice

Where accounts remain outstanding after the prescribed due date, a Final Notice shall be issued requesting full payment within fourteen (14) days, unless the rate payer has entered into a payment arrangement which has been agreed upon by both parties.

Final Notices are not to be issued to eligible persons registered to receive a pensioner or senior rebate under the Rates and Charges (Rebates and Deferments) Act 1992, as such persons have until the 30th June of the current financial year to make payment, without incurring any penalty interest. Final notices will, however, be issued to registered pensioners or seniors where there are unpaid charges which are not subject to a rebate or deferment e.g. rubbish collection charges.

1.3 Accounts unpaid after the expiry date shown on the Final Notice

Where amounts remain outstanding after the expiry date shown on the Final Notice, recovery action will commence based upon a risk management approach as determined by the value and type of debt and may include such action as referral to Council's debt collection agency.

1.4 Seizure of Rent for Non Payment of Rates

Where the property owner of a leased or rented property on which Rates and Service Charges are outstanding cannot be located or refuses to settle Rates and Service Charges owed, a Notice may be served on the lessee or tenant under the provisions of Section 6.60 of the Local Government Act 1995 requiring the lessee or tenant to pay to the Shire the rent due that they would otherwise pay under the lease/tenancy agreement as it becomes due, until the amount in arrears has been paid.

1.5 Options to recover rates debt where rates are in arrears for in excess of (3) years

Under the guidance of the Shire's debt collection service provider, legal action may be undertaken to recover outstanding rates and charges. This action may include General Procedure Claims and Property Seizure and Sale Orders (Goods). Any costs incurred in undertaking legal action in a Court of competent jurisdiction are recoverable from ratepayers under section 6.56 of the Local Government Act 1995.

2. Alternative payment arrangement

Where ratepayers are unable to make payment of their rates by one of the prescribed instalment options, they may apply for a special payment arrangement in order to avoid legal action for recovery. Special payments arrangements are to involve regular weekly, fortnightly or monthly repayments of a fixed amount, and are to achieve full payment of outstanding rates by the end of the financial year. A minimum payment of an equivalent of \$25 per week is to apply. Special payment arrangements will incur a one-off Administration Fee in accordance with Council's adopted Fees and Charges. Interest on overdue amounts accrues at the prevailing interest rate as set out in the adopted Fees & Charges.

Each Alternative Payment Arrangement requires the approval of the Chief Executive Officer in accordance with Delegation R.1 – Agreement as to Payment of Rates and Service Charges.

2.1 Options to recover rates debt where rates are in arrears for in excess of three (3) years.

(i) Lodging a Caveat on the Title for Land

If rates and service charges which are due to Council in respect of any rateable land have been unpaid for at least three (3) years a caveat may be registered on the title for the land, under the provisions of Section 6.64 (3) of the Local Government Act 1995. The approval of Council is required before this course of action is undertaken.

(ii) Sale of Property

If rates and service charges which are due to Council in respect of any rateable land have been unpaid for at least five (5) years, Council may take possession of the land under the provisions of Section 6.64 of the Local Government Act 1995. The approval of Council is required to be obtained before this course of action is undertaken.

3. Write off Debts

Financial Hardship is not a ground to write off debt. Where a person is experiencing financial hardship and is unable to pay their outstanding debt, the Shire may assist the applicant, where applicable, to negotiate an Alternative Payment Arrangement.

All write-offs will be presented to Council for Consideration and will include:

- Name of Debtor / Rate Payer
- Amount to be written off
- Description of invoice / Assessment Number
- Reason for write-off.

For a debt to be written off one of the following conditions must be satisfied:

- The debtor cannot be located
- Uneconomical to pursue the debt
- The hardship circumstances of the debtor do not warrant the taking or continuation of recovery action
- Legal proceedings through the courts have proved, or on legal advice would prove, unsuccessful.

4. Management Reporting

Rates Debtors:

Management are required to maintain a status report of recovery action against all rates in arrears of more than one year.

5. Rates Incentive Scheme

A rate incentive scheme, in the form of prizes donated by sponsors, will be operated in each rating year on the basis that:

- (a) Only those who have paid their rates in full, within thirty-five days of the Date of Issue, be eligible for an Entry in the Draw.
- (b) The winners to be selected by the Drawing out of Entry Forms. Such Draw to be administered and supervised by the Chief Executive Officer.
- (c) Council to allocate a budget to provide/subsidise a Rates Incentive Scheme.

GUIDELINES

- Local Government Act 1995: Part 6, Division 4, Clause 6.13 - Interest on money owing to local governments
- Local Government Act 1995: Part 6, Division 6, Subdivision 4, Clause 6.45 – Options for payment of rates and service charges
- Local Government Act 1995: Part 6, Division 6, Subdivision 4, Clause 6.51 - Accrual of interest on overdue rates or service charges
- Local Government Act 1995: Part 6, Division 6, Subdivision 5, Clause 6.56 - Rates or service charges recoverable in court
- Local Government Act 1995: Part 6, Division 6, Subdivision 5, Clause 6.60 - Local government may require lessee to pay rent
- Local Government Act 1995: Part 6, Division 6, Subdivision 6, Clause 6.64 - Actions to be taken
- Local Government (Financial Management) Regulations 1996
- Rates and Charges (Rebates and Deferments) Act 1992

9.2 Review of Community Grants Process

Meeting Date	10 th December 2019
Responsible Officer	Richard Bleakley (IPR and Strategic Projects Officer)
Reporting Officer	Jen Green (Grants and Project Officer)
Attachments	CS.3 COMMUNITY GRANTS POLICY_2019_12_3 rb CS.3 COMMUNITY GRANTS - COUNCIL ASSESSMENT CRITERIA_2019_12_3rb SOQ_COMMUNITY_GRANT1_APPLICATIONFORM_2020rb SOQ_COMMUNITY_GRANT2_APPLICATIONFORM_2020rb SOQ_COMMUNITY_GRANT3_APPLICATIONFORM_2020rb SOQ_COMMUNITY_GRANT4_APPLICATIONFORM_2020rb Extracts from Community Grant Survey
Owner/Applicant	n/a
Disclosure of Interest	Nil

RECOMMENDATION: AR11-19/20

MOVED Cr Hippisley SECONDED Cr McGuinness

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

1. Council adopt the revised Community Grants Policy and supporting documentation; and
2. That the revised Funding Program be publicised to all Community Groups and Clubs with an application deadline of 31st March 2020 for Round 1.

CARRIED 7/1

IN BRIEF

- Two rounds of the Community Grant Process have been delivered with a total of 37 grant applications being funded.
- This is the second review of the process and includes revisions to the Community Grant Policy, Assessment Criteria and the Grant Application Forms.
- Current review will add greater clarity and further streamline the process.

MATTER FOR CONSIDERATION

Adoption of revised Community Grants Policy and supporting documentation.

BACKGROUND

In 2018/19 the Shire introduced a Community Grants Process. This entailed the drafting and adoption of a Community Grant Policy and Strategy, Assessment Criteria, and Grant Application Forms.

First round was held in 2nd Quarter of 2018 with nine (9) applications being received.

A review of Community Grant Documents and Application Forms was conducted in November 2018 with the revisions being adopted by Council in December 2019.

In 2019, a second iteration of the process was conducted with two rounds (March 2019 and September 2019). Fifteen applications were received in Round 1, a further 5 applications (Grant 2 – Small Grants) in the second round.

A total of seven (7) applications have been received for Grant 1 – in-Kind grants.

In November 2019, the Grants Team conducted a further review of the Community Grant Process and is presenting revised documents to the Audit and Risk Committee for deliberation.

STATUTORY ENVIRONMENT

Local Government Act 1995

POLICY IMPLICATIONS

Revisions to existing Community Grants Policy and supporting documentation

FINANCIAL IMPLICATIONS

2020/2021 Budget – Subject to Applications received and supported.

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

COMMUNITY CONSULTATION

A short survey on Survey Monkey has been conducted with applicants from 2019/20 Program. This has provided additional feedback on the process

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

Financial – Low Risk

- Further refinements to the Community Grant process will reduce risk to Council and the Clubs / Organisations through better planning and delivery of Projects supported by the Shire

Health – Low Risk

Reputation – Low Risk

- Further refinements to the Community Grant Process will increase transparency and accountability of both the Shire, the clubs and organisations.
- It will also streamline the process.

Operation – Low Risk

Natural Environment – Low Risk.

COMMENT

- With the introduction of the Community Grant Process, the Shire has seen an increase in the number of clubs and organisation submitting applications.
- Feedback from the majority of applicants (Survey Monkey) has indicated in general, that the process is straightforward. Further detail on the responses will be provided to the Committee.
- Shire needs to ensure that adequate resources are allocated for the second round of applicants (3rd Quarter)
- There is still the question as to whether there should be a distinction and separation between
 - Recurrent funding applications (subsidized of O&M costs); and
 - Grant 1-3 – applications for programs, events and activities.
- Further streamlining is needed for the Grant 1 – In-Kind Funding.



COMMUNITY GRANTS POLICY

Document Status	Revised
Statutory Environment	Local Government Act 1995

Record of Policy Review

<i>Version</i>	<i>Author</i>	<i>Council Adoption</i>	<i>Resolution</i>	<i>Reason for Review</i>	<i>Review Date</i>
01	Graeme Fardon	29 March 2018	169-17/18	New Policy	
02	Graeme Fardon/ Richard Bleakley			Policy Review Project	5/12/2018
03	A&R Committee	20 December 2018	115-18/19	<i>Revised 12/12/2018</i>	
04	Grants Team				5/12/2019

PURPOSE

Council's Annual Community Grants Program is a strategic tool for capacity building, supporting innovation and addressing community need in line with the Council and Community's vision.

OBJECTIVES

- Enhance Community Organisation's capacity to provide one off projects / services / events.
- Improve the quality and opportunities for user accessibility and / or safety of Community space.
- Increase Community participation in Community activities.
- Help provide funding for a service or activity seen as a need for the betterment of and improvement to the enjoyment of life within the Community.

POLICY

Funding is available to assist community groups in establishing and or continuing a service or activity seen as a need for the betterment of and improvement to the enjoyment of life within the community.

Allocation of Resources

Council will review and confirm allocation of resources annually as part of their Annual Budget processes.

- In-Kind - A single tranche allocated and available to Groups / Clubs throughout the financial year from the adoption of the Annual Budget.
- ~~Annual Recurrent Funding – A single tranche allocated and available to Groups / Clubs from the adoption of the Annual Budget.~~
- **Small Grants** – Grant funding allocation divided into two tranches:
 - Grant submissions (closure 31st March) 75%
 - Grant submissions (closure 30th September) 25%

- **Major Projects and Events** – A single tranche allocated and available to Groups / Clubs from the adoption of the Annual Budget.

~~Annual Recurrent Funding – A single tranche allocated and available to Groups / Clubs from the adoption of the Annual Budget.~~

- ~~In-Kind – A single tranche allocated and available to Groups / Clubs throughout the financial year from the adoption of the Annual Budget.~~

Category of Grants

Grants will be categorised as either In-kind, Small Grants, Major Projects and Events, or Annual Recurrent Funding.

- **In-Kind Contribution** – Each community group can apply to the CEO for in-kind contributions towards events or projects throughout the year. CEO has delegated authority to approve / reject applications. This may include access to venues, equipment or staff (max \$500 annually). Applications must be received at least 4 weeks prior to the event or project commencement.
- **Small Grants** cover requests for financial assistance from Council for between \$500 and \$2500 ex GST. Support may be either financial or in-kind and based on one third from Council, and two thirds from the applicant organisation and/or by way of external funding. Groups can only apply for one small grant per year. There is a requirement to provide an acquittal report back to Council to show where funds have been spent at the end of each financial year.

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- **Major Projects and Events** covers requests for financial support over \$2,500. Support may be either financial or in-kind and based on one third from Council, and two thirds from the applicant organisation and/or by way of external funding. Maximum of one application per year. There is a requirement to provide an acquittal report back to Council to show where funds have been spent at the end of each financial year.

In-Kind, Small Grants and Major Projects and Events grant funding is for projects, events and activities, and **not** for operational costs.

- **Annual Recurrent Funding** is financial support extended to community groups that maintain or operate in Shire-owned or club-owned venues / clubrooms. Groups must submit an application form each year by 31st March. There is a requirement to provide an acquittal report back to Council to show where funds have been spent at the end of each financial year.

Eligibility

- Applicant groups must be based within the Shire of Quairading.
- All successful project activities and events are to be completed by the end of the financial year in which funding was awarded.
- Applicants should demonstrate a link to the Shire's strategic plans and strong community benefit for their project or event.
- Incorporation is desirable but not essential.
- Verification by applicant that request is not covered by insurance.
- Funding will not be awarded to private businesses or individuals.
- Requests for funding or support cannot be for a project / event / activity that has already occurred.

General Conditions – Grant 1 – In-Kind Funding

- Applications are welcome all year-round.
- An In-Kind grant is an offer by the Shire to provide a service, piece of equipment or a facility, which is normally charged at a set fee, free of charge or at a reduced cost.
- Bond fees are still applicable.
- CEO has delegated authority to approve / reject applications. This may include access to venues, equipment or staff (max \$500 annually).
- Applications must be received at least 4 weeks prior to the event or project commencement.
- Budget allocation for the Community Grants Program will be determined during the Council's Annual Budgeting Process.
- Allocation of grant funding, partial or entire, will be at the sole discretion of the Council.

General Conditions – Grants 2 & 3 – Major Grants & Events / Small Grants Funding

- Grants 2 & 3 are for minor capital works or the purchase of equipment or events and activities.
- Grants 2 & 3 may be used as additional leverage for external funding.
- Council's position is to fund to a maximum of one third of the total project cost and applicants are encouraged to contribute their own funding and/or obtain grant or loan funding for the remaining project costs.

- Voluntary labour and equipment may be included in the applicant's contribution but may not exceed one third of the completed value of the project. Volunteer hourly rate should be included at \$20.00/hour.
- Council may opt to use their employees or equipment in lieu of a cash contribution.
- Council reserves the right to carry out a Progress Inspection or request a Progress Report at any stage of the project.
- Budget allocation for the Community Grants Program will be determined during the Council's Annual Budgeting Process.
- Allocation of grant funding, partial or entire, will be at the sole discretion of the Council.

General Conditions – In-Kind Funding

- ~~Applications are welcome all year round.~~
- ~~An In-Kind grant is an offer by the Shire to provide a service, piece of equipment or a facility, which is normally charged at a set fee, free of charge or at a reduced cost.~~
- ~~Bond fees are still applicable.~~
- ~~CEO has delegated authority to approve / reject applications. This may include access to venues, equipment or staff (max \$500 annually).~~
- ~~Applications must be received at least 4 weeks prior to the event or project commencement.~~
- ~~Budget allocation for the Community Grants Program will be determined during the Council's Annual Budgeting Process.~~
- ~~Allocation of grant funding, partial or entire, will be at the sole discretion of the Council.~~

General Conditions – Grant 4 – Recurrent Funding

- A single round of funding with applications to be submitted by 31st March.
- Application is for support of operational and maintenance costs of the club / organisation.
- Application is **not** for capital works, events or activities.
- Budget allocation for the Community Grants Program will be determined during the Council's Annual Budgeting Process.
- Allocation of grant funding, partial or entire, will be at the sole discretion of the Council.

Acquittal

All Groups that receive funding will have to provide the following after their project's completion or by no later than 31st July of the next financial year:

- Completed Acquittal Form (to be provided);
- Proof the project, activity or event took place (e.g. photographs etc.);
- Proof of expenditure (e.g. copy of financial records and invoices paid); and
- Evaluation of project, activity or event (e.g. copy of participant feedback, surveys etc.).

Assessment Process

- Applications will be assessed by the Grants Team based on Grant Criteria and a recommendation made to Council.
- Applications will be presented to Council and assessed based on eligibility and merit.
- Allocation of grant funding is at the discretion of the Council
- All applicants will be contacted regarding the outcome of the application process by post.

Submission Deadline

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All applications must be received by COB 31st March or 30th September annually. Applications can be received via mail, email or printed copies dropped into the Front Counter at Shire Administration Office. Late applications will not be accepted.

GUIDELINES

Annexure A - Assessment Criteria (Attached)

Annexure B - Community Grant Scheme Funding Process (Attached).

Community Grants Application Form (Separate Document).

Annexure A

ASSESSMENT CRITERIA

Each Small and Major Grant Submission will be assessed based on the following criteria

Criteria 1 – Community Benefit:

- Does the project align with Shire's Strategic Community Plan?
- Is there identified and demonstrated community need?
- What are the benefits (value adding) to the Quairading community?

Criteria 2 – Organisation:

- Incorporated body? Y/N
- Purpose of organisation including the type and number of activities they undertake annually
- Current Membership
- Current Financial Position (incl. Financial Statement)
- Sustainability of organisation

Criteria 3 – Project Cycle:

- Planning and design of project
- Management and delivery of project (incl. milestones and works schedule)
- Project Budget
- Financial contribution - \$; In-Kind, External
- Evaluation of project
- Sustainability of project

SCORE

Each Grant Application will be assessed based on these criteria

Each criteria will be evaluated and given a score between 1 (Poor) and 5 (Excellent).

WEIGHTING

Weighting for each criteria to be determined by the Council.

Proposed weighting is: -	
Community Benefit -	40%
Organisation -	20%
Project Planning -	40%

RANKING

Following the individual evaluations, the scores will be entered into a Ranking Spreadsheet.

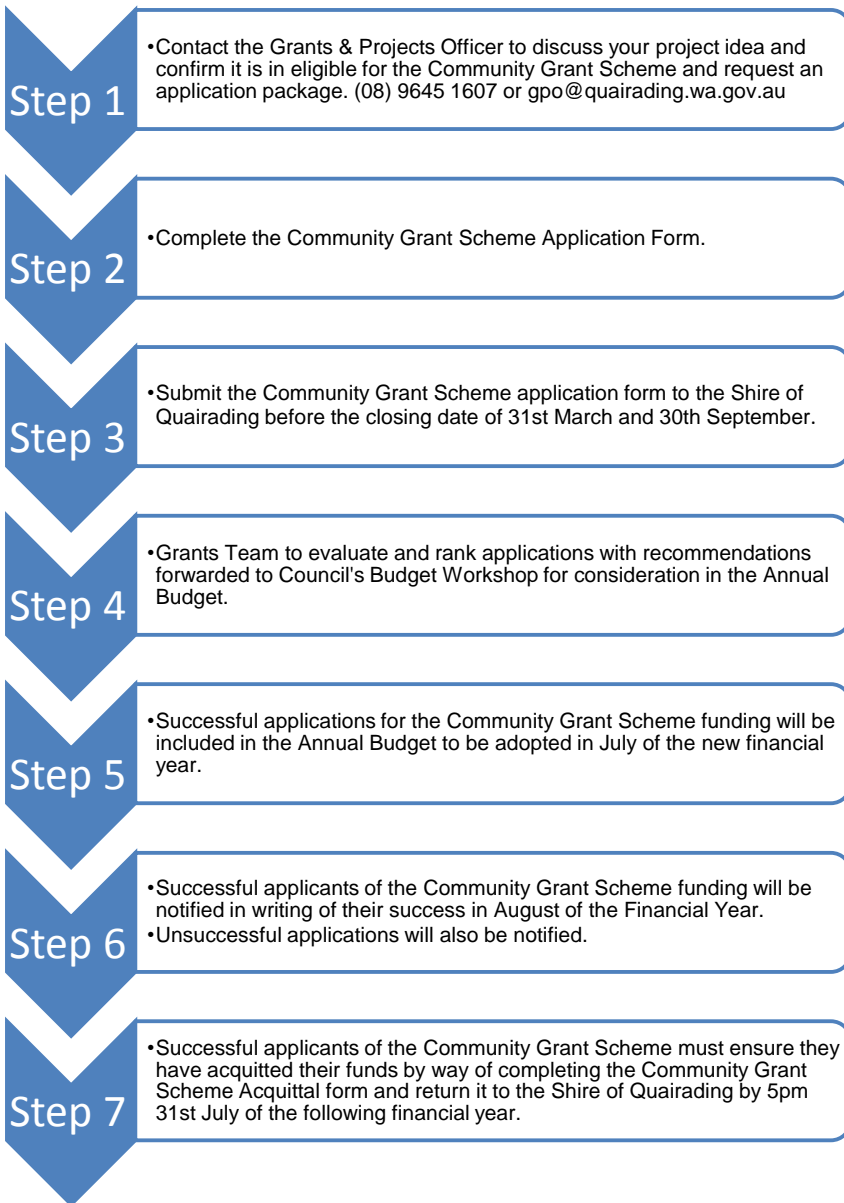
This spreadsheet will aggregate the *Criteria Scores*, and apply the *Weighting Ratios*.

The spreadsheet will then determine the Ranking of the individual grant applications.

Annexure B

YEAR 2020/2021

Shire of Quairading Community Grant Scheme Funding Process



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

Meeting Date	10 th December 2019
Responsible Officer	EMCS Nathan Giffellon
Reporting Officer	SFO Jodie Yardley
Attachments	Nil
Owner/Applicant	Shire of Quairading
Disclosure of Interest	Nil

RECOMMENDATION: AR12-19/20

MOVED Cr Hippisley SECONDED Cr Davies

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

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

CARRIED 8/0

Committee Discussion

Cr Smith queried the variation in LSL Hours compared to the Dollar value between August 2019 and September 2019 as there appeared to be an anomaly with the Hourly Rate used. The Chief Executive officer undertook to research and forward the findings to Councillors.

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 8 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 8 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 30th November 2019 is \$203,936. The Projected Closing Balance as at the 30th June 2020 of \$205,721.

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 30th November 2019) is calculated at \$250,725.

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 30th November 2019, there are no employees with excess annual leave.

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

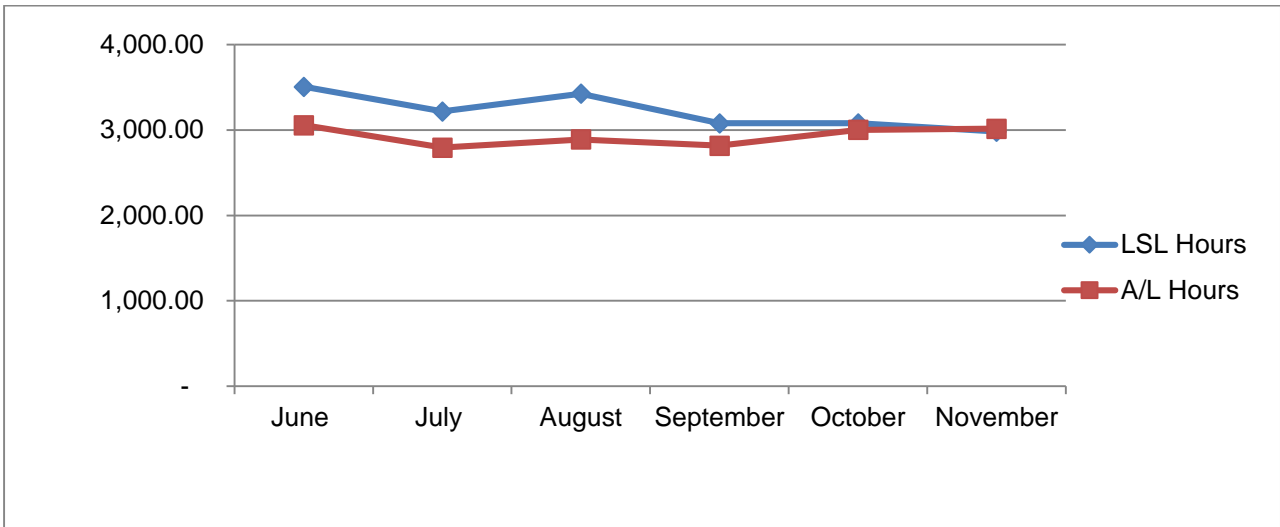
One Employee has Long Service Leave Liabilities as at the 6th September 2019. This has been approved to commence in March 2020.

Since the commencement of the 2019/20 financial year, it has remained steady with an increase of 1.22% (in Dollar Value) in the Annual Leave Liability through a combination of Separations and current staff taking accrued Annual Leave. Annual Leave Liability has risen slightly due to the increase of pay rates and an increase of accrued hours leading into the main holiday period.

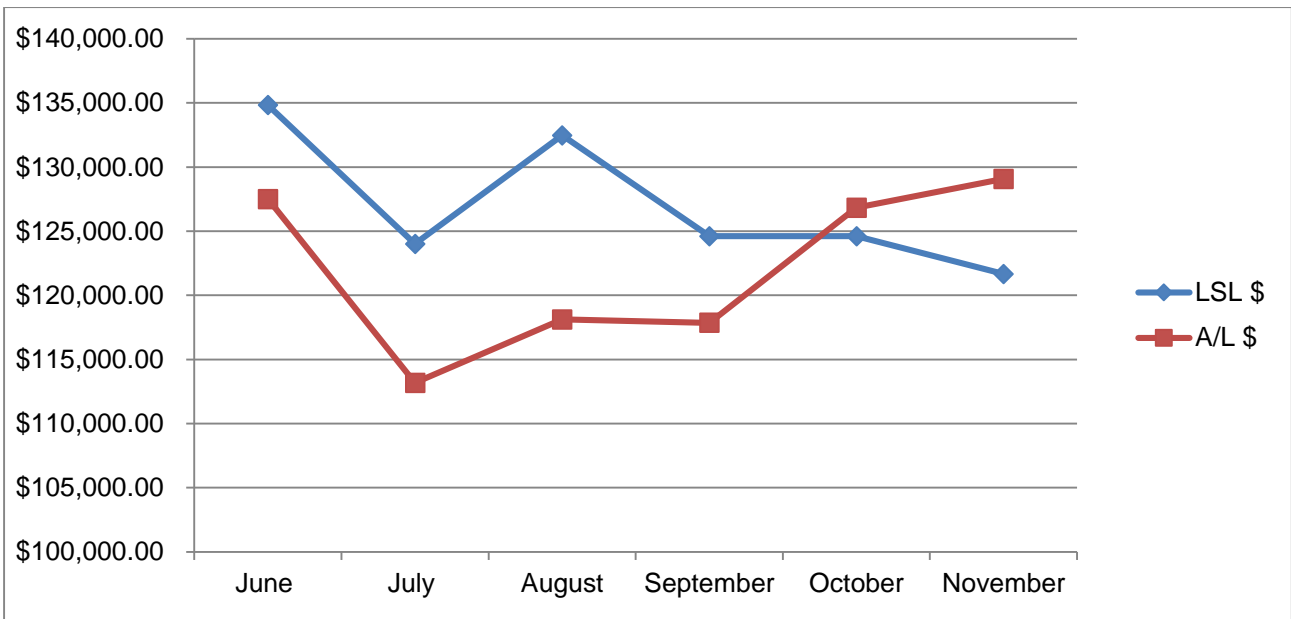
The Long Service Leave Liability has significantly reduced by 9.76% (in Dollar Value) since June 2019. The decrease can be attributed to payouts following the separation of three employees with Long Service Leave Entitlements and another redeeming their Long Service Leave.

	<i>LSL Hours</i>	<i>LSL \$</i>	<i>AL Hours</i>	<i>AL \$</i>
June	3,507	134,820	3,056	127,501
July	3,218	124,006	2,795	113,180
August	3,426	132,468	2,890	118,114
September	3,080	124,610	2,817	117,850
October	3,080	124,610	3,003	126,828
November	2,981	121,657	3,016	129,068

Accumulated Hours of Leave



Outstanding Accumulated Dollar Value of Leave



ITEM 11 STANDING ITEMS – OTHER

Audit & Risk Committee - Terms of Reference 9.5

11.1 Review of Committee Terms of Reference

Meeting Date	10 th December 2019
Responsible Officer	CEO Graeme Fardon
Reporting Officer	EMCS Nathan Gilfellon
Attachments	(i) GOV.5 Audit & Risk Committee – Terms of Reference December 2019 Revised
Owner/Applicant	Audit & Risk Committee
Disclosure of Interest	Nil

RECOMMENDATION: AR13-19/20

MOVED Cr Hippisley SECONDED Cr Stacey

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

Council adopt the revised Audit and Risk Committee Terms of Reference (Dated 10th December 2019).

CARRIED 8/0

IN BRIEF

- This report recommends that the Terms of Reference to reviewed to reflect the legislative requirements of the Audit and Risk Committee.
- Committee was established by Council in October 2017 for a 2-year term coinciding with the Election Cycle.
- Council has re-established the Committee on the 31st October 2019 with all Councillors being Members of the Committee.
- The Administration have reviewed the Terms of Reference and made suggested tracked changes to the current Terms of Reference to be considered by Committee before Recommendation to Council.

MATTER FOR CONSIDERATION

The Review of the Audit & Risk Committee Terms of Reference

BACKGROUND

The primary purpose of an Audit & Risk Committee is to provide oversight of the financial reporting processes, the audit process, the Shire's system of internal controls and compliance with legislation and regulations.

In 2017, amendments to the Local Government Act 1995 were passed by State Parliament enabling the Auditor General to audit local government finances and performance. This Amendment also provided more detail on the role and responsibilities of the Audit Committee.

The amendments to the Act have been supported by changes to the *Local Government (Financial Management) Regulations 1996* and the *Local Government (Audit) Regulations 1996* which were gazette on 26 June 2018.

The Department of Local Government Sports and Cultural Industries (DLGSCI) has also produced a guide on the Local Government Audit Reforms, [Link to Guide to Local Government Auditing Reforms](#)

STATUTORY ENVIRONMENT

Local Government Act 1995

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.

[Regulation 16 inserted: Gazette 26 Jun 2018 p. 2386-7.]

POLICY IMPLICATIONS

In accordance with clause 9.5 of the Audit & Risk Committee Terms of Reference, the committee is required to, at least once a year, review its own performance, constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend changes it considers necessary to the Council for approval.

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

Public consultation was not relevant to the development of this report.

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

Financial - Risk Matrix Rating is assessed as Low. Councillors Meeting Fees are provided for in Council's Budget. Auditor Fees are provided for in Council's Budget.

Health – Risk Matrix Rating is assessed as Low

Reputation – Risk Matrix Rating is assessed as Low. Reputational Risk is Mitigated with the effective operation of Council's Risk and Audit Committee and sound Governance and Financial management in place.

Operation – Risk Matrix Rating is assessed as Low. The annual review process provides a mechanism to ensure good governance of Council's Audit & Risk Committee. The Review process and Committee Structure is part of Council's normal operations.

Natural Environment – Risk Matrix Rating is assessed as Low.



AUDIT & RISK COMMITTEE TERMS OF REFERENCE

Document Status	Under Review
Statutory Environment	Local Government Act 1995, Local Government (Audit) Regulations 1996, Local Government (Financial Management) Regulations 1996

Record of Policy Review

<i>Version</i>	<i>Author</i>	<i>Council Adoption</i>	<i>Resolution</i>	<i>Reason for Review</i>	<i>Review Date</i>
01	Graeme Fardon	26 October 2017	72-17/18	New Policy	
02	Graeme Fardon	30 November 2017	98-17/18	Revised	
03	Graeme Fardon			Annual Review	4/12/2018
04	A&R Committee	20 December 2018	117-18/19	<i>Revised 12/12/2018</i>	
05	A&R Committee			Annual Review	10/12/2019

PURPOSE

To ensure that the audit of Council's financial and statutory functions have been undertaken in accordance with the provisions of the Local Government Act 1995 and associated Regulations.

The Committee will also undertake a Risk Management function to ensure adequate statutory compliance and best practice mitigation is occurring.

OBJECTIVE

The objective of the Committee is to assist Council in providing a transparent and independent process in its audit, risk and governance management to ensure accountability to the community in the governance and compliance framework and its financial and risk management responsibilities.

POLICY

The Audit & Risk Committee (the "Committee") is a formally appointed Committee of the Shire of Quairading, pursuant to a number of specific pieces of legislation. These include: -

The Local Government Act 1995, The Local Government (Audit) Regulations 1996, the Local Government (Financial Management) Regulations 1996. The Local Government Act 1995, Section 7 deals specifically with the audit and process.

The Committee does not have executive powers or authority to implement actions in areas where Management has the responsibility and does not have any delegated financial responsibility. The Committee does not have any management functions and is therefore independent from management.

The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to its Terms of Reference in order to facilitate decision making by the Committee and Council in relation to the discharge of its responsibilities.

1. MEMBERSHIP

- 1.1 Members of the Committee are appointed by Council. The Committee is to consist of all Elected Members. The Elected Members are to vote and elect the Chairperson.
- 1.2 Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each member has to vote on every matter that is before the Committee for decision.
- 1.3 The Chief Executive Officer, Senior Management and other Administration Staff may attend any meeting as observers or be responsible for preparing papers for the Committee.
- 1.4 The Councils External auditors may be invited to attend meetings of the Committee.
- 1.5 Appointment of all members of the Committee will be for a term of two (2) years at the commencement of each Council term after a Council Election
- 1.6 Committee members are paid meeting attendance fees in accordance with the requirements of the Local Government Act.

2. SECRETARIAL/ADMINISTRATIVE RESOURCES

- 2.1 The Chief Executive Officer is required to provide sufficient administrative resources to the Audit and Risk Committee to enable it to adequately carry out its functions.

3. QUORUM

- 3.1 The quorum necessary for the transaction of business shall be five (5) members of the Audit and Risk Committee.

4. FREQUENCY OF MEETINGS

- 4.1 The Committee may meet at least quarterly at a minimum or as determined by the Committee.
- 4.2 A schedule of ordinary meetings is determined by Council for the Year.
- 4.3 The Chief Executive Officer is delegated the authority to vary the meeting schedule after liaison with the Committee Chairperson.
- 4.4 The Chief Executive Officer is delegated not to call an ordinary meeting of the Committee should the Committee have no Matters for Consideration. Such Delegation to only be exercised after liaison with the Committee Chairperson.

5. NOTICE OF MEETINGS

- 5.1 Ordinary meetings of the Committee are to be held at dates/times determined by Council.
- 5.2 A Special Meeting of the Committee may be called with the approval of all the Committee members.
- 5.3 The Agenda of the Committee meetings, subject to any items that are discussed in confidence under Sections 5.22 and 5.23 of the Act and subsequently retained as confidential under Section 5.23 of the Act, are also required to be made available to the public.
- 5.4 The Notice of Meeting and Supporting Papers is to be lodged in the Document Centre on the Quairading Website no later than three (3) clear days prior to the date of the Meeting.

6. MINUTES OF MEETINGS

- 6.1 The Minutes of the Committee Meetings are to be in accordance with the provisions of the LG Act, LG Regulations and Departmental Guidelines.
- 6.2 Minutes of the Committee are to be lodged in the Document Centre on the Quairading Website within five (5) working days after a meeting.

7. ROLES OF THE AUDIT COMMITTEE

7.1 Support Function

The Committee will also support the Auditor as required and have functions to oversee: -

- the implementation of audit recommendations made by the Auditor, which have been accepted by council; and
- accepted recommendations arising from reviews of local government systems and procedures.

7.2 Financial Reporting

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 review and challenge where necessary: -

- The consistency of, and any changes to, accounting policies both on a year on year basis;
- The methods used to account for significant or unusual transactions where different approaches are possible;
- Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditors;
- The clarity of disclosure in the Councils financial reports and the context in which statements are made; and
- All material information presented with the financial statement such as the operating and financial review and any corporate governance statement (in so far as it relates to audit and risk management).

7.3 Internal Control & Risk Management Systems

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").

7.4 Other Investigations

The Committee, when necessary, propose and review the exercise of Council's powers under the Act, in relation to the conduct of audits that would not otherwise be addressed or included as part of an annual external audit.

7.5 Internal Audit

- (a) The Committee is required to monitor and review the effectiveness of Council's internal audit function in the context of the Council's overall risk management system. The Audit and Risk Committee can consider and make recommendations on the program and the adequacy of resources accordance with the relevant professional and legislative requirements and standards.
- (b) The Committee may receive executive summary reports on all internal audits and review and monitor managements responsiveness to the findings and recommendations of any such internal audit.
- (c) The Committee may meet with Management and any internal auditors at least twice per year to discuss any issue arising from any internal audits carried out.
- (d) The Committee is required to monitor and review the selection process for the External Auditor and any internal auditor (if appointed). Appointment of any internal auditor is the responsibility of management.

7.6 External Audit

- (a) The Committee is required to monitor and review guidelines on the supply of non- audit services by the External Auditor, taking into account any relevant ethical guidance on the matter.
- (b) The Committee may consider, and make recommendations to the Council, in relation to the appointee, reappointment and removal of the Council External Auditor. The Committee is to oversee the selection process for a new External Auditor and if the External auditor resigns, the Committee endeavours to investigate the issues leading to the resignation and decide whether any action is required.
- (c) The Committee is required to oversee the relationship with the External Auditor, including, but not limited to: -
 - Recommending the approval of the external auditor's remuneration, whether fees for audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;
 - Recommending the approval of the external auditors terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit;
 - Assessing the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the extent of Councils relationship with the auditor; including the provision of any non-audit services;
 - Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Council (other than in the ordinary course of business);

- Monitoring the external auditor's compliance with legislative requirements in the rotation of audit partner's and
 - Assessing the external auditor's qualifications, expertise and resources and the effectiveness of the audit process;
 - Oversee the transition of the Audit Function to the Office of the Auditor General.
- (d) The Committee may review and make recommendation to the Annual Audit Plan and ensure that it is consistent with the scope of the engagement and relevant legislation and standards.
- (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 is to review any representation letter(s) requested by the External Auditor before they are signed by Management.
- (g) The Committee is to review the report to the Chief Executive Officer and Management's response to the External auditor's findings and recommendations.

7.7 CEO Performance Appraisal

The Committee is also responsible for facilitating / arranging Chief Executive Officer's Performance Review Process.

8. REPORTING RESPONSIBILITIES

- 8.1 The minutes of the Committee are to be presented to the Council after every meeting to identify and present advice and recommendations.

9. OTHER MATTERS

The Committee is to: -

- 9.1 Have access to, at the Councils expense, legal or other professional advice on any matter within its Terms of Reference.
- 9.2 Be provided with appropriate and timely training, both in the form of an induction program for new members and on an on-going basis for all members.
- 9.3 Give due consideration to laws and regulations of the *Local Government Act 1995*.
- 9.4 Oversee any investigation of activities which are within its Terms of Reference.
- 9.5 At least once per year, review its own performance, membership and Terms of Reference to ensure it is operating at a maximum effectiveness and recommend changes its considers necessary to the Council for approval.

GUIDELINES

Local Government Act 1995;

Local Government (Audit) Regulations 1996;

Local Government (Financial Management) Regulations 1996.

ITEM 12 COUNCILLORS' EMERGING ISSUES

Cr Smith

Requested that the Performance Review of the Audit & Risk Committee be listed for the June 2020 Committee Meeting.

Cr Davies

Cr Davies reported attending the City of Melville Dinner and provided details on the City's presentation to retiring Councillors, in the form of street name signs and commented that he thought it was a good idea.

Cr Smith

Cr Smith requested a report on current Policies and Procedures on mitigation of "management override" plus the Chief Executive Officer's recommendations on additional procedures to achieve a higher standard" for the March 2020 Audit & Risk Committee Meeting.

Cr John Haythornthwaite

Cr Haythornthwaite queried the size of Councillors badges with the new logo.

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

No matters for consideration.

ITEM 14 NEXT MEETING DATE

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

ITEM 15 CLOSURE

There being no further business, the Chairman closed the Meeting at 6.10 pm.

I certify the Minutes of the Audit & Risk Committee Meeting held on 10th December 2019 were confirmed on 10th March 2020 as recorded on Resolution No. _____-19/20.

Confirmed..... 10/03/2020