



**SHIRE**  
*of*  
**DANDARAGAN**

**AGENDA**

for

**AUDIT COMMITTEE MEETING**

to be held at the

**COUNCIL MEETING ROOM, JURIEN BAY**

on

**MONDAY 12 AUGUST 2024**

**COMMENCING AT 4.30PM**

<b>AGENDA FOR AUDIT COMMITTEE MEETING TO BE HELD MONDAY 12 AUGUST 2024</b>
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**1. DECLARATION OF OPENING****2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE****Members**

Councillor J Clarke

Councillor A O’Gorman

Councillor G Lethlean

**Staff**

Mr B Bailey

(Chief Executive Officer)

Mr B Waters

(Executive Manager Corporate &amp; Community Services)

**Apologies**

Councillor M McDonald

**Leave of Absence****3. CONFIRMATION OF MINUTES****3.1 MINUTES OF THE AUDIT COMMITTEE MEETING HELD 25 MARCH 2024****4. MATTERS FOR DISCUSSION****4.1 AUDIT COMMITTEE TERMS OF REFERENCE**

Location:	Shire of Dandaragan
Applicant:	N / A
Folder ID:	SODR-2042075298-97234
Disclosure of Interest:	None
Date:	8 August 2024
Author:	Brad Waters, Executive Manager Corporate & Community Services
Senior Officer:	Brent Bailey, Chief Executive Officer

**PROPOSAL**

The purpose of this report is for the Audit Committee to recommend to Council the adoption of the amended Terms of Reference for the Shire of Dandaragan Audit Committee.

**BACKGROUND**

At the Ordinary Meeting of Council held 5 May 2005, the Shire of Dandaragan established an Audit Committee. While the committee has always operated within its defined functions in accordance with legislation,

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prior to April 2019, the role of the Audit Committee had never been documented within terms of reference.

On 24 April 2019, the Audit Committee recommended to Council the Proposed Terms of Reference to be adopted for the Shire of Dandaragan's Audit Committee. On 23 May 2019, the Terms of Reference were endorsed by Council.

### COMMENT

Since May 2019, the Audit Committee's Terms of Reference have not been reviewed or updated to include additional responsibilities. The Shire's Risk Management Framework was most recently endorsed by Council in June 2024, which specifies a Risk Report will be submitted to the Audit Committee biennially for review, which is not currently included in the Terms of Reference.

To ensure the Audit Committee's Terms of Reference are accurate and remain up to date, the Terms of Reference have been amended and presented within the agenda attachments. The following duties and responsibilities have been included:

- Receive and review the biennial Risk Report, identifying matters which require immediate action.
- Review the Audit Committee Terms of Reference every three years and report to Council for endorsement.

### CONSULTATION

Nil

### STATUTORY ENVIRONMENT

Requirements to establish a Terms of Reference for an Audit Committee are not specified in the *Local Government Act 1995* or the *Local Government (Audit) Regulations 1996*.

The Department of Local Government, Sport and Cultural Industries' Operational Guidelines for Audit in Local Government state "*Clear and comprehensive terms of reference, setting out the committee's roles and responsibilities, are essential and a model terms of reference for an audit committee is provided with this guideline.*"

### POLICY IMPLICATIONS

There are no policy implications relevant to this item.

### FINANCIAL IMPLICATIONS

There are no financial implications relevant to this item.

### STRATEGIC IMPLICATIONS

There are no strategic implications relevant to this item.

### ATTACHMENTS

Circulated with the agenda is the following item relevant to this report:

- *Audit Committee Terms of Reference* (Doc Id: SODR-2042075298-97233)  
**(Marked 4.1)**

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VOTING REQUIREMENT

Simple Majority

**OFFICER RECOMMENDATION**

**That it be recommended to Council to adopt the amended Terms of Reference for the Shire of Dandaragan's Audit Committee.**

## 4.2 **FIRST BIENNIAL RISK REPORT FOR THE 2024 / 25 FINANCIAL YEAR**

Location:	Shire of Dandaragan
Applicant:	Not Applicable
Folder Path:	SODR-878193511-11249
Disclosure of Interest:	Nil
Date:	20 March 2024
Author:	Brad Waters, Executive Manager Corporate & Community Services
Senior Officer:	Brent Bailey, Chief Executive Officer

### PROPOSAL

The purpose of this report is for the Audit and Risk Committee to receive the first Biennial Risk Report for the 2024 / 25 financial year.

### BACKGROUND

On 27 June 2024, Council endorsed updates to the Shire's Risk Management Framework and Policy.

The Risk Management Framework specifies that the Shire must submit a risk report to the Audit and Risk Committee biennially to communicate risk management activities and outcomes and provide information for decision-making.

### COMMENT

The first Biennial Risk Report for the 2024/25 financial year (the Risk Report) has been presented within the agenda attachments.

The Risk Report outlines the measure of consequence and likelihood for each risk theme (theme) endorsed in the Risk Management Framework. These measures are then applied to the Shire's Risk Matrix to provide an overall risk rating for each theme.

Across the 13 themes:

- 2 are rated as high.
- 9 are rated as moderate.
- 2 are rated as low.

The risk rating for each theme are as follows:

<b>Risk Theme</b>	<b>Measure of Consequence</b>	<b>Measure of Likelihood</b>	<b>Overall Risk Rating</b>
Asset Sustainability	Moderate	Possible	Moderate
Business and Community Disruption	Moderate	Possible	Moderate
Community Engagement	Moderate	Rare	Low
Compliance	Major	Unlikely	Moderate
Document Management	Moderate	Unlikely	Moderate
Employment Practices	Moderate	Unlikely	Moderate
Environment	Major	Possible	High
External Theft and Fraud	Moderate	Unlikely	Moderate

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Management of Facilities, Venues and Events	Minor	Unlikely	Low
IT, Communication Systems and Infrastructure	Moderate	Possible	Moderate
Misconduct	Moderate	Unlikely	Moderate
Safety and Security Practices	Major	Possible	High
Supplier and Contract Management	Moderate	Possible	Moderate

The risk rating Environment theme has been rated as high due to the potential consequences of inadequate prevention, identification, enforcement, and management of environmental issues. Actions identified by the Shire to mitigate this high risk include:

- Develop policies and procedures to support the operations of landfill and waste sites within the Shire.
- Complete the LPF Local Planning Scheme and Policy review.
- Complete Coastal Tracks Masterplan.
- Coastal Tracks Masterplan Implementation.

The risk rating for Safety and Security Practices theme has also been rated as high due to potential consequences of non-compliance with the Occupation Safety & Health Act, associated regulations and standards.

Actions identified by the Shire to mitigate this high risk include:

- Review Local Emergency Management Arrangements document and update if required.
- Review Incident / Hazard reporting and investigation procedure and update if required.
- Ensure hazardous substances safety data sheets and dangerous goods registers exist at all workplaces within the Shire.
- Develop schedule for safety audits and workplace inspections.

The Risk Report also outlines the controls for each theme and provides an overall control rating. Actions for inadequate controls have been identified by Shire staff with responsible staff and a due date allocated for each. All overall control ratings have been assessed as adequate with 31 actions across the 13 themes developed to improve internal systems and processes that address risk.

#### CONSULTATION

Nil

#### STATUTORY ENVIRONMENT

Nil

#### POLICY IMPLICATIONS

There are no policy implications relevant to this item.

#### FINANCIAL IMPLICATIONS

There are no financial implications relevant to this item.

**AGENDA FOR AUDIT COMMITTEE MEETING TO BE HELD MONDAY 12 AUGUST 2024****STRATEGIC IMPLICATIONS**

There are no strategic implications relevant to this item.

**ATTACHMENTS**

Circulated with the agenda is the following item relevant to this report:

- Risk Register August 2024 (Doc Id: SODR-878193511-11240)

***(Marked 4.2)***

**VOTING REQUIREMENT**

Simple Majority

**OFFICER RECOMMENDATION**

**That the Audit and Risk Committee:**

1. **Receive the first Biennial Risk Report for the 2024 / 25 financial year and;**
2. **Determine that there are no matters raised in the report that require immediate action.**

**5. CLOSURE OF MEETING**