



## Minutes of the Audit & Risk Management Committee

Held on 14 May 2025 and commence at 4:30pm

Held at the Council Chambers in Donnybrook

*(1 Bentley Street, Donnybrook)*

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**Authorised:**

Mr Nick O'Connor, Chief Executive Officer

**Prepared:**

5 June 2025

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## 1. Declaration of Opening / Announcement of Visitors

### **Acknowledgement of Country:**

The Chairperson acknowledged the continuing connection of Aboriginal people to Country, culture and community, including traditional custodians of this land, the Wardandi and Kaneang People of the Noongar Nation, paying respects to Elders, past and present.

The Chairperson declared the meeting open at 4:35pm.

## 2. Attendance

### **Members Present:**

Cr Vivienne MacCarthy

Cr John Bailey

Cr Alexis Davy

Mr Ian Telfer, External Member

Mr Angelo Loguidice, External Member

### **Staff Present:**

Nick O'Connor, Chief Executive Officer

Meta Hazeldine, Manager Financial Services

Ross Marshall, Director Operations

Loren Clifford, Acting Director Finance & Corporate

### **Other Members Present:**

Public Gallery: No members of the public were in attendance.

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### 2.1. Apologies

Nil.

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### 2.2. Approved Leave of Absence

Nil.

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### 2.3. Application for Leave of Absence

Nil.

## 3. Announcements from the Chairperson

Nil.

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#### 4. Declarations of Interest

Division 6: Sub-Division 1 of the *Local Government Act 1995*. Care should be taken by all Councillors to ensure that a financial/impartiality interest is declared and that they refrain from voting on any matter, which is considered to come within the ambit of the Act.

Nil.

#### 5. Public Question Time

##### 5.1. Responses to previous public questions that were taken on notice

Nil.

##### 5.2. Public Question Time

Nil.

#### 6. Confirmation of Minutes

##### 6.1. Audit and Risk Management Committee Meeting held on 18 March 2025

Minutes of the Audit and Risk Management Committee Meeting held 18 March 2025 are attached as Attachment 6.1(1).

#### EXECUTIVE RECOMMENDATION

**That the Minutes from the Audit and Risk Management Committee Meeting held 18 March 2025 be confirmed as a true and accurate record.**

<b>COMMITTEE RESOLUTION:</b> ARM9/05-25	
<b>MOVED BY:</b> Angelo Loguidice	<b>SECONDED BY:</b> Mr Ian Telfer

**That the Minutes from the Audit and Risk Management Committee Meeting held 18 March 2025 be confirmed as a true and accurate record.**

<b>For:</b> Cr MacCarthy, Cr Bailey, Cr Davy, Mr Loguidice, Mr Telfer
<b>Against:</b> Nil.
<b>Carried: 5/0</b>

## 7. Reports of Officers

### 7.1. Director Finance and Corporate

#### 7.1.1 Audit Findings Progress Report (March 25 – April 25)

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##### Report Details:

**Prepared by:** Loren Clifford, Acting Director Finance and Corporate

**Manager:** Nick O'Connor, Chief Executive Officer

**File Reference:** FNC 02A

**Voting Requirement:** Simple Majority

##### Attachment(s):

7.1.1(1) Audit Findings Progress Report (1 March 25 – 30 April 25)

### Executive Recommendation

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#### That the Audit and Risk Management Committee:

1. **Notes the update provided in Audit Findings Progress Report for the period covering 1 March 2025 - 30 April 2025** Attachment 7.1.1(1).

### Strategic Alignment

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The following outcomes from the Council Plan relate to this proposal:

**Outcome:** 11 - Strong, visionary leadership.

**Objective:** 11.1 - Provide strategically focused, open and accountable governance.

**Item:** Nil.

### Executive Summary

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It's requested that the Audit and Risk Management Committee (ARMC) notes the update provided on the Audit Findings Progress Report for the period covering March 2025 – April 2025.

### Background

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Under the *Local Government Act 1995* and associated regulations, the Shire is required to undertake several types of audits to ensure accountability and transparency. These Audit's consist of:

1. Financial Audits – The Shire must have their financial statements audited annually. This is mandated under Section 7.9 of the *Local Government Act 1995*.
2. Financial Management Review - is governed by Regulation 5(2) of the *Local Government (Financial Management) Regulations 1996*. This regulation requires the CEO to regularly review the appropriateness and effectiveness of the financial management systems and procedures of the local government, with a minimum frequency of once every three financial years.

3. Compliance Audits – The Shire must complete a compliance audit return (CAR) annually, which is reviewed by the ARMC, and Council then submitted to the Department of Local Government, Sport and Cultural Industries. This requirement is outlined in Regulation 14 of the *Local Government (Audit) Regulations 1996*.
4. Audit Regulation 17 Review - is a requirement under the *Local Government (Audit) Regulations 1996*. It requires the Chief Executive Officer (CEO) of a local government to review the appropriateness and effectiveness of the local government's systems and procedures in relation to:
  - Risk Management
  - Internal Control
  - Legislative Compliance
5. Internal Audits - While not explicitly mandated, internal audits are recommended as part of good governance practices. They help the Shire identify and mitigate risks proactively.

Regular reporting on progress and actions taken in response to audit findings to the Audit and Risk Management Committee should be undertaken to ensure transparency and accountability, demonstrating a commitment to addressing identified issues and improving governance.

### Risk Management

Risk:	Likelihood:	Consequence:	Risk Rating:
Compliance	Likely	Minor	Moderate (8)
Risk Description:	Not reporting updates on audit findings to the audit committee on a regular basis can lead to a lack of oversight, delayed corrective actions, and potential non-compliance with regulatory requirements.		
Mitigation:	Establish a reporting schedule and process as outlined in this report.		

### Financial Implications

Nil.

### Policy Compliance

Nil.

### Statutory Compliance

Nil.

## Consultation

An internal review of the findings contained in [Attachment 7.1.1\(1\)](#) were reviewed by key responsible officers, providing an Administration Update, and Status Update.

## Officer Comment

Regular reporting on progress and actions taken in response to audit findings remains a key accountability measure for the Shire. This practice supports transparency and demonstrates a commitment to governance improvement. All items identified from the Compliance Audit Return (CAR) have now been actioned and resolved. Good progress has also been made in addressing the outstanding items from internal audit surrounding the ICT Strategy and implementation of the new Electronic Document Records Management System (EDRMS).

This report does not include the recent Financial Management Review or the Audit Regulation 17 Review, as both are scheduled to be workshopped with Council in detail in June 2025. However, it should be noted that staff are actively implementing improvements as per the report presented to the committee at its last meeting.

Quarterly reporting will continue where there are findings to report, covering the five key audit areas:

1. Financial audits,
2. Financial Management Review,
3. Compliance audit,
4. Audit Regulation 17 Review, and
5. Internal audits.

The Audit and Risk Management Committee is requested to note the update provided in [Attachment 7.1.1\(1\)](#).

<b>COMMITTEE RESOLUTION:</b> ARM10/05-25	
<b>MOVED BY:</b> Mr Ian Telfer	<b>SECONDED BY:</b> Mr Angelo Loguidice

## That the Audit and Risk Management Committee:

1. **Notes the update provided in Audit Findings Progress Report for the period covering 1 March 2025 - 30 April 2025** [Attachment 7.1.1\(1\)](#).

<b>For:</b> Cr MacCarthy, Cr Bailey, Cr Davy, Mr Loguidice, Mr Telfer
<b>Against:</b> Nil.
<b>Carried: 5/0</b>

### 7.1.2 Risk Management Report/Update

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#### Report Details:

**Prepared by:** Loren Clifford, Acting Director Finance and Corporate

**Manager:** Nick O'Connor, Chief Executive Officer

**File Reference:** FNC

**Voting Requirement:** Simple Majority

**Attachment(s):**

7.1.2(1) Implementation Plan

### Executive Recommendation

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**That the Audit and Risk Management Committee:**

- 1. Notes the Risk Framework Implementation Plan in** Attachment 7.1.2(1).

### Officer Comment

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Following Council's adoption of the Risk Management Framework and Policy in December 2024, progress has been made in laying the foundation for a structured and consistent approach to risk management across the organisation.

#### Progress to Date

1. The Risk Management Framework and Policy were formally endorsed by Council in December 2024, establishing the guiding principles and responsibilities for managing risk.
2. A preliminary Risk Register has been developed using historical data from a previous Shire register and benchmarking against a neighbouring council's risk controls. This provides a starting point for identifying and assessing key organisational risks.
3. A structured workshop has been scheduled to engage relevant staff in reviewing and rating the identified risks and controls. This session is designed to promote shared understanding and ownership of risk management practices.

#### Next Steps

1. Staff will participate in a facilitated session to assess the likelihood and consequence of each risk, evaluate the effectiveness of current controls, and identify any gaps.
2. Based on workshop outcomes, the Risk Register will be updated to reflect accurate risk ratings and control assessments.
3. Risk considerations will be embedded into operational and strategic planning processes to ensure alignment with organisational objectives.
4. A schedule for regular review and reporting will be established to ensure risks are monitored, controls remain effective, and the framework continues to evolve with the organisation's needs and capacity.



This implementation plan represents a proactive step toward embedding a risk-aware culture and enhancing organisational resilience. The ARMC are requested to note the Implementation Plan as outlined in Attachment 7.1.2(1).

<b>COMMITTEE RESOLUTION:</b> ARM11/05-25		
<b>MOVED BY:</b>	Cr Alexis Davy	<b>SECONDED BY:</b> Mr Ian Telfer

**That the Audit and Risk Management Committee:**

**1. Notes the Risk Framework Implementation Plan in** Attachment 7.1.2(1).

<b>For:</b> Cr MacCarthy, Cr Bailey, Cr Davy, Mr Loguidice, Mr Telfer
<b>Against:</b> Nil.
<b>Carried: 5/0</b>

8. Meetings Closed to the Public

8.1. Matters for which the Meeting may be closed

Nil.

8.2. Public reading of Resolutions that may be made public

Nil.

9. Closure

The Chairperson advised that the next Audit and Risk Management Committee Meeting is scheduled for 8 October 2025.

The Chairperson declared the meeting closed 4:51pm.