



# MINUTES

## AUDIT & RISK MANAGEMENT COMMITTEE

to be held on

**Wednesday, 23 July at 12.30pm**

at the

**Shire of Morawa Council Chambers,  
26 Winfield Street, Morawa**



WESTERN AUSTRALIA'S  
**WILDFLOWER COUNTRY**

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## DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS

*Local Government Act 1995 – Section 5.65, 5.70 and 5.71 Local Government (Administration) Regulation 34C*

<i>This form is provided to enable members and officers to disclose an Interest in a matter in accordance with the regulations of Section 5.65, 5.70 and 5.71 of the Local Government Act and Local Government (Administration) Regulation 34C</i>			
Name of person declaring the interest			
Position			
Date of Meeting			
Type of Meeting (Please circle one)	Council Meeting/ Committee Meeting/ Special Council Meeting Workshop/ Public Agenda Briefing/ Confidential Briefing		
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Important Note:** Should you declare a **Financial** or **Proximity** Interest, in accordance with the Act and Regulations noted above, you are required to leave the room while the item is being considered. For an **Impartiality** Interest, you must state the following prior to the consideration of the item:

*“With regard to agenda item (read item number and title), I disclose that I have an impartiality interest because (read your reason for interest). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.”*

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**Item 1 Opening of Meeting**

The Presiding Member to declare the meeting open at 12.31pm.

**Item 2 Acknowledgement of Traditional Owners and Dignitaries**

The Presiding Member acknowledges the traditional custodians, the Yamatji people, and recognises the contribution of Yamatji Elders past, present and future, in working together for the future of Morawa.

**Item 3 Recording of Attendance****3.1 Attendance****Committee Members**

Mr Nils Hay Independent Member and Presiding Member)  
President Councillor Karen Chappel  
Deputy President Councillor Ken Stokes  
Councillor Mark Coaker

**Staff**

Chief Executive Officer	Michael Cole
Executive Manager Corporate and Community Services	Brad Douglas

**Auditors**

Armada Accountants (Online)	Marcia Johnson
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**3.2 Apologies**

Councillor Diana North

**3.3 Approved Leave of Absence**

Nil

**3.4 Disclosure of Interests**

Nil

**Item 4 Applications for Leave of Absence**

Nil

**Item 5 Response to Previous Questions**

Nil

**Item 6 Questions from Members without Notice**

Nil

**Item 7 Announcements by Presiding Member without Discussion**

Nil

**Item 8 Declarations of All Members to have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting**

The Committee Members to declare that they had given due consideration to all matters contained in the agenda.

- Mr Nils Hay (Independent Member and Presiding Member)
- President Councillor Karen Chappel
- Deputy President Councillor Ken Stokes
- Councillor Mark Coaker

**Item 9 Confirmation of Minutes of Previous Meeting**

The Minutes of the 20 March 2025 Audit & Risk Management Committee Meeting were provided under separate cover via the Shire of Morawa's secure portal to all Councillors on 27 March 2025.

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**OFFICER'S RECOMMENDATION/ RESOLUTION****250701****Moved: Cr Stokes****Seconded: Cr Coaker**

**That the Audit & Risk Management Committee Meeting Minutes held on Thursday, 20 March 2025 are confirmed to be a true and correct record.**

***CARRIED BY SIMPLE MAJORITY 4/0***

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*Disclaimer*

*Members of the public are cautioned against taking any action on Council decisions, on items in this agenda in which they may have an interest, until formal notification in writing from the Shire has been received. Decisions made at this meeting can be revoked pursuant to the Local Government Act 1995.*

**Item 10 Reports of Officers****10.1 2022-2023 Regulation 17 Actions Update**

**Author:** Chief Executive Officer

**Authorising Officer:** Chief Executive Officer

**Disclosure of Interest:** The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

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**OFFICER'S RECOMMENDATION/ RESOLUTION****250702****Moved: Cr Chappel****Seconded: Cr Coaker**

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

- 1. Notes the Reg 17 review update for July 2025 and accepts the actions taken so far.**

***CARRIED BY SIMPLE MAJORITY 4/0***

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**PURPOSE**

For the Audit & Risk Management Committee to be updated on the status of the action items relating to the 2023 Regulation 17 Assessment.

**DETAIL**Background

The Audit & Risk Management Committee (Committee) is responsible for the oversight of actions related to the *Local Government (Audit) Regulations 1996*. Regulation 17 states that the CEO is to review certain systems and procedures relating to risk management, internal control, and legislative compliance at least once in every three financial years.

The last Regulation 17 review was conducted in 2022/2023 by Civic Legal as an experienced Local Government specialised legal firm. It is proposed to undertake the next Regulation 17 review in conjunction with the Financial Management Review.

Regulation 17 reviews are not pass or fail and centre around embedding continuous improvement within the organisation.

A number of suggested actions were highlighted as part of the review's findings. Council has previously endorsed the CEO's allocated timeframes against each action with the goal of delivering all actions by the time of the next review in 2026.



### Update

A full update is provided in *Attachment 1*. Procedure and plan development delays are an unfortunate outcome of workforce shortages and resource constraints, but all critical items have been reviewed and the current stage of development is a further enhancement or documentation of existing practices.

## **LEVEL OF SIGNIFICANCE**

Medium – achieving the agreed upon action items within delivery timeframe will ensure continued improvement and compliance enhancements.

## **CONSULTATION**

Senior Management Team

## **LEGISLATION AND POLICY CONSIDERATIONS**

*Local Government Act 1995*

*Local Government (Audit) Regulations 1996*

**Strategic Community Plan 2022 to 2032**

N/A

## **FINANCIAL AND RESOURCES IMPLICATIONS**

The delivery of some action items will involve consultant support or significant current workload reallocation. This will fall within normal budgetary constraints.

## **RISK MANAGEMENT CONSIDERATIONS**

The Regulation 17 Audit is essentially a risk mitigation/identification measure focussed on providing the Committee with information relating to potential systems or procedure risk areas. The current outcomes are falling behind schedule which increases the risk of not all items being completed by 2026, this is a risk but the Shire would need to pivot resources away from other key deliverables in order to achieve the current timeframes.

## **CONCLUSION**

The CEO has continued to work towards achieving organisation wide compliance, with a status update of the Regulation 17 Review action items as presented above.

## **ATTACHMENTS**

*Attachment 1 – 10.1a Shire of Morawa Reg 17 Action Items – July 2025 Update*

**10.2 2024-25 Management Letter – Interim Audit**

**Author:** Executive Assistant

**Authorising Officer:** Chief Executive Officer

**Disclosure of Interest:** The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

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**OFFICER'S RECOMMENDATION/ RESOLUTION****250703****Moved: Cr Stokes****Seconded: Cr Coaker**

**That the Audit Committee:**

- 1. Notes the Interim Audit Letter and the Management Comments including actions and timeframes relating to the management response to findings**

***CARRIED BY SIMPLE MAJORITY 4/0***

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**PURPOSE**

For the Audit Committee to review the findings of the interim audit and the proposed actions of the administration.

**DETAIL**

As part of the normal annual financial audit processes, the Shire's auditors conduct an interim audit each year to review the overall control environment, to build an understanding of business processes, risks, and controls relevant to the audit of the annual financial statements.

The interim audit for the Annual Financial report for the year ended 30 June 2024, was conducted onsite during the period 19 to 22 May 2025.

An exit interview was held with the CEO on 22 May 2025, with all items raised in the Interim Audit Letter raised at this time. The management letter associated with the interim audit was first received by management for comment on 23 June 2024, with the contract auditors and Office of the Auditor General finalising the letter on 05 July 2024.

Two significant findings were raised by the auditors. The first relates to the overdue Financial Management Review (FMR). In accordance with Local Government (Financial Management) Regulations 1996 Part 2 Para 5 (2)(c) the financial management reviews are to be performed not less than once in every 3 financial years. The last FMR was completed in January 2022 and was scheduled to be undertaken in 2024 but not progressed due to turnover of key staff. The FMR will now be undertaken in second half of 2025 instead.

The second relates to the Shire being unable to provide proof of the submission of the 2024-25 Annual Budget to the Department. In accordance with Local Government (Financial Management)

Regulations 1996 33(1) a copy of the annual budget is to be provided to the Department within 14 days after adoption by council. Measures have been put in place to ensure that this is complied with in subsequent years.

**LEVEL OF SIGNIFICANCE**

Medium – the Interim Audit letter represents a pre-end of year review and does not form part of the end of year audit outcome unless a significant failing or misstatement is found and not resolved.

**CONSULTATION**

Armada Auditing  
Senior Management Team

**LEGISLATION AND POLICY CONSIDERATIONS**

Local Government Act 1995  
Local Government (Audit) Regulations 1996

**STRATEGIC AND SUSTAINABILITY IMPLICATIONS****Strategic Community Plan 2022 – 2032****Be future focused in all we do:**

Ensure the Shire and its assets are well resourced and sustainable.

**FINANCIAL AND RESOURCES IMPLICATIONS**

Nil

**RISK MANAGEMENT CONSIDERATIONS**

The Interim Audit is a risk management practice in itself and the auditors findings are always welcomed as they highlight areas of improvement for the Shire. In terms of the findings, all have been addressed. There are no major financial impacts or fraud risks detected..

**CONCLUSION**

**The management team has reviewed the auditor's findings and provided appropriate comments and timeframes for actions.**

**ATTACHMENTS**

Attachment 1 – 10.2.1 Interim Management Letter

<b>Item 11     Motions of Which Previous Notice Has Been Given</b>
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Nil

<b>Item 12     New Business of an Urgent Nature</b>
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Nil

<b>Item 13     Closure</b>
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### **13.1   Date of Next Meeting**

The next Audit & Risk Management Committee will be held on Monday 8 December 2025 commencing at 6.00pm.

### **13.2   Closure**

There being no further business, the Presiding Member declared the meeting closed at 12.40pm.