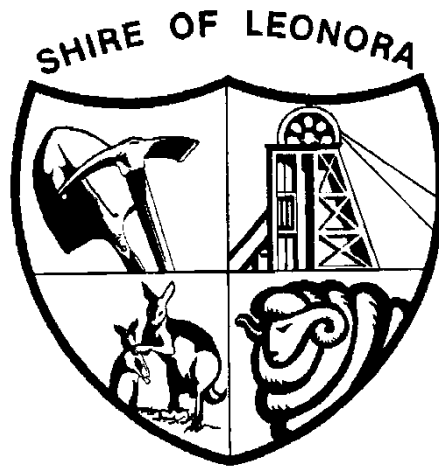


# SHIRE OF LEONORA



**MINUTES OF AUDIT AND RISK COMMITTEE MEETING  
HELD IN COUNCIL CHAMBERS, LEONORA  
ON TUESDAY 17TH SEPTEMBER, 2024  
COMMENCING AT 9:04AM.**

**SHIRE OF LEONORA**  
**ORDER OF BUSINESS FOR MEETING HELD**  
**TUESDAY 17TH SEPTEMBER, 2024.**

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**1.0 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS / FINANCIAL INTEREST DISCLOSURES**

**1.1 The Shire President Cr. Peter Craig declared the meeting open at 9:04am.**

**1.2 Visitors or members of the public in attendance**  
Nil

**1.3 Financial/Other Interest Disclosures**  
Nil

**2.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE**

**2.1 Attendance**

President (Chairperson)	PJ Craig
Deputy President	RA Norrie
Councillors	RM Cotterill
	F Harris
	AE Taylor
	TM Nardone
Chief Executive Officer	TD Matson
Manager Community Services	A Baxter
Governance Officer	A Matson
Executive Assistant	SC Watene
Finance Officer	K Livesey

**Visitors**

**2.2 Apologies**  
Councillor LR Petersen

**2.3 Leave of Absence**  
Nil

**2.4 Applications for Leave of Absence**  
Nil

Signed: 17 December 2024  
President: \_\_\_\_\_

### 3.0 CONFIRMATION OF MINUTES FROM PREVIOUS MEETING

#### COMMITTEE DECISION

Moved: Cr RA Norrie

Seconded: Cr AE Taylor

That the minutes of the Audit and Risk Committee Meeting held on 18 June, 2024 be confirmed.

**CARRIED (7 VOTES TO 0)**

*For; Cr PJ Craig, Cr RA Norrie, Cr RM Cotterill,  
Cr AE Taylor; Cr TM Nardone, Cr F Harris*

## 4.0 REPORTS

### 4.1 CHIEF EXECUTIVE OFFICER REPORTS

#### 4.1.(A) RISK MANAGEMENT UPDATES - SEPTEMBER 2024

**SUBMISSION TO:** Audit and Risk Committee Meeting  
Meeting Date: 17th September 2024

**AGENDA REFERENCE:** 4.1.(A) SEP 24

**SUBJECT:** Risk Management Updates - September 2024

**LOCATION/ADDRESS:** Leonora

**NAME OF APPLICANT:** Leonora

**FILE REFERENCE:** 1.10 - Audits - Reports & Minutes

**AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT**

**NAME:** Kiara Lord

**OFFICER:** Manager Business Services

**INTEREST DISCLOSURE:** Nil

**DATE:** 11th September 2024

**SUPPORTING DOCUMENTS:** 1. Risk Updates Summary - September 2024 [↓](#)

#### BACKGROUND

From 1 July 2022, the Shire of Leonora sought proposals through Vendor Panel from external consultants for compliance and governance services, which included risk management support services. Moore Australia (WA) were successful with their proposal and have been engaged to provide compliance and risk management support services for 2022, 2023 & 2024.

The Shire's Risk Management Strategy, as previously reviewed by the Audit and Risk Committee, and the Shire's risk management policy (previously adopted by Council) align to AS/NZS ISO 31000:2018 Risk Management Guidelines. The Risk Management Strategy is prepared utilising the Principles, Framework and Process as defined within the standard, considers the context of the Shire and conforms to the requirements of the standard by providing the necessary guidance and direction to be followed by the Shire in its risk management activities, aligned to the risk management policy.

The guidance and direction within the Risk Management Strategy includes the assessment, prioritisation and communication of risk. This includes the reporting of risks through the Audit and Risk Committee. The reporting of risk management activities historically occurred through quarterly 'dash board reports', bi-annual 'summary reports' and an annual 'risk control assurance workshop', which will continue through the Shire's current engagement with Moore Australia.

To date, workshops have been held onsite with on 13 March 2023, 1 June 2023 and 20 May 2024 to review risk profiles, controls, consider emerging or new risks as well as to set out planned control assurance activities for the year. Desktop reviews of the risk profiles are carried out as required, and most recently on 6 September 2024. The desktop review incorporates observations and updates to current controls and risk treatments, records these updates within the current risk profiles, and to the risk register. Further site visits by Moore Australia WA have been undertaken in August 2023, November 2023, February 2024 as part of risk management activities and other engaged services.

Following these workshops and desktop reviews, updates to the risk profiles have been made, and the risk register populated with updated information to be reported to the Audit and Risk Committee.

These activities continue to form the foundation for risk management activities to be reported and monitored through the Audit and Risk Committee.

**COMMENT:**

The most recent risk updates from the desktop review on 6 September 2024 have been undertaken with consideration to the impact of changes in operations and organisational structure in the last twelve months. Further updates and improvements to the risk management strategy are also progressing with Moore Australia WA, which are expected to be completed and presented in the next reporting period.

The risk summary report is to be provided bi-annually to the committee. This report enables analysis of what has changed for the organisation, and whether these changes result in new or emerging risks against each risk profile. This subsequently allows for the risk register to be updated, and to summarise new risks or changes to existing risks for the committee. The risk summary report highlighting risk changes identified against each profile since the last review, including actions and treatments in place for high level risks, was provided at an information session for the committee.

A quarterly dashboard report is essentially a progress report informing the committee with a summary of the current number of risks, unaddressed high-level risks, total new risks etc. The table below demonstrates the format of quarterly reports to the committee communicating risk movements.

<b>Risk Category</b>	<b>No. of High or Extreme Rated Risks Identified</b>	<b>No. of High or Extreme Rated Risks after Treatment (Residual Risk)</b>	<b>No. of New Risks Identified (September 2024)</b>	<b>No. of Risks Closed (September 2024)</b>
Performance	2	1	0	0
Environmental	3	2	0	0
Reputational Damage	2	1	0	0
Financial	5	3	0	0
Service Delivery / Business Interruption	5	3	0	0
Legislative / Regulatory / Policy/ Work, Health & Safety	6	1	0	0

Discussions with Moore Australia as well as future site visits will be undertaken to further update risk profiles, actions and treatments for the next reporting period. These reports will be updated for the next meeting for committee information.

**CONSULTATION**

Moore Australia (Consultants)

## **STATUTORY ENVIRONMENT**

Regulation 17.1 of the *Local Government (Audit) Regulations 1996* requires the CEO to monitor the appropriateness and effectiveness of systems and procedures in regard to risk management, internal controls and legislative compliance.

## **POLICY IMPLICATIONS**

The Risk Management Policy outlines the Shire's commitment and approach to managing risks impacting on day-to-day operations and the delivery of strategic objectives.

## **FINANCIAL IMPLICATIONS**

Provision is included in the 2024/25 Adopted Budget for Moore Australia to deliver compliance and governance services, including risk management support, in line with the awarded Vendor Panel RFQ.

## **RISK ASSESSMENT**

This item has been evaluated against the Shire's Risk Management Strategy, Risk Assessment Matrix. The perceived level of risk is high prior to treatment. The progression of risk management activities aligned with the Risk Management Strategy will reduce the risk to medium.

## **STRATEGIC IMPLICATIONS**

One of Council's responsibilities in risk management is to be satisfied risks are identified, managed and controlled appropriately, to achieve the Shire's strategic objectives, as well as to support the allocation of funds / resources to treat risks as required.

The Chief Executive Officer and executive team play a key role in the establishment and development of an effective risk management framework. To ensure the successful delivery of the strategic planning objectives, the strategy requires ongoing monitoring and revision for alignment to the Plan for the Future.

One role of the audit committee is to monitor identified strategic high level risks and their treatment solutions to ensure the community receives the services delivered effectively, as outlined within the Plan for the Future.

Monitoring and reviewing activities will continue to provide evidence of the appropriateness and effectiveness of systems and procedures in regard to risk management, internal control and legislative compliance, as required by the *Local Government (Audit) Regulations 1996*. The Risk Management Strategy also provides direction for the implementation of risk management activities.

Strategic references within the Shire of Leonora's Plan for the Future 2021-2031 demonstrate connections between services and the desired outcomes and community vision for the Shire of Leonora, particularly in relation to Leadership objective, outcomes and strategies such as 4.1.2.4 Provide appropriate governance and leadership to the Shire, 4.2.1.3 Seek high level of compliance in organisational practices.

**RECOMMENDATIONS**

That the Audit and Risk Committee receive the summary of updates to the risk profiles, the risk register and risk profiles up to September 2024, and the above report updating risk management activities undertaken to date.

**VOTING REQUIREMENT**

Simple Majority

**SIGNATURE**

\_\_\_\_\_  
Chief Executive Officer

**COMMITTEE DECISION**

**Moved:** Cr RA Norrie

**Seconded:** Cr AE Taylor

That the Audit and Risk Committee receive the summary of updates to the risk profiles, the risk register and risk profiles up to September 2024, and the above report updating risk management activities undertaken to date.

**CARRIED (7 VOTES TO 0**  
*For; Cr PJ Craig, Cr RA Norrie, Cr RM Cotterill,  
Cr AE Taylor; Cr TM Nardone, Cr F Harris]*



## Shire of Leonora – September 2024 Risk Updates Summary

Risk Category	Risk Profile Update	Risk Register Update
All risk categories/general	<ul style="list-style-type: none"> <li>• Updates to due dates for risk treatments as developed in workshop with leadership team.</li> <li>• Responsible officer updates applied to reflect current positions occupied within organisational structure.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk re-assessment dates updated.</li> <li>• Risk ratings for all categories may require further updates, additional changes to be advised through future risk management reports.</li> </ul>
Performance	Risk treatment/actions/updates amended: <ul style="list-style-type: none"> <li>• Updates to due dates for ongoing tasks following progress review / updates.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk 13 updated to note progression of planned controls including improvement of contract register and management systems, and completion of training to assist with these efforts. Future actions updated to progress contract register and supporting procedures.</li> <li>• Risk 14 new actions updated and continue to reference the progression of implementation of systems for maintenance planning and schedules including system for monitoring and reporting of outstanding maintenance items.</li> </ul>
Environmental Risk	Risk treatment/actions/updates amended: <ul style="list-style-type: none"> <li>• Updates to due dates for ongoing tasks following progress review / updates.</li> </ul>	<ul style="list-style-type: none"> <li>• Risks 4 &amp; 5 new actions updated to note the continued monitoring of CCTV to assist with compliance monitoring and revenue controls.</li> <li>• Risk 24 updated to note completion of management plan of hazardous materials, which includes summary register of properties. Future actions updated to maintain newly developed register, and to progress planning to action prioritised improvements identified etc.</li> </ul>
Reputational Damage	Risk treatment/actions/updates amended: <ul style="list-style-type: none"> <li>• Updates to due dates for ongoing tasks following progress review / updates.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk 19 new actions updated to reflect progression of activities for staff training matrix and completion of Code of Conduct refresher training with staff. Future actions remain and minor update to reflect intended ongoing cycle of training.</li> <li>• Risk 20 controls and future actions remain.</li> </ul>

## Shire of Leonora – September 2024 Risk Updates Summary

Risk Category	Risk Profile Update	Risk Register Update
Financial	Risk treatment/actions/updates amended: <ul style="list-style-type: none"> <li>• Updates to due dates for ongoing tasks applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk 10 controls and future actions remain.</li> <li>• Risk 11 action updated to reflect ongoing procurement training requirements (and progression of development of training matrix) etc.</li> <li>• Risk 12 new actions updated noting ongoing review of training matrix as service planning occurs. Future actions remain and minor update to reflect intended ongoing cycle of training</li> <li>• Risk 21 new actions updated to noted finalised IT Strategic Plan and implementation plan completed 31/08/2024. and consideration for security review. Future actions remain to reference progression of the IT strategic plan, and minor update included for 2024/25 security review to be undertaken.</li> </ul>
Service Delivery/Business Interruption	Risk treatment/actions/updates amended: <ul style="list-style-type: none"> <li>• Updates to due dates for ongoing tasks applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk 2 actions updated to note completion of IT Strategic Plan review receipt of final report. Findings/improvements included developing and testing continuity and disaster recovery plans. Future action updated to correlate and also to include articulation of implementation plan for IT Strategic Plan improvements identified.</li> <li>• Risk 16 actions updated to reflect completion of review of IT Strategic Plan. Also notes requirement for development of implementation plan relating to identified improvements.</li> <li>• Risk 17 new actions modified to note implementation of asset maintenance systems and planned completion of service plans by managers during September 2024.</li> </ul>

## Shire of Leonora – September 2024 Risk Updates Summary

Risk Category	Risk Profile Update	Risk Register Update
Legislative/Regulatory /Policy/ Work Health & Safety	Risk treatment/actions/updates amended: <ul style="list-style-type: none"> <li>• Updates to due dates for ongoing tasks applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk number 1 action updated to reflect ongoing procurement training requirements (through development of training matrix) and development of procedures as service plans are completed during September 2024.</li> <li>• Risk 8 actions note progression of WHS audit, continued implementation of improvements and planned independent review of progress over prior 12-18 months. Future actions also updated to note completion of prior consultancy/engagement and intended future engagement of consultants where required.</li> <li>• Risk number 9 actions remain unchanged.</li> <li>• Risk 18 updated to note service plan and associated procedures as well as training matrix development for procurement and other controls as service plans are completed during September 2024.</li> <li>• Risk 25 identified through risk assurance workshop held 20/05/2024 relating to legislative compliance for indigenous heritage surveys remains unchanged.</li> </ul>

## 4.0 REPORTS

### 4.2 MANAGER OF BUSINESS SERVICES REPORTS

#### 4.2.(A) RELATED PARTY TRANSACTIONS AND DISCLOSURES

**SUBMISSION TO:** Audit and Risk Committee Meeting  
Meeting Date: 17th September 2024

**AGENDA REFERENCE:** 4.2.(A) SEP 24

**SUBJECT:** Related Party Transactions and Disclosures

**LOCATION/ADDRESS:** Leonora

**NAME OF APPLICANT:** N/A

**FILE REFERENCE:** 1.8

#### AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

**NAME:** Kiara Lord

**OFFICER:** Manager Business Services

**INTEREST DISCLOSURE:** Nil

**DATE:** 11th September 2024

**SUPPORTING DOCUMENTS:** Nil

#### BACKGROUND

In accordance with AASB 124 *Related Party Disclosures*, local governments must disclose in the annual financial statements related party relationships, transactions, and outstanding balances (including commitments) from 1 July 2016. Related parties include Key Management Personnel (KMP), which in the Shire of Leonora's case will include all elected members and executive staff, their close family members and any entities that they control or jointly control. The disclosure requires any transactions with these parties, whether monetary or not, to be identified and assessed whether disclosure is required or not. A disclosure may be in aggregate and will only occur where a transaction has occurred.

Regarding the disclosures, the following approach was developed in a workshop held at the June 2017 Audit and Risk Committee Meeting to ensure that management can properly address the requirements of the accounting standard:

- A procedure / guide for related party disclosures to be established, which includes the updating of returns quarterly through the Audit and Risk Committee Meetings
- Establishment of a system to identify and record related parties of KMPs
- Establishment of a system to identify and record related party relationships of KMPs
- Establishment of a system to identify and record related party transactions
- Identify 'Ordinary Citizen Transactions' (OCTs) that will not be disclosed by Council
- Create declaration forms to be completed by KMPs
- Set a materiality threshold for management to apply when assessing transactions for inclusion in the financial statements
- Identified the need for a separate workshop to be scheduled for newly elected members and
- For the Audit and Risk Committee to recommend any changes required to the above processes

## STATUTORY ENVIRONMENT

Disclosures were required from Local Government entities from 1 July 2016 in accordance with AASB 124 *Related Party Disclosures*, with the first disclosures made in the Financial Statements for the year ended 30 June 2017.

## POLICY IMPLICATIONS

There are no policy implications resulting from the recommendation of this report.

## FINANCIAL IMPLICATIONS

There are no financial implications resulting from the recommendation of this report that will have any detrimental effect on the Shire's finances.

## STRATEGIC IMPLICATIONS

Strategic References within the Shire of Leonora Strategic Community Plan 2017-2027 demonstrate connections between services and the desired outcomes and community vision for the Shire of Leonora, particularly in relation to Governance services in this instance such as 4.1 Efficient service offerings to the community, 4.2 Effective and open engagement with all sections of the community, 4.5 Strong leadership and planning.

## RECOMMENDATIONS

That the Audit and Risk Committee note the approach taken and the systems established by management with regard to addressing the requirements of *AASB 124 Related Party Disclosures*.

## VOTING REQUIREMENT

Simple Majority

## SIGNATURE

\_\_\_\_\_  
Deputy Chief Executive Officer

## COMMITTEE DECISION

**Moved:** Cr F Harris

**Seconded:** Cr RM Cotterill

That the Audit and Risk Committee note the approach taken and the systems established by management with regard to addressing the requirements of *AASB 124 Related Party Disclosures*.

**CARRIED (7 VOTES TO 0)**

*For; Cr PJ Craig, Cr RA Norrie, Cr RM Cotterill,  
Cr AE Taylor; Cr TM Nardone, Cr F Harris]*

Signed:  
President:

**AUDIT AND RISK COMMITTEE MEETING MINUTES**

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**17 SEPTEMBER 2024**

**5.0 NEXT MEETING**

Tuesday 17th December 2024 @ 9:00am

**6.0 CLOSURE OF MEETING**

There being no further business, the Chairperson, Shire President Peter Craig declared the meeting closed at 9:12am.