11.1 **Chief Executive Officer**

<table>
<thead>
<tr>
<th>ITEM NO</th>
<th>SUBJECT</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.1.1</td>
<td>CAPES REGION ORGANISATION OF COUNCILS (CAPEROC) MEETING MINUTES – 19 FEBRUARY 2020</td>
<td>1</td>
</tr>
<tr>
<td>11.1.2</td>
<td>AUDIT AND RISK MANAGEMENT COMMITTEE MEETING MINUTES – 11 MARCH 2020</td>
<td>15</td>
</tr>
</tbody>
</table>
11.1 Chief Executive Officer

11.1.1 CAPES REGION ORGANISATION OF COUNCILS (CAPEROC) MEETING MINUTES – 19 FEBRUARY 2020

Attachment 1 – CapeROC Meeting Minutes – 19 February 2020
CapeROC

Capes Region Organisation of Councils

MINUTES

19th February, 2020
at 9.45am
# MINUTES OF THE CAPES REGION ORGANISATION OF COUNCILS MEETING

HELD ON 19th FEBRUARY, 2020 AT 9.45AM AT THE CITY OF BUSSELTON

## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>SUBJECT</th>
<th>PAGE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>ATTENDANCE AND APOLOGIES ......................................................</td>
<td>3</td>
</tr>
<tr>
<td>2.</td>
<td>CONFIRMATION OF MINUTES ..........................................................</td>
<td>4</td>
</tr>
<tr>
<td>2.1</td>
<td>Minutes of the meeting of CapeROC 15th November, 2019 .................</td>
<td>4</td>
</tr>
<tr>
<td>3.</td>
<td>PRESENTATIONS/GUESTS ...............................................................</td>
<td>4</td>
</tr>
<tr>
<td>3.1</td>
<td>David Willcox, Common Ground Trails .........................................</td>
<td>4</td>
</tr>
<tr>
<td>4.</td>
<td>BUSINESS ARISING FROM PREVIOUS MEETINGS ....................................</td>
<td>4</td>
</tr>
<tr>
<td>5.</td>
<td>GENERAL UPDATES ........................................................................</td>
<td>4</td>
</tr>
<tr>
<td>5.1</td>
<td>Regional Trails Strategy ..........................................................</td>
<td>4</td>
</tr>
<tr>
<td>5.2</td>
<td>City of Busselton Wadandi Track Development Strategy .....................</td>
<td>6</td>
</tr>
<tr>
<td>5.3</td>
<td>‘Our Unbeaten Track’ Proposal ......................................................</td>
<td>7</td>
</tr>
<tr>
<td>5.4</td>
<td>Busselton Margaret River Airport Project Update ..............................</td>
<td>9</td>
</tr>
<tr>
<td>5.5</td>
<td>CapeROC Budget Update ..............................................................</td>
<td>9</td>
</tr>
<tr>
<td>6.</td>
<td>REPORTS ......................................................................................</td>
<td>11</td>
</tr>
<tr>
<td>6.1</td>
<td>Events Calendar ..........................................................................</td>
<td>11</td>
</tr>
<tr>
<td>7.</td>
<td>GENERAL DISCUSSION ITEMS ..........................................................</td>
<td>12</td>
</tr>
<tr>
<td>7.1</td>
<td>The Focus of CapeROC – Stephanie Addison-Brown and Mike Archer ........</td>
<td>12</td>
</tr>
<tr>
<td>7.2</td>
<td>Roundtable Discussion ..................................................................</td>
<td>13</td>
</tr>
<tr>
<td>8.</td>
<td>NEXT MEETING ............................................................................</td>
<td>13</td>
</tr>
<tr>
<td>9.</td>
<td>CLOSURE ......................................................................................</td>
<td>13</td>
</tr>
</tbody>
</table>
1. **ATTENDANCE AND APOLOGIES**

Cr. Henley welcomed all to the meeting and noted attendance and apologies.

**ATTENDANCE**

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairperson</td>
<td>Cr. Grant Henley, Mayor, City of Busselton</td>
</tr>
<tr>
<td>Members</td>
<td>Cr. Ian Earl, Shire President, Shire of Augusta Margaret River</td>
</tr>
<tr>
<td></td>
<td>Cr. Kylie Kenneugh, Shire of Augusta Margaret River</td>
</tr>
<tr>
<td></td>
<td>Cr. Paula Cristoffanini, Shire of Augusta Margaret River</td>
</tr>
<tr>
<td></td>
<td>Cr. Kelly Hick, Deputy Mayor, City of Busselton</td>
</tr>
<tr>
<td></td>
<td>Cr. Kate Cox, City of Busselton</td>
</tr>
<tr>
<td></td>
<td>Ms. Stephanie Addison-Brown, CEO, Shire of Augusta Margaret River</td>
</tr>
<tr>
<td>Secretariat</td>
<td>Mr. Mike Archer, CEO, City of Busselton</td>
</tr>
<tr>
<td></td>
<td>Ms. Julie Rawlings, Strategic Projects/Grants Officer, City of Busselton</td>
</tr>
<tr>
<td>Officers (as required)</td>
<td>Mr. David Nicholson, Manager, Asset Services, Shire of Augusta Margaret River</td>
</tr>
<tr>
<td></td>
<td>Mr. James Shepherd, Director, Corporate and Community Services</td>
</tr>
<tr>
<td></td>
<td>Naomi Searle, Director, Community &amp; Commercial Services</td>
</tr>
<tr>
<td></td>
<td>Mr. Oliver Darby, Director, Engineering Works and Services, City of Busselton</td>
</tr>
<tr>
<td></td>
<td>Daniell Abrahamse, Manager, Engineering and Technical Services</td>
</tr>
<tr>
<td></td>
<td>Ms. Peta Tuck, Events Co-ordinator, City of Busselton</td>
</tr>
<tr>
<td>Guests</td>
<td>David Willcox, Common Ground Trails</td>
</tr>
</tbody>
</table>

**APOLOGIES**

Tony Brown, WA Local Government Association (WALGA)
2. CONFIRMATION OF MINUTES

2.1 Minutes of the meeting of CapeROC 15th November, 2019

RECOMMENDATION: That the minutes of the meeting of the Capes Region Organisation of Councils held 15th November, 2019 be confirmed as a true and correct record.

CAPEROC DECISION:
Moved Cr. Earl Seconded Cr. Hick
That the minutes of the meeting of the Capes Region Organisation of Councils held 15th November, 2019 be confirmed as a true and correct record.
CARRIED UNANIMOUSLY

3. PRESENTATIONS/GUESTS

3.1 David Willcox, Common Ground Trails

David Willcox is the consultant that has prepared the Regional Trails Strategy funded by CapeROC.

4. BUSINESS ARISING FROM PREVIOUS MEETINGS

<table>
<thead>
<tr>
<th>ACTION ITEMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
</tr>
<tr>
<td>Nil.</td>
</tr>
</tbody>
</table>

5. GENERAL UPDATES

5.1 Regional Trails Strategy

RESPONSIBLE OFFICER: David Nicholson, Acting Director Infrastructure Services (SAMR)

ATTACHMENTS: The Strategy will be sent under separate cover post the meeting.

PRESENTATION: Presentation by David Willcox, Common Ground Trails

IN BRIEF

In February 2017, the need for a Capes Regional Trails strategy was identified by CapeROC members. At the November 2017 meeting CapeROC resolved to appoint the Augusta Margaret River Shire to proceed with RFQ’s to prepare a Capes Regional Trails Strategy. At its February 2018 meeting CapeROC endorsed the consultant’s brief and authorised the Shire of Augusta Margaret River to prepare a Request for Quotation and invite quotations from three suitably qualified and experienced consultants.
The Shire of Augusta Margaret River proceeded with advertising and recruiting an appropriately experienced consultant, David Willcox of Common Ground Trails to undertake the project, within a budget of $30,000.

The project scope was endorsed with the following objectives:

- Review of current trails in the area
- Stakeholder consultation to identify strength and gaps in the current trail networks
- Identify present and future trails with a focus on opportunities for multiuser trails
- Identify links required to connect current and future (proposed) trails
- Review of existing relevant state and local government trails strategies and guidelines
- Identify appropriate practice, standards and style for construction of trails
- Identify modification or maintenance required on existing trails
- Identify services or facilities needed to support trails where necessary
- List the economic benefits of trails to the region, including benefits to existing businesses as well as potential for future employment, business and tourism growth opportunities (for use in future grant applications)
- Identify opportunities to develop trail based tourism with identification of target tourism markets
- Identification of management actions that will allow land managers to adequately manage the trails network and minimise environmental impacts
- Provide a regional trails strategy that addresses the above including an aerial map of all current and proposed future trails
- Recommend an action plan for implementation of the strategy including broad cost estimates
- Detail funding opportunities and resources, and governance requirements
- Deliver findings to stakeholders

David Willcox presented on the Leeuwin Naturaliste Regional Trails Strategy 2020 Report that is currently being finalised. David explained the Report is a Strategy document and includes broader outcomes, opportunities and issues.

**RECOMMENDATION**

That CapeROC:

1. Receives the draft report;
2. Officers from both local governments review the draft report and request changes, if required;
3. Both local governments then release the draft report for community feedback; and
4. A report on the outcome of the community consultation be presented to the August CapeROC meeting.

**CAPEROC DECISION:**

*Moved Cr. Ian Earl Seconded Mike Archer*

That CapeROC

1. Receives the verbal report;
2. Officers from both local governments review the draft report and request changes, if required;
3. Both local governments then release the draft report for community feedback.

CARRIED UNANIMOUSLY
5.2 City of Busselton Wadandi Track Development Strategy

<table>
<thead>
<tr>
<th>RESPONSIBLE OFFICER</th>
<th>Daniell Abrahamse, Manager Engineering &amp; Technical Services (CoB) &amp; Oliver Darby, Director Works and Services (CoB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRESENTATION</td>
<td>PowerPoint presentation</td>
</tr>
</tbody>
</table>

IN BRIEF

In November a joint City of Busselton and Shire of Augusta-Margaret River (SAMR) update was presented on the Wadandi Track project. This focused on a general overview, progress to date and the various constraints impacting on the project.

This presentation focused on the strategic direction the City of Busselton intends to take over the next 3 to 10 years. It will also seek feedback from the Shire of Augusta-Margaret River on the possibility of a future stage linking through to Cowaramup.

In summary the City of Busselton’s Strategy is to redirect work in the southern sector up to the SAMR boundary providing an opportunity for SAMR to plan and construct the 3km missing link through to Cowaramup. This would open a 9.5km long section extending from the Metricup Trail Head in the North to Cowaramup in the South. Resulting in approx. 42km section from Metricup Trail Head to Sebbes Road (AMR).

BACKGROUND

A map of the Trail Development Plan was provided at the meeting. The detailed Trail Development Plan can be provided to any interested party upon request.

COMMENT

Cr. Earl felt the proposal had merit. Mr Archer also explained that the approach may be more suitable in terms of attracting funding.

RECOMMENDATION

That CapeROC notes the information and supports the strategic approach intended to be taken by the City of Busselton.

**CAPEROC DECISION:**

Moved Cr. Cristoffanini Seconded Cr. Earl

That CapeROC notes the information and supports the strategic approach intended to be taken by the City of Busselton.

CARRIED UNANIMOUSLY
5.3 ‘Our Unbeaten Track’ Proposal

RESPONSIBLE OFFICER
Stephanie-Addison Brown, CEO (SAMR) & Naomi Searle, Director Community & Commercial Services (CoB)

ATTACHMENTS:
Nil

PRESENTATION:
A verbal update was provided at the meeting

IN BRIEF

Representatives of the Margaret River Busselton Tourism Association (MRBTA) have presented a proposal to the City of Busselton, the Shire of Augusta Margaret River and other relevant stakeholders seeking to establish a coalition to develop and maintain key tracks and trails in the Capes region.

A stakeholder meeting was held on 12th February, 2020 to discuss the initiative. A verbal update on the proposal and outcomes of that meeting will be provided to CapeROC for discussion.

BACKGROUND

The initiative aims to build and sustain a coalition of relevant stakeholders with a shared interest in a high quality network of key tracks and trails in the Capes region within the City of Busselton and the Shire of Augusta Margaret River, in order to develop and maintain them for appropriate future use by residents and visitors.

A collaboration of these stakeholders will best ensure a network which:

- Contributes to a healthy, engaged community by better promoting & providing for outdoor activity
- Gives sensitive access to the diversity of the region’s natural environment & promote understanding and care for it, with quality fit-for-purpose facilities and maintenance
- Provides a sophisticated cohesive linkage to the stories, Indigenous and European heritage, interests and attractions of the region that will assist visitors and build community respect and participation
- Attracts funding support to support current investment plans

The belief of the members of the Our Unbeaten Track initiative is that an integrated approach to the tracks and trails of the region together with the power of a concerted regional effort can significantly contribute to—

- Improving healthy recreational facilities for people who live & work here
- Attraction of visitors to the region
- Unifying access to the region’s natural & historical legacy
- Engaging and celebrating indigenous heritage
- Promoting environmental care and sustainability
- Promoting regional employment
- Activating economic opportunities, and
- Accessing revenue source for maintenance & development of the trails.
Mrs Searle showed on screen the “Our Unbeaten Track” Charter that in addition to the above showed the identified stakeholders governed by an alliance that includes:

- City of Busselton
- Shire of Augusta Margaret River
- South West Development Commission
- Margaret River Busselton Tourist Association
- Friends of the Cape to Cape Track
- Meelup Regional Park Committee
- Department of Biodiversity, Conservation & Attractions (Blackwood District)
- Nature Conservation Margaret River Region, GeoCatch, Lower Blackwood LCDC
- Australia’s South West
- Busselton Jetty Inc
- Department of Local Government, Sport and Cultural Industries
- Regional Development Australia (RDA) South West
- Main Roads South West

Advice and guidance will be sought from the Wadandi Traditional Custodians at each stage.

Mrs Searle explained that the proposal is for the stakeholder group to co-fund a business case to upgrade our tracks (purely tracks only) to develop as a whole tourism product to be utilised to attract funding. Mrs Searle and Ms. Addison-Brown indicated the proposal had merit and is supportive of the initiative given the economic benefit. Funding could be allocated in the next financial year for the proposal.

Mrs Searle advised that consideration of the ongoing maintenance responsibilities needs to be considered by the City of Busselton and Shire of Augusta Margaret River.

Cr. Earl indicated he was in favour of moving forward with the proposal.

RECOMMENDATION

That CapeROC

1. That CapeROC notes the information; and
2. Supports in-principle the proposal by the Margaret River Busselton Tourism Association to establish a coalition to develop and maintain key tracks and trails in the Capes region.

CAPEROCS DECISION:

Moved Cr. Henley Seconded Cr. Earl

1. That CapeROC notes the information;
2. Supports in-principle the proposal by the Margaret River Busselton Tourism Association to establish a coalition to develop and maintain key tracks and trails in the Capes region; and
3. Commits in CapeROC’s 2020/21 budget $10,000 from each Council (total $20,000) for this purpose.

CARRIED UNANIMOUSLY
5.4 Busselton Margaret River Airport Project Update

RESPONSIBLE OFFICER | Naomi Searle, Director Community & Commercial Services (CoB)
ATTACHMENTS: | Nil
PRESENTATION | PowerPoint presentation

IN BRIEF

An update on the Busselton Margaret River Airport (BMRA) Development Project was presented by PowerPoint at the meeting.

COMMENT

Director Community & Commercial Services, Naomi Seale explained the works and timings undertaken to achieve the temporary arrivals hall and upgrade to the existing terminal and provided an overview of the new floor plan. An explanation of the marketing approach and industry readiness was also provided.

CEO, Mike Archer advised that Jetstar advised yesterday that bookings by postcode show that Busselton and Dunsborough had the highest take up of tickets in WA followed by Bunbury and Margaret River, with other centres as far away as Mandurah and Albany also making bookings. Of all ticket sales they are roughly split 50/50 between WA and Eastern State passengers.

Director Community & Commercial Services, Naomi Seale advised that Jetstar are very pleased with the take-up in WA with higher load bookings on the Melbourne- Busselton route than Melbourne-Perth. South West Coachlines are also looking at putting on a new service from regional towns to the BMRA Airport.

RECOMMENDATION

That CapeROC notes the information.

CAPEROYC DECISION:
Moved Cr. Hick Seconded Cr. Earl
That CapeROC notes the information. CARRIED UNANIMOUSLY

5.5 CapeROC Budget Update

RESPONSIBLE OFFICER | Julie Rawlings, Strategic Projects/Grants Officer (CoB)
Megan Smith, Executive Assistant (SAMR)
ATTACHMENTS: | Nil.

IN BRIEF

In 2019-2020, the Shire of Augusta Margaret River and the City of Busselton have allocated up to $40,000 of their respective budgets (up to $80,000 in total) towards CapeROC approved regional economic development initiatives. This report provides an update on financial activities for the 2019-2020 financial year.
Table 1.

<table>
<thead>
<tr>
<th><strong>PROPOSED 2019/20 CapeROC Projects</strong></th>
<th>In principle Allocation</th>
<th>Expenditure (AMR) $</th>
<th>Expenditure (BSN) $</th>
<th><strong>Total Expenditure $ 2019/2020</strong></th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>CapeROC Calendar of Events 2019/20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Spring 2019 $4,770 paid</td>
</tr>
<tr>
<td>– Spring, Summer, Autumn Winter</td>
<td>21,200.00</td>
<td>10,600.00</td>
<td>10,600.00</td>
<td>10,600</td>
<td>Summer 2019/20 $4,770 paid</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Autumn 2020 $4,770</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Winter 2020 $4,770</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Additional standalone copies (3,000 per edition $530 + gst) to be split between CoB and SAMR</td>
</tr>
<tr>
<td>2018/2019 Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Event Calendars</td>
</tr>
<tr>
<td></td>
<td>7,985.00</td>
<td>800.00</td>
<td>7,185.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018/2019 Commitment</td>
<td>15,000.00</td>
<td></td>
<td>15,000.00</td>
<td>Trails Strategy</td>
<td></td>
</tr>
<tr>
<td>Potential / Total Expenditure</td>
<td>64,591.50</td>
<td>21,603.25</td>
<td>42,988.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(excluding gst)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Unallocated</td>
<td>15,408.50</td>
<td>18,396.75</td>
<td>(2,988.25)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**FUTURE BUDGET COMMITMENTS**

| Our Unbeaten Track Project committed at the CapeROC meeting on 19/2/20 for the 2020/2021 budget | 20,000.00 | 10,000.00 | 10,000.00 |
| My Community Directory committed at the CapeROC meeting on 15/11/19 for the 2020/2021 budget | 20,406.50 | 10,000.00 | 10,000.00 |

**RECOMMENDATION**

That CapeROC notes the current status of the CapeROC 2019-2020 budget.

**CAPEROC DECISION:**

Moved Cr. Earl Seconded Cr. Cristoffini

That CapeROC notes the current status of the CapeROC 2019-2020 budget.

CARRIED UNANIMOUSLY
6. REPORTS

6.1 Events Calendar

<table>
<thead>
<tr>
<th>RESPONSIBLE OFFICER</th>
<th>Peta Tuck, Events Coordinator (CoB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATTACHMENTS:</td>
<td>Nil.</td>
</tr>
</tbody>
</table>

IN BRIEF

CapeROC has been funding the printed events calendar initiative for a number of years and it has been suggested that each individual Council now fund this initiative rather than through CapeROC.

BACKGROUND

Since December 2016, the Margaret River Region Calendar of Events has been produced by MRBTA with content supplied by the City of Busselton and the Shire of Augusta-Margaret River (SAMR) and included as a pullout in their quarterly Margaret River Magazine. The magazine has a distribution of 20,000 copies, with 75% going to a local regional audience and remaining 25% in Perth. There has also been an allocation of extra copies produced each edition as standalone calendars, for distribution by the respective local governments through their administrative buildings and outstations.

Funding for the Calendar of Events has been approved up to and including the current financial year through the CAPEROC budget. The cost of producing the events calendar in 2019/20, which includes 4 editions for the MRBTA magazine plus additional 3,000 standalone copies, is $21,200 plus GST.

While it is considered that the printed calendar could be phased out and replaced with online versions eventually, at this stage it is not felt that this would reach the target audiences and demographics. This is due in part to a percentage of the population still preferring to access information in a printed form, as well as neither local governments currently having a fool proof digital online platform to deliver and promote event information.

The 3 monthly format of the calendar works well, as information is relatively up to date and we are able to capture events as they are added into the calendar throughout the year. The magazine and standalone copies are widely distributed throughout the local communities, and are often taken away by holiday makers who use them as a tool for planning future holidays around events.

It is recommended that production of the calendars is continued in its current format for the 2020/21 financial year, however with each Council funding their respective printing costs as opposed to CapeROC funding the events calendars.

CapeROC’s objective is to seek to enhance the capacity of both local governments to deliver social, economic and environmental benefits to their communities and the region. This includes exploring opportunities to undertake projects of mutual benefit to the Shire and the City. The intent however is more to provide seed funding than ongoing funding.

COMMENT

Cr. Hick declared and interest as she is a member of MRBTA and expressed some concern with the publication.
Ms. Tuck reiterated that she felt the current events calendar did still have merit as outlined in the report and recommends it remain until improvements have been made in the digital space.

Cr. Hick advised that the “My Community Directory” is starting to include events. Ms. Addison-Brown advised that SAMR only use digital advertising for its new performing arts centre (HEART).

Cr. Kennaugh suggested that an online events directory could be linked to a volunteer register and by combining these together it would make things easier for event organisers to source volunteers.

**RECOMMENDATION**

That CapeROC:

1. Supports the continued publication of the quarterly printed events calendar; and
2. Does not allocate funding for the printing of the events calendar in 2020/2021 CapeROC budget and that both Councils fund the printing of the events calendar directly from their own Council budgets.

**CAPEROC DECISION:**

Moved Cr. Henley Seconded Cr. Earl

That CapeROC reconsiders the future of the events calendar at its May CapeROC meeting.

CARRIED UNANIMOUSLY

7. **GENERAL DISCUSSION ITEMS**

7.1 **The Focus of CapeROC – Stephanie Addison-Brown and Mike Archer**

A discussion on CapeROC’s future direction - that is focussing that direction more strategically, including region wide initiatives and joint funding opportunities etc.

**COMMENT**

It is suggested that strategic projects that benefit both communities and enable funding to be secured should have a greater focus for CapeROC.

Issues such as homeless, community security eg. cctv, social matters, mental health, environmental eg. climate change, waste and alignment of road initiatives were suggested. Higher level discussion on identified issues is needed, then officers can investigate and bring back a report to CapeROC for further consideration.

Cr. Henley advised that the City is currently investigating ‘Spend Map’ a data collection on eftpos transactions that can tell you where the expense is being spent and when. Through CapeROC a better price could perhaps be achieved. There would be benefits in both economic development and events.

It was agreed that a workshop to discuss the opportunities, perhaps with agreement on 2 or 3, be included at the next meeting for focus in 2020/2021.
7.2 Roundtable Discussion

Nil.

8. NEXT MEETING

Friday 20th May, 2020 at the City of Busselton

9. CLOSURE

The meeting closed at 11.51am.
11.1 Chief Executive Officer

11.1.2 AUDIT AND RISK MANAGEMENT COMMITTEE MEETING MINUTES – 11 MARCH 2020

Attachment 1 – Audit and Risk Management Committee Meeting Minutes – 11 March 2020

Attachment 2 – Instrument of Appointment and Delegation for Audit and Risk Management Committee (with tracked changes)
Audit and Risk Management Committee

MINUTES

FOR THE MEETING HELD
WEDNESDAY 11 MARCH 2020
IN COUNCIL CHAMBERS,
ALLNUTT TERRACE, AUGUSTA
COMMENCING AT 4.30PM
Meeting Notice

Dear Councillor

I advise that an Audit and Risk Management Committee Meeting of the Shire of Augusta Margaret River will be held in the Council Chambers, 61 Allnutt Terrace, Augusta, on Wednesday 11 March 2020, commencing at 4.30pm.

Yours faithfully

STEPHANIE ADDISON-BROWN
CHIEF EXECUTIVE OFFICER
ATTENTION/DISCLAIMER

This agenda has yet to be dealt with by the Committee. The Recommendations shown at the foot of each item have yet to be considered by the Committee and are not to be interpreted as being the position of the Committee. The minutes of the meeting held to discuss this agenda should be read to ascertain the decision of the Committee.

In certain circumstances members of the public are not entitled to inspect material, which in the opinion of the Chief Executive Officer is confidential, and relates to a meeting or a part of a meeting that is likely to be closed to members of the public.

No responsibility whatsoever is implied or accepted by the Shire of Augusta Margaret River for any act, omission, statement or intimation occurring during Council or Committee meetings.

The Shire of Augusta Margaret River disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement of intimation occurring during Council or Committee meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee meeting does so at that person's or legal entity’s own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by any member or Officer of the Shire of Augusta Margaret River during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Augusta Margaret River.

The Shire of Augusta Margaret River advises that anyone who has any application lodged with the Shire of Augusta Margaret River must obtain and should only rely on WRITTEN CONFIRMATION of the outcome of the application and any conditions attaching to the decision made by the Shire of Augusta Margaret River in respect of the application.

The Shire of Augusta Margaret River advises that any plans or documents contained within this agenda may be subject to copyright law provisions (Copyright Act 1968, as amended) and that the express permission of the copyright owner(s) should be sought prior to their reproduction. It should be noted that copyright owners are entitled to take legal action against any persons who infringe their copyright. A reproduction of material that is protected by copyright may represent a copyright infringement.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>AGENDA LISTING</th>
<th>SUBJECT</th>
<th>PAGE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>DECLARATION OF OPENING</td>
<td>5</td>
</tr>
<tr>
<td>2.0</td>
<td>ATTENDANCE</td>
<td>5</td>
</tr>
<tr>
<td>3.0</td>
<td>DISCLOSURES OF INTERESTS</td>
<td>5</td>
</tr>
<tr>
<td>4.0</td>
<td>PUBLIC QUESTIONS</td>
<td>6</td>
</tr>
<tr>
<td>4.1</td>
<td>PUBLIC QUESTION TIME</td>
<td>6</td>
</tr>
<tr>
<td>5.0</td>
<td>CONFIRMATION OF MINUTES OF PREVIOUS MEETING</td>
<td>6</td>
</tr>
<tr>
<td>5.1</td>
<td>AUDIT AND RISK MANAGEMENT COMMITTEE MEETING HELD 27 NOVEMBER 2019</td>
<td>6</td>
</tr>
<tr>
<td>6.0</td>
<td>REPORTS</td>
<td>6</td>
</tr>
<tr>
<td>6.1</td>
<td>RISK DASHBOARD REPORT FOR DECEMBER 2019</td>
<td>6</td>
</tr>
<tr>
<td>6.2</td>
<td>COMPLIANCE AUDIT RETURN</td>
<td>12</td>
</tr>
<tr>
<td>7.0</td>
<td>CONFIDENTIAL BUSINESS</td>
<td>23</td>
</tr>
<tr>
<td>8.0</td>
<td>CLOSURE OF MEETING</td>
<td>23</td>
</tr>
</tbody>
</table>
Minutes of the Audit and Risk Management Committee Meeting held on Wednesday 11 March 2020, in Council Chambers, 61 Allnutt Terrace, Augusta, commencing at 4.30pm

Audit and Risk Management Committee

1.0 DECLARATION OF OPENING

The Chair welcomed all in attendance and declared the meeting open at 4.30pm

2.0 ATTENDANCE

Shire President : Cr Ian Earl
Councillors : Cr Brian Daniel
Cr Paula Cristoffanini
Cr Kylie Kennaugh
Cr Julia Meldrum (as an observer)

Chief Executive Officer : Ms Stephanie Addison-Brown
Acting Director Sustainable Development : Mr Nick Logan
Director Corporate and Community Services : Mr James Shepherd
Manager Legal and Governance: Mr Ian McLeod (entered at 4.31pm)
Governance Officer (Legal, Risk and Permit) : Ms Emma Rogers
Governance Officer / Council Support : Ms Claire Schiller

MEMBERS OF THE PUBLIC : Nil
MEMBERS OF THE PRESS : Nil

2.1 Apologies

Acting Director Infrastructure Services, David Nicholson

2.2 Approved Leave of Absence

Nil

3.0 DISCLOSURES OF INTERESTS

Nil
4.0 PUBLIC QUESTIONS
4.1 Public Question Time
Nil

5.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETING
5.1 Audit and Risk Management Committee Meeting held 27 November 2019

MOTION / ARMC DECISION
CR KENNAUGH, CR CRISTOFFANINI ARMC2020/1
That the minutes of the Audit Risk Management Committee Meeting held 27 November 2019 are confirmed to be a true and correct record of the meeting.

CARRIED 4/0

6.0 REPORTS
6.1 RISK DASHBOARD REPORT FOR DECEMBER 2019

LOCATION/ADDRESS  Shire of Augusta Margaret River

APPLICANT/LANDOWNER  Shire of Augusta Margaret River

FILE REFERENCE  COR/17

REPORT AUTHOR  Emma Rogers, Governance (Legal, Permit and Risk) Officer

AUTHORISING OFFICER  Ian McLeod, Manager Legal and Governance

IN BRIEF

- Under the Local Government (Audit) Regulations the CEO is required to review the effectiveness of various local government systems including risk management and report the results to the Audit and Risk Management Committee.
- The Shire undertakes a rolling review of 14 different risk categories (profiles) and the controls used to manage those profiles, which forms the Risk Dashboard.
- A status update of the review of the Risk Dashboard includes eight of the 14 risk profiles completely reviewed, four of the profiles partially reviewed, and two have not yet begun.
- Of the 14 risk profiles, one has a risk rating of extreme, and control rating of inadequate due to the issue of limestone cliff instability at Gnarabup, Riflebutts, Prevelly and Gracetown. Council endorsed a plan addressing the immediate risks on 11 December 2019. Key recommendations arising from the plan are being implemented.
- An Internal Audit Review by AMD Chartered Accountants was also conducted in 2019 in accordance with regulation 17 LG (Audit) Regulations 1996.
- The issues identified and recommendations made by AMD Chartered Accountants are considered within this report and emerging risk actions added to the Risk Dashboard.

RECOMMENDATION

The Audit and Risk Management Committee:
1. Notes the Risk Dashboard Report for December 2019 as per the Attachment;
2. Request that Council amend the Instrument of Appointment and Delegation for the Audit and Risk Management Committee to require the ARMC to meet four times per year.

BACKGROUND

The Shire is obligated to address organisational risk under the Local Government (Audit) Regulations. The Shire has a risk management policy, with the objective of ‘using a risk management framework to identify, evaluate, treat and monitor risk. The Shire’s Risk Management Framework breaks down different organisation risks into 14 different categories known as ‘Risk Profiles’. The 14 profile categories are:

1. Asset management practices
2. Business and community disruption
3. Compliance risk (statutory, regulatory)
4. Document management processes
5. Employment Practices
6. Environmental management / Land use
7. Errors, omissions, delays
8. External theft and fraud
9. Facilities / venues / events
10. Misconduct
11. IT or communication systems and infrastructure
12. Procurement / contract management
13. Projects / change management
14. Safety and security practices
Assessment of the risk profiles provides details of current issues, actions and treatments that need to be addressed and form the Risk Dashboard. Actions identified in the Dashboard form part of future reviews of the Corporate Plan and annual Operational Plans.

In addition to actions identified from consulting with relevant staff, and assessing the controls and associated risks, are the actions identified from internal and external audits. The internal and external audits provide the third line of defence within the Shire’s Risk Management Framework, providing independent assurance to the Audit and Risk Management Committee, Executive Leadership and Council on the effectiveness and adequacy of the systems and controls in place.

Attachment 1 to this report is a hierarchical flowchart of the Shire's risk management framework, detailing the three lines of defence risk management model.

CONSULTATION AND ADVICE
External Consultation
Nil

Internal Consultation
- Executive Leadership Team
- Manager Corporate Services
- Project and Procurement Officer
- Coordinator Finance
- Manager Legal and Governance
- Records Management and FOI Officer
- Coordinator Building Assets and Maintenance
- Coordinator Revenue and Customer Service

DISCUSSION/ OFFICER COMMENTS
Internal Audit Review – Regulation 17
In 2019 AMD Chartered Accountants conducted an Internal Audit Review assessing the effectiveness and appropriateness of procedures relating to risk management, internal controls and legislative compliance in accordance with regulation 17 Local Government (Audit) Regulations 1996. The report provided by AMD Chartered Accountants was considered and accepted by the Audit Risk and Management Committee on the 26 June 2019, and the minutes of that meeting were accepted by Council on 22 January 2020.

A summary of the issues identified and recommendations made by AMD Chartered Accountants in the Internal Audit Review is provided below. Officer comments regarding each of the recommendations and the emerging risk actions to add to the Risk Dashboard Report are also outlined below.

<table>
<thead>
<tr>
<th>Issues identified and recommendations made by AMD Chartered Accountants</th>
<th>Risk Rating</th>
<th>Officer Comments</th>
<th>Risk Actions to add to Risk Dashboard Report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk management</strong></td>
<td></td>
<td>It is agreed that there are a number of disadvantages in the way in which the risk register is structured. We're currently in the process of obtaining quotes to re-develop the Shire’s operational risk register, creating a centralised risk register for whole organisation, and also develop a strategic risk register. The Framework and Risk Management Policy can then be reviewed.</td>
<td>Procure consultant to undertake workshop and prepare new risk register prior to 31 June 2020 – Governance (Legal, Risk, Permit) Officer.</td>
</tr>
<tr>
<td>Risk Management Framework and Register</td>
<td>Significant</td>
<td>Plan is to re-develop risk register to a format which clearly</td>
<td></td>
</tr>
<tr>
<td>Issues identified and recommendations made by AMD Chartered Accountants</td>
<td>Risk Rating</td>
<td>Officer Comments</td>
<td>Risk Actions to add to Risk Dashboard Report</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Contract Management</td>
<td>Moderate</td>
<td>We identified a number of enhancements and improvements in relation to the Shire’s management of contracts. Summary of recommendations: 1. Develop a contract management framework 2. Develop and implement a formal risk assessment process for risks to be assessed prior to contracts being awarded. 3. Develop and implement a contract review process. 4. Compliant Contractors Register be updated as follows: o all insurance details updated and current policies verified as necessary; o list of contractors be updated to ensure all current contractors are included; and o specific contract clauses are added, such as the requirement of contractors to maintain specific qualifications or to regularly report to the Shire as applicable.</td>
<td>Currently have an action on the risk register: ‘Consider an organisational structural change for centralised contract management in the next workforce review’. Comments from Project Procurement Officer (PPO) in response to recommendations include: • Development of contract management framework is in progress. • Form has been developed for risk assessment prior to tender / contract awarded. • There is scope to develop a contract review process in ALTUS, and develop guidelines within the contract management framework.</td>
</tr>
<tr>
<td>Lease Management</td>
<td>Moderate</td>
<td>No formal procedure in place to monitor lessee compliance with terms of Council leased properties. Recommendations: • Develop and implement formal procedure to monitor lessee compliance with the terms and conditions of Council leased properties.</td>
<td>Compliance of high risk terms such as currency of lessee insurance are dealt with on a proactive basis with a field in the lease register and an annual audit. Compliance with financial terms such as rent and outgoings are managed by revenue and treated as a debt to the Shire. Compliance with low risk terms and conditions is dealt with on a reactive basis. Taking a proactive approach to all lease terms and conditions of over 50 leases would be very labour intensive requiring over 50 inspections per year resulting in an additional FTE for a property manager (Manager Legal and Governance).</td>
</tr>
</tbody>
</table>

**Issues identified and recommendations made by AMD Chartered Accountants**

- **Risk Rating**
  - Moderate

**Officer Comments**

- Identifies risk, and causes, controls, consequences, treatments in respect to each risk (as opposed to generalised risk profiles) (Governance (Legal, Risk, Permit) Officer).

**Risk Actions to add to Risk Dashboard Report**

- Develop a contract management framework by 30 June 2020 – Responsible officer - Project Procurement Officer.
- Develop and implement a process to review risks prior to awarding of contract – to be implemented by 30 June 2020 - Project Procurement Officer.
<table>
<thead>
<tr>
<th>Issues identified and recommendations made by AMD Chartered Accountants</th>
<th>Risk Rating</th>
<th>Officer Comments</th>
<th>Risk Actions to add to Risk Dashboard Report</th>
</tr>
</thead>
</table>
| **Risk Management Policies and Procedures**
No documented policies and procedures in place to manage a number of risks applicable to the Shire.
Recommendations: Develop policies and/or procedures in:
- Litigation /Claims policy;
- Environmental Management policy;
- Fraud and Misconduct policy;
- Whistleblower/Public Interest Disclosure (PID) policy (allowing anonymous reporting through the Shire’s website to ensure external parties can report);
- Event’s Management policy and procedure(s); and
- Central signature specimen (including signatures of all employees whom with delegated authority from Council). | Moderate | - Litigation /Claims policy is already an action on risk register assigned to Director Corporate Community Services.
- Environmental Management policy – Shire currently has an Overarching Sustainability Policy which includes Shire’s commitment to the protection and enhancement of the unique natural environment and biodiversity of the region, and to minimising effects of climate change.
- Fraud and Misconduct Policy - is already an action on risk register assigned to Director Corporate Community Services.
- Whistleblower/Public Interest Disclosure (PID) Policy (allowing anonymous reporting through the Shire’s website to ensure external parties can report) - already action on risk register assigned to Director Corporate Community Services.
- Event’s Management policy and procedure(s) and – Events Strategy adopted 24/9/2019, the Event Assessment Policy is expected to be replaced with an Events Management Policy by 2021.
- Central signature specimen (including signatures of all employees whom with delegated authority from Council). – Specimen signature registered for all officers with purchasing authority, saved on COR/209 (Coordinator Finance). | Re-assign Litigation /Claims Policy to Manager Legal and Governance. Re-assign Fraud and Misconduct Policy to Manager Legal and Governance but action pending on review of LGA and amendments re content of Code of Conduct. To be implemented by December 2020. |
<table>
<thead>
<tr>
<th>Issues identified and recommendations made by AMD Chartered Accountants</th>
<th>Risk Rating</th>
<th>Officer Comments</th>
<th>Risk Actions to add to Risk Dashboard Report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Insurance Claims Register</strong>&lt;br&gt;Insurance claims register not being consistently completed. Recommendations:&lt;br&gt;• Include additional details within the existing insurance claims register such as the date upon which the claim is progressed or finalised and the outcome of the claim.</td>
<td>Minor</td>
<td>Finance officers have amended insurance claims register to address recommendations. No further actions needed (Coordinator Finance).</td>
<td>N/a</td>
</tr>
<tr>
<td><strong>Tendering</strong>&lt;br&gt;No formal risk assessment process conducted prior to tendering, no formal post tender/ project reviews and tender opening documentation could not be located for RFT 11-18. Recommendations:&lt;br&gt;• A formal risk assessment process be developed to ensure risks are documented and considered when drafting the “Request for Tender” documentation and a formal post tender/ project review process be developed particularly for larger value tenders or tenders considered to relate to high risk projects; and&lt;br&gt;• Documentation in respect to the opening of tenders be maintained to demonstrate compliance with Regulation 16(3) of the Local Government (Functions and General) Regulations 1996.</td>
<td>Significant</td>
<td>Comments from Project Procurement Officer (PPO) include:&lt;br&gt;• Form has been developed for risk assessment prior to tender / contract awarded. Can further develop this to include a separate review process for the period prior to tender documentation being drafted, and the period prior to contract being awarded, and develop procedures for both review processes. Form has been developed for tender completion checklist. This could be expanded to include a tender / project review process.&lt;br&gt;• The missing tender opening documentation for RFT 11-18 was an administrative oversight. A procedure for tender opening is in place and compliant with regulation 16(3). New Records staff will be provided with training, and as an additional reminder, a tender opening documentation template will be attached to the meeting invite for officers attending the opening.</td>
<td>Develop and implement a formal risk assessment process to assess risks of project tender documentation being drafted – to be implemented by 30 June 2020 – Responsible officer - Project Procurement Officer. Develop and implement a post tender/project review process for the larger value high risk projects – to be implemented by 30 June 2020 – responsible officer – Project Procurement Officer.</td>
</tr>
<tr>
<td><strong>Procurement</strong>&lt;br&gt;RFQ evaluation form not being used consistently, instances where the minimum number of quotes were not obtained and instances where purchase orders were dated after the invoice.</td>
<td>Moderate</td>
<td>When Finance are fully staffed, will return to completing monthly random compliance checks re procurement record keeping processes (Coordinator Finance). This is already an ongoing action on risk register assigned to Manager Corporate Services. In addition, email all Managers relaying these findings, and reminding that all authorising officers are to check</td>
<td>See officer comments – to be implemented by 30/09/2020</td>
</tr>
<tr>
<td>Issues identified and recommendations made by AMD Chartered Accountants</td>
<td>Risk Rating</td>
<td>Officer Comments</td>
<td>Risk Actions to add to Risk Dashboard Report</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Information and Technology Framework</strong>&lt;br&gt;The existing Information and Technology Framework relates to the period 2015-2017 and therefore requires updating. The Shire’s Disaster recovery plan was last updated in 2015 and is yet to be tested.</td>
<td>Moderate</td>
<td>Review of ICT Strategic Framework is almost complete. Is already an action on risk register assigned to Coordinator Information Management. Review and testing the ICT Disaster recovery plan is expected to be completed by September 2020. Also a current action on risk register assigned to Coordinator Information Management.</td>
<td>N/a</td>
</tr>
<tr>
<td><strong>Security</strong>&lt;br&gt;Security plan has been developed in draft and is yet to be formally endorsed. There are no contracts or service agreements in place with any of the Shire’s external security contractors. &lt;br&gt;<strong>Recommendation:</strong>&lt;br&gt;• Security Plan be finalised and formally endorsed. We also recommend contracts or service agreements are entered into with all external security service providers currently utilised by the Shire.</td>
<td>Moderate</td>
<td>Security Plan is in progress, not yet complete. Plan will include consolidation of security arrangements to a single callout service. – Already an action on risk register assigned to Coordinator Building Assets and Maintenance.</td>
<td>N/a</td>
</tr>
<tr>
<td><strong>Fuel Usage Analysis by Vehicle</strong>&lt;br&gt;Fuel usage analysis by individual motor vehicle/plant item is not currently being undertaken on a sample or periodic basis. &lt;br&gt;<strong>Recommendation:</strong>&lt;br&gt;• Consideration be given to analysing fuel consumption per vehicle/plant item on a periodic and / or sample basis, and that the analysis be subject to independent review.</td>
<td>Minor</td>
<td>Fuel usage report produced by Geographe Petroleum currently reviewed each month for irregularities. Storeman/Technical Officer to produce spreadsheet to allow for analysing fuel consumption per vehicle/plant item on a periodic and / or sample basis. This will also be reviewed by Coordinator of Finance quarterly.</td>
<td>Develop a fuel usage analysis process for individual motor vehicle/plant items on a periodic basis – by 30 April 2020 – Manager Works.</td>
</tr>
<tr>
<td><strong>Asset Management Plan</strong>&lt;br&gt;The Shire’s asset management plan is currently being updated with the last update completed in 2013. &lt;br&gt;<strong>Recommendation:</strong>&lt;br&gt;• Asset management plan be finalised and subsequently adopted by Council. Once the plan has have been adopted, we recommend it is communicated to all staff, implemented and monitored on a regular basis.</td>
<td>Moderate</td>
<td>Review of Asset Management Plan expected to be complete early 2020 – already action on risk register assigned to Manager Asset Services.&lt;br&gt;- Draft strategy and plan currently out for internal comment&lt;br&gt;- Likely to be put to Council before 30 June 2020.</td>
<td>N/a</td>
</tr>
<tr>
<td><strong>Complaints</strong>&lt;br&gt;The only register of complaints being maintained is limited to those complaints</td>
<td>Moderate</td>
<td>• Complaints made by the public against Shire services are registered to PRL/2 and</td>
<td>N/a</td>
</tr>
</tbody>
</table>
Each of the risk actions emerging from the Internal Audit Review detailed above have been endorsed by the Executive Leadership Team and are included within the Risk Dashboard provided in the attachments (Attachment 2).

**Status update of review of Risk Dashboard**

A Risk Dashboard providing the status of risk data is presented to the Executive Leadership Team (ELT) quarterly for monitoring and review. A status update on the review of key controls and risk profiles is as follows:

- A full review of key controls and risk ratings is complete in eight risk profiles, being:
• A partial review of key controls has been undertaken in four of the risk profiles, being:
  - Errors, omissions and delays
  - Document management processes
  - Environment management / Land use
  - Facilities / venues / events

• A review of key controls in two of the risk profiles has not yet begun:
  - Business and community disruption
  - Projects / Change management

Attachment 2 is the Risk Dashboard for December 2019, which lists the risk profiles, their overall control and risk ratings, and the ongoing, and newly identified actions.

Risk Profiles requiring urgent attention
Out of the 14 risk profiles identified in the Risk Dashboard, one of the risk profiles, Environment Management / Land Use has a residual risk rating of extreme, and control rating of inadequate indicating urgent attention is required. This is predominantly due to the issue of management of instability of limestone cliff areas and adjacent public infrastructure in Gracetown, Surfers Point, Riflebutts and Gnarabup Cliffs. Council endorsed a plan to address the safety concerns at the identified sites on 11 December 2019, resulting in four key actions for immediate action:

1. Removal of a small overhang at Gracetown;
2. Installation of additional fencing & signage at Surfers Point with possible future underpinning of an overhang near the main beach access stairs;
3. Installation of a protection fence at Riflebutts consisting of high tensile wires and posts that extend from the toe of the cliff into the surf zone; and
4. Underpinning of the overhang under the concrete stairs that lead from the upper carpark down towards the café at Gnarabup.

Officers are currently holding information sessions for the community, with a presentation from the Shire’s consultant Geotechnical Engineer to explain the recent limestone cliff assessments and recommended actions.

This item is likely to remain as an extreme risk on the Risk Dashboard until the immediate actions resulting from the treatment plan have been implemented.

STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS
Relevant legislation relating to risk management is detailed below.

Local Government (Audit) Regulations 1996 Regulation 17:

1. The CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to —
   (a) risk management; and
   (b) internal control; and
   (c) legislative compliance.

2. The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

3. The CEO is to report to the audit committee the results of that review.

Regulation 16(c)(d):
An audit committee has the following functions:

(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).

STRATEGIC PLAN/POLICY IMPLICATIONS
Community Strategic Plan 2036 (CSP)
Corporate Business Plan 2019-2023
Key Result Area 5: Effective leadership and governance
Community Outcome 2: Effective and integrated strategy, planning, financial and asset management
Strategic Response 2.4: Ensure information is managed in accordance with statutory requirements and is available for decision making.
Service level strategy/plan 5.2.4.4: Implement the Risk Management Framework, including convening of tri-annual meetings of the Audit and Risk Management Committee.

PLANNING FRAMEWORK
Nil

FINANCIAL IMPLICATIONS
Implications
There may be financial implications from the actions detailed in the Risk Management Report. Actions which require expenditure generally include obtaining quotes and consider purchasing or including in forthcoming budgets.

Long Term Financial Plan
Any proposed action or control that had significant long term financial implications would be considered in a specific Council Report.

Whole of Lifecycle considerations
Nil

SUSTAINABILITY IMPLICATIONS
Environmental
The management of risk is essential to ensure the ongoing sustainability of the Shire and to minimise or eliminate threats to the environment.

Social
The prudent management of risk is important in maintaining the social structure within the Shire.

Economic
Incorporating risk management into planning, decision making and operations is essential for the achievement of the Shire’s visions, goals and outcomes.

ADVOCACY
Nil

IMPLICATIONS OF ALTERNATIVE RESOLUTION
Failure to follow the recommendation will not result in non-compliance with statutory requirements.

VOTING REQUIREMENTS
Simple Majority
RECOMMENDATION
That the Audit and Risk Management Committee:
1. Notes the Risk Dashboard Report for December 2019 as per the Attachment; and
2. Requests that Council amend the Instrument of Appointment and Delegation for the Audit and Risk Management Committee to require the ARMC to meet four times per year.

ATTACHMENTS
1. Hierarchical flowchart of the Shire’s Risk Management Framework
2. Risk Dashboard – December 2019

RECOMMENDATION / ARMC DECISION
CR DANIEL, CR KENNAUGH ARMC2020/2
That the Audit and Risk Management Committee:
1. Notes the Risk Dashboard Report for December 2019 as per the Attachment; and
2. Requests that Council amend the Instrument of Appointment and Delegation for the Audit and Risk Management Committee to require the ARMC to meet four times per year.

CARRIED 4/0
6.2 COMPLIANCE AUDIT RETURN

LOCATION/ADDRESS Shire of Augusta Margaret River
APPLICANT/LANDOWNER Shire of Augusta Margaret River
FILE REFERENCE COR/80
REPORT AUTHOR Emma Rogers, Governance (Legal, Risk and Permit) Officer
AUTHORISING OFFICER Ian McLeod, Manager Legal and Governance Services

IN BRIEF
• The Audit and Risk Management Committee (ARMC) is requested to consider the attached Compliance Audit Return (CAR) for the period 1 January 2019 to 31 December 2019 and report the results of the ARMC’s review to Council.

RECOMMENDATION
The Audit and Risk Management Committee:
1. Receives the 2019 Compliance Audit Return, noting that compliance was achieved in all areas with the exception of one question;
2. Reports and presents this result to the Council at the 25 March 2020 Ordinary Council Meeting; and
3. Recommends that Council adopts the 2019 Compliance Audit Return for the Shire of Augusta Margaret River.

LOCATION PLAN
Nil

TABLED ITEMS
Nil

BACKGROUND
Each local government is required to carry out a compliance audit for the period 1 January to 31 December each year in a form approved by the Minister. The ARMC is to review the CAR and report to Council the results of that review (regulation 14 Local Government (Audit) Regulations 1996). The CAR is then presented to Council for adoption, and a certified copy along with the relevant section of the minutes and any additional information explaining or qualifying the compliance audit, is to be submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2020.

The 2019 CAR continues in a reduced format, with the areas of compliance restricted to those considered high risk. The questions relate to regulation 13 of the Local Government (Audit) Regulations 1996. Additional questions seeking input into Integrated Planning and Reporting are also included.

CONSULTATION AND ADVICE
External Consultation
Nil

Internal Consultation
Chief Executive Officer
Directors
Relevant officers

DISCUSSION / OFFICER COMMENTS
The 2019 CAR has been completed, for the period of 1 January 2019 to 31 December 2019. The Audit and Risk Management Committee is to consider the 2019 CAR and report the results of their review to the Council.
The 2019 CAR consists of a total of 104 questions, divided into 11 categories, covering various aspects of the Shire’s functions and services. These categories include:

1. Commercial Enterprises by Local Governments
2. Delegation of Power/Duty
3. Disclosure of Interest
4. Disposal of Property
5. Elections
6. Finance
7. Integrated Planning and Reporting
8. Local Government Employees
9. Official Conduct
10. Optional Questions
11. Tenders for Providing Goods and Services

The process of gathering responses to the 104 questions includes forwarding relevant officers the questions that relate to their duties and responsibilities. The officer is required to review relevant records, registers, minutes of meetings, advertisements, policies etc. and provide an informed response to the question. Where the question relates to multiple officer’s responsibilities, such as “Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required”, all delegated officers provide a response, and the responses are compiled.

From a total of 104 questions, the responses provided by the Chief Executive Officer, Directors and other relevant officers indicate that full compliance has been achieved in all areas with the exception of 1 question (outlined below).

Disclosure of Interest
Question1:
If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68)?

Reference: Local Government Act 1995 (LGA) s5.67
Response: No

Comments:
Three situations are discussed below:

Situation 1
At the OCM held 11 September 2019, Cr Lane seconded an officer’s recommendation and took part in the debate on an item. Partway through he disclosed a financial interest and immediately left the Chambers, returning after the matter had been voted on. The item related to a request for a fee waiver of car parking and banner fees at the night markets. Given that the nature of his interest was ‘two close relatives were performers at the night markets’ and the decision did not relate to the approval of the night markets, it was unlikely that the decision could have resulted in any financial benefit. Councillor Lane acted cautiously in disclosing a financial interest, and his actions gave rise to a minor technical breach.

Attachment 1: Extract of minutes from 11.09.2019 OCM – Item 11.3.1 Margaret River Night Markets – Request for waiver of car parking and banner fees.

Situation 2
At the OCM held 14 August 2019, Cr McLeod seconded the officer’s recommendation and took part in the debate and vote. It was then brought to Cr McLeod’s attention that she may have a conflict of interest as Main Street (Bussell Highway) Upgrades were discussed in the debate. Upon realisation, Cr McLeod immediately disclosed a proximity interest as she owns a business on Bussell Highway. Council then revoked the previous decision, Cr McLeod left Chambers and returned after the motion had again been voted on.

The item related to the proclamation of Margaret River Perimeter Road and reclassification of Bussell Highway, however the nature of Cr McLeod’s interest, owning a shop on Bussell Highway, does not give rise to a proximity interest to the item, as defined under s5.60B LGA. The Item does not concern a
proposed change to a planning scheme, proposed change to zoning, or a proposed development of
land that adjoins the land in which Cr McLeod’s shop is situated. It is also difficult to see how a
proclamation could give rise to any financial benefit for any business on Bussell Highway, resulting in a
financial interest. Furthermore, the discussion which took place relating to the Main Street Upgrades
was peripheral to the item, and could not have been known by Cr McLeod that this matter would be
discussed at the meeting, constituting a defence under s5.65(2) LGA. Cr McLeod was acting cautiously
and her actions gave rise to a minor technical breach.

**Attachment 2**: Extract of minutes from 14.08.2019 OCM – Item 11.3.3 Proclamation of Margaret River
Perimeter Road and reclassification of Bussell Highway.

**Situation 3**
At the OCM held 8 May 2019 Cr Godden disclosed a financial interest in an item relating to amending
the membership of a Shire Committee (SEAC) to include a representative of Witchcliffe Eco Village. The
nature of her interest was ‘my partner previously worked for Witchcliffe Eco Village’. Cr Godden left
Chambers at the beginning of the item and after the debate and vote, Council invited her back into
Chambers.

Upon entering, the Acting CEO advised, the financial interest was likely to have ceased when Cr
Godden’s partner had ceased employment with Witchcliffe Eco Village. Cr Earl moved a further
alternative motion relating to rationalising the membership numbers of SEAC, and Council voted. The
chances of Cr Godden’s partner receiving a financial benefit resulting from the decision was too remote
to give rise to a financial interest. Furthermore, Cr Godden returned to the meeting in the belief that the
debate and voting had finished, having no way of knowing that a further alternative motion relating to
the item would be moved and debated on, constituting a defence under s5.65(2). This gives rise to a
minor technical breach.

**Attachment 3**: Extract of minutes from 08.05.2019 OCM – Item 11.2.1 Sustainable Economy Advisory
Committee.

A copy of the completed CAR for 1 January 2019 to 31 December 2019 is provided in Attachment 4.

**STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**
The Annual CAR is required under the provisions of s.7.13(1)(i) of the *Local Government Act 1995* and
r.14 & 15 of the *Local Government (Audit) Regulations 1996*. Regulations 14 and 15 are set out below:

14. **Compliance audits by local governments**
   (1) A local government is to carry out a compliance audit for the period 1 January to
       31 December in each year.
   (2) After carrying out a compliance audit the local government is to prepare a compliance
       audit return in a form approved by the Minister.
   (3A) The local government’s audit committee is to review the compliance audit return and is
       to report to the council the results of that review.
   (3) After the audit committee has reported to the council under subregulation (3A), the
       compliance audit return is to be —
       (a) presented to the council at a meeting of the council; and
       (b) adopted by the council; and
       (c) recorded in the minutes of the meeting at which it is adopted.

15. **Certified copy of compliance audit return and other documents to be given to Departmental CEO**
   (1) After the compliance audit return has been presented to the council in accordance with
       regulation 14(3) a certified copy of the return together with —
       (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
       (b) any additional information explaining or qualifying the compliance audit,
       is to be submitted to the Departmental CEO by 31 March next following the period to
       which the return relates.
   (2) In this regulation —
       **certified** in relation to a compliance audit return means signed by —
       (a) the mayor or president; and
       (b) the CEO.
STRATEGIC PLAN / POLICY IMPLICATIONS
*Community Strategic Plan 2036 (CSP)*
*Corporate Business Plan 2019-2023*
Key Result Area 5: Effective Leadership and Governance
Community Outcome 1: Responsible ownership of outcomes
Strategic Response 5.1.3: Ensure Councillors and employees demonstrate the importance of ethical behaviour and compliance with codes of conduct.
Service level strategy/plan 5.1.3.3: Complete and submit Statutory Compliance Return and remediate any errors within timeframes.

PLANNING FRAMEWORK
Nil

FINANCIAL IMPLICATIONS
Implications
Nil

Long Term Financial Plan
Nil

Whole of Lifecycle considerations
Nil

SUSTAINABILITY IMPLICATIONS
*Environmental*
Nil

*Social*
Nil

*Economic*
Nil

ADVOCACY
Nil

IMPLICATIONS OF ALTERNATIVE MOTION
If the ARMC did not report on the CAR to Council as recommended it would be in breach of r.14 of the *Local Government (Audit) Regulations 1996*. However it would be open to the ARMC to note additional matters in the CAR to be brought to the attention of Council.

VOTING REQUIREMENTS
Simple Majority

RECOMMENDATION
The Audit and Risk Management Committee:
1. Receives the 2019 Compliance Audit Return, noting that compliance was achieved in all areas with the exception of one question;
2. Reports and presents this result to the Council at the 25 March 2020 Ordinary Council Meeting; and
3. Recommends that Council adopts the 2019 Compliance Audit Return for the Shire of Augusta Margaret River.

ATTACHMENTS
1. Extract of minutes from 11.09.2019 OCM – Item 11.3.1 Margaret River Night Markets – Request for waiver of car parking and banner fees
2. Extract of minutes from 14.08.2019 OCM – Item 11.3.3 Proclamation of Margaret River Perimeter Road and reclassification of Bussell Highway.
3. Extract of minutes from 08.05.2019 OCM – Item 11.2.1 Sustainable Economy Advisory Committee
4. Compliance Audit Return 1 January 2019 to 31 December 2019
RECOMMENDATION / ARMC DECISION
CR DANIEL, CR CRISTOFFANINI ARMC2020/3
The Audit and Risk Management Committee:
1. Receives the 2019 Compliance Audit Return, noting that compliance was achieved in all areas with the exception of one question;
2. Reports and presents this result to the Council at the 25 March 2020 Ordinary Council Meeting; and
3. Recommends that Council adopts the 2019 Compliance Audit Return for the Shire of Augusta Margaret River.

CARRIED 4/0

7 CONFIDENTIAL BUSINESS
Nil

8 CLOSURE OF MEETING
The Chair thanked all in attendance and declared the meeting closed at 4.40pm
Augusta Margaret River Audit and Risk Management Committee

Instrument of Appointment and Delegation

11 September - April 2019 - 2020

INTRODUCTION
The Council of the Shire of Augusta Margaret River (hereinafter called the "Council") hereby establishes a committee under the powers given in section 5.8 and section 7.1 A of the Local Government Act 1995, and Local Government (Audit) Regulations 1996, such committee to be known as the Audit and Risk Management Committee, (hereinafter called the "Committee").

The Council appoints to the Committee those persons whose names appear in Section 4.0 below. Membership of the Committee shall, unless otherwise specified, be for a term ceasing at the date of the Local Government election in the year the Shire’s local government elections are held, after which time the Council may appoint members for a further term.

The Committee shall act for and on behalf of Council in accordance with provisions of the Local Government Act 1995, and the Local Government (Audit) Regulations 1996, local laws and policies of the Shire of Augusta Margaret River and this Instrument.

NAME
The name of the Committee shall be the Audit and Risk Management Committee.

OBJECTIVES OF THE COMMITTEE
The role of the Committee is to:

a) Assist the CEO to carry out the review under Regulation 17 of the Audit Regulations of systems and procedures concerning risk management, internal control and legislative compliance;

b) Monitor and advise the CEO in reviews of certain systems prescribed by the audit and financial management regulations;

c) 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.

d) Receive and verify the annual Local Government Statutory Compliance Return; and

e) Advise Council on significant high level strategic risk management issues related to the Shire of Augusta Margaret River.

f) Discharge the functions outlined in Regulation 16 of the Local Government (Audit) Regulations 1996.
MEMBERSHIP
Membership of the Audit and Risk Management Committee shall be:

a) The President, if desirous in participating, and three Councillors of the Shire of Augusta Margaret River;
OR

b) Four Councillors of the Shire of Augusta Margaret River; and

c) A deputy in the absence of the President or other appointed delegates.

No member of staff including the CEO is to be a member of the Committee, but the CEO may participate as Council’s principal advisor, unless expressly excluded by resolution of the Committee.

PRESIDING MEMBER
The Committee shall appoint a Presiding Member and Deputy Presiding Member to conduct its business. The Presiding Member shall ensure that minutes of the proceedings are kept and that business is conducted in accordance with the Shire of Augusta Margaret River Standing Orders (Local Law).

The Local Government Act 1995 places responsibility for speaking on behalf of Council with the President, or the CEO if the President agrees.

The Presiding Member if different from the President is to refrain from speaking publicly on behalf of the committee or Council, or to issue any form of written material purporting to speak on behalf of the committee or Council without the prior approval of the President.

CONDUCT OF MEETINGS
The Committee shall meet at least three-four times per year. A schedule of meetings will be developed and agreed to by the members. As an indicative guide, meetings would be arranged to coincide with relevant Council reporting deadlines, for example in February/March to discuss the Statutory Compliance Return, in June/July to discuss the year’s financial performance and to discuss the annual audit program and in October/November to discuss the Annual Financial Report including the Auditor’s Report. The fourth meeting will occur at a time to be determined and subjects for discussion could include the results of reviews completed to meet legislative requirements and other matters.

Additional meetings shall be convened at the discretion of the Presiding Member. Any three members of the Committee collectively or the internal or external auditor themselves may request the Presiding Member to convene a meeting.

From a time management point of view, urgent matters which may arise should be referred directly to Council through the bi-monthly meetings or to a Special Council meeting.

1. Notice of meetings shall be given to members at least 3 days prior to each meeting.

2. The Presiding Member shall ensure that detailed minutes of all meetings are kept and shall, not later than 5 days after each meeting, provide Council with a copy of such minutes. Council shall provide secretarial and administrative support to the Committee.

3. All members of the Committee shall have one vote. If the vote of the members present is equally divided, the person presiding must cast a second vote.

4. The Chief Executive Officer should attend all meetings, except when the Committee chooses to meet in camera with the exclusion of the CEO.
5. Representatives of the external auditor should be invited to attend at the discretion of the Committee but must attend meetings either in person or by telephone link up considering the draft annual financial report and results of the external audit.

6. The internal auditor or representative shall be invited to attend meetings, at the discretion of the Committee, to consider internal audit matters.

QUORUM
Quorum for a meeting shall be at least 50% of the number of members, whether vacant or not. A decision of the Committee does not have effect unless a simple majority has made it.

DELEGATED POWERS
The Committee has no delegated powers under the Local Government Act 1995 and is to advise and make recommendations to Council only. The Audit and Risk Management Committee is a formally appointed committee of Council and is responsible to that body. The Audit and Risk Management Committee does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any delegated financial responsibility.

The Audit & Risk Management Committee does not have any management functions and is therefore independent of management.

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

REPORTING POWERS
The Audit & Risk Management Committee shall report to Council and provide recommendations on matters pertaining to its terms of reference by assisting elected members in the discharge of their responsibilities for oversight and corporate governance of the local government.

The Audit & Risk Management Committee does not have executive powers or authority to implement actions in areas that management has responsibility. By not having any management functions, the Audit & Risk Management Committee is therefore independent of the roles of the Chief Executive Officer and senior staff.

The Audit & Risk Management Committee does not have any role pertaining to matters normally addressed by the Local Emergency Management Committee and Council in relation to financial management responsibilities in relation to budgets, financial decisions and expenditure priorities. The Audit & Risk Management Committee is a separate activity and does not have any role in relation to day-to-day financial management issues or any executive role or power.

The Audit & Risk Management Committee shall after every meeting forward the minutes of that meeting to the next Ordinary meeting of the Council, including a report explaining any specific recommendations and key outcomes.

Recommendations of committee meetings are to be presented to Council by Shire Staff for noting or further consideration as soon as practicable after unconfirmed minutes of Committee meetings are available.

TERMINATION OF COMMITTEE
Termination of the Committee shall be:
1. in accordance with the Local Government Act 1995; or
2. at the direction of the Council.
AMENDMENT TO THE INSTRUMENT OF APPOINTMENT AND DELEGATION
This document may be altered at any time by the Council.

COMMITTEE DECISIONS
The Committee recommendations are advisory only and shall not be binding on Council.

<table>
<thead>
<tr>
<th>Document and version control table</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic outcome</strong></td>
</tr>
<tr>
<td><strong>Responsible Directorate</strong></td>
</tr>
<tr>
<td><strong>Authority of original issue</strong></td>
</tr>
<tr>
<td><strong>Date of original issue</strong></td>
</tr>
<tr>
<td><strong>Contact officer</strong></td>
</tr>
<tr>
<td><strong>Date of next review</strong></td>
</tr>
<tr>
<td><strong>Document No.</strong></td>
</tr>
<tr>
<td><strong>Version</strong></td>
</tr>
<tr>
<td>1.0</td>
</tr>
<tr>
<td>1.1</td>
</tr>
<tr>
<td>1.2</td>
</tr>
</tbody>
</table>