



AUDIT AND ORGANISATIONAL RISK COMMITTEE MEETING

MINUTES

**The Audit and Organisational Risk Committee Meeting
was held in Meeting Room 4,
Welcome Road, Karratha,
on Monday, 17 February 2025 at 4.30pm**



**VIRGINIA MILTRUP
CHIEF EXECUTIVE OFFICER**



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WRITTEN CONFIRMATION

of the outcome of the application, and any conditions attaching to the decision made by the City of Karratha in respect of the application.

Signed: _____

VMiltrup

Virginia Miltrup - Chief Executive Officer

DECLARATION OF INTERESTS (NOTES FOR YOUR GUIDANCE) (updated 13 March 2000)

A member who has a **Financial Interest** in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest:

- (a) In a written notice given to the Chief Executive Officer before the Meeting or;
- (b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- (c) Preside at the part of the Meeting, relating to the matter or;
- (d) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under Section 5.68 or Section 5.69 of the Local Government Act 1995.

NOTES ON FINANCIAL INTEREST (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have a **Financial Interest** in a matter. I intend to include these notes in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the *Local Government Act 1995* but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
 - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the Local Government Act; or
 - 6.2 Where the Minister allows the Councillor to participate under s5.69 (3) of the Local Government Act, with or without conditions.

INTERESTS AFFECTING IMPARTIALITY

DEFINITION: *An interest that would give rise to a reasonable belief that the impartiality of the person having the interest would be adversely affected, but does not include an interest as referred to in Section 5.60 of the 'Act'.*

A member who has an **Interest Affecting Impartiality** in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest;

- (a) in a written notice given to the Chief Executive Officer before the Meeting; or
- (b) at the Meeting, immediately before the matter is discussed.

IMPACT OF AN IMPARTIALITY CLOSURE

There are very different outcomes resulting from disclosing an interest affecting impartiality compared to that of a financial interest. With the declaration of a financial interest, an elected member leaves the room and does not vote.

With the declaration of this new type of interest, the elected member stays in the room, participates in the debate and votes. In effect then, following disclosure of an interest affecting impartiality, the member's involvement in the Meeting continues as if no interest existed.

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MINUTES

1 OFFICIAL OPENING

The Meeting was officially opened at 4.32pm.

2 RECORD OF ATTENDANCES AND APOLOGIES

Committee Members:	Cr Daniel Scott Cr Daiva Gillam Cr Tony Simpson	(Chairperson)
Staff:	Virginia Miltrup Alistair Pinto Henry Eaton Izabella Brandis	Chief Executive Officer Director Corporate & Commercial Services Manager Governance & Organisational Strategy Minute Secretary
External:	Nil	
Apologies:	Nil	

3 DECLARATIONS OF INTEREST

No declarations of interest.

4 CONFIRMATION OF MINUTES AND BUSINESS ARISING FROM MINUTES OF PREVIOUS MEETINGS

COMMITTEE RESOLUTION

Res No : AOR250217-01
MOVED : Cr Gillam
SECONDED : Cr Simpson

1. That the Minutes of the Audit and Organisational Risk Committee Meeting held on Thursday, 12 December 2024, be confirmed as a true and correct record of proceedings.
2. That the Minutes of the Audit and Organisational Risk Committee Meeting held on Tuesday, 4 February 2025, be confirmed as a true and correct record of proceedings.

CARRIED 3/0

FOR : Cr Scott, Cr Gillam, Cr Simpson
AGAINST : Nil

5 ITEMS FOR DISCUSSION

5.1 COMPLIANCE AUDIT RETURN 2024

File No:	FM.12
Responsible Executive Officer:	Director Corporate and Commercial
Reporting Author:	Governance Coordinator – Procurement & Compliance
Date of Report:	21 January 2025
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	Draft Compliance Audit Return 2024

PURPOSE

To consider the City's annual Compliance Audit Return (CAR) for the 2024 calendar year.

COMMITTEE RESOLUTION

Res No : **AOR250217-02**
MOVED : **Cr Simpson**
SECONDED : **Cr Gillam**

That the Audit and Organisational Risk Committee:

- 1. RECEIVE the 2024 Compliance Audit Return;**
- 2. PRESENT the 2024 Compliance Audit Return to Council for adoption; and**
- 3. SUBMIT the 2024 Compliance Audit Return to the Department of Local Government, Sport and Cultural Industries by 31 March 2025.**

CARRIED 3/0

FOR : Cr Scott, Cr Gillam, Cr Simpson
AGAINST : Nil

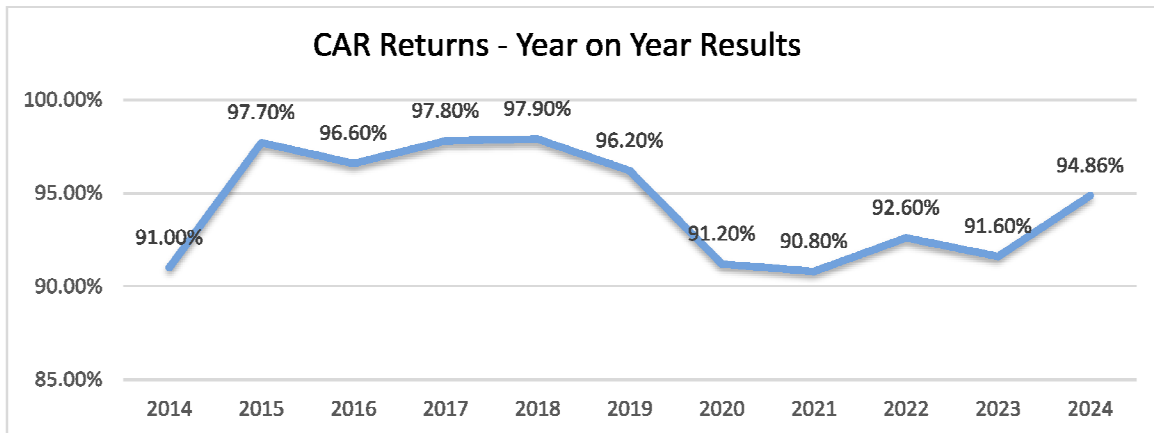
BACKGROUND

Each local government is required to submit a CAR for the preceding calendar year, by 31 March following review by the Audit and Organisational Risk Committee and adoption by Council. The CAR is submitted to the Department of Local Government, Sport and Cultural Industries (DLGSC) in a prescribed form and addresses statutory requirements in the following areas:

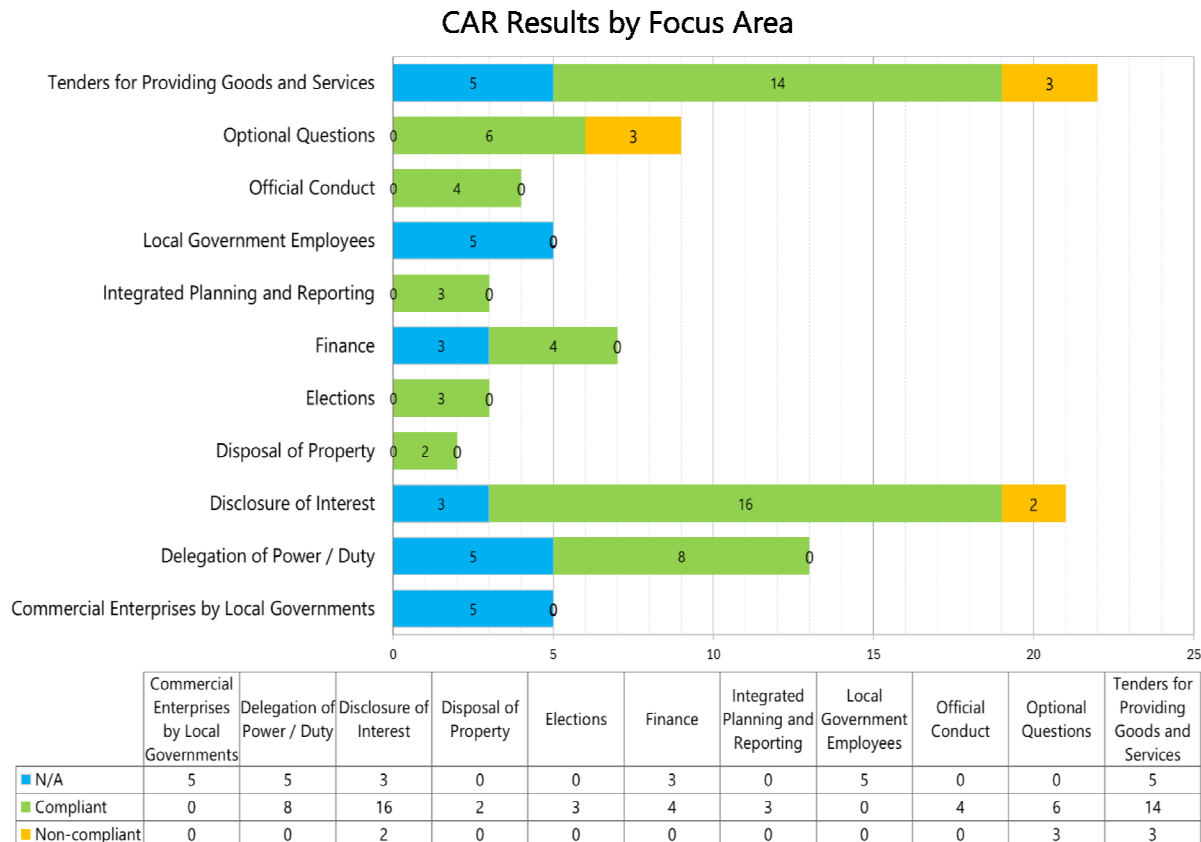
- Commercial Enterprises by Local Governments;
- Delegation of Power/Duty;
- Disclosure of Interest;
- Disposal of Property;

- e) Elections;
- f) Finance;
- g) Integrated Planning and Reporting;
- h) Local Government Employees;
- i) Official Conduct;
- j) Optional Questions; and
- k) Tenders for Providing Goods and Services.

As indicated below, historically the City has performed well with annual results for the CAR above 90%. In completing the internal review for the 2024 calendar year, 8 instances of non-compliance were identified against the 94 questions, resulting in a 94.86% compliance rate.



A summary of this year's CAR results per category is provided below:



The 8 recorded non-compliances relate to the following questions:

<i>Disclosures of Interest</i>	
1.	<p>Question 4: Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?</p> <p>Response: A Primary Return was not requested of an officer temporarily seconded into a management position. This was an administrative oversight contributed to by vacancies in the Governance team.</p>
2.	<p>Question 5: Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2024?</p> <p>Response: One officer did not submit their annual return by the deadline. The officer thought they had submitted their return before commencing annual leave at the end of August 2024. Governance issued three reminders for submission of the Annual Return and subsequently reported the issue to the CCC WA.</p>
<i>Optional Questions</i>	
3	<p>Question 3: Where a disclosure was made under sections 5.87A or 5.87B of the <i>Local Government Act 1995</i>, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?</p> <p>Response: Approval requirements captured in 'Council Policy CG-17 Attendance at Events' meet the legislative requirements, disclosure of one gift was received on the 12th day, exceeding the prescribed 10-day period.</p>
4.	<p>Question 5: Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the <i>Local Government Act 1995</i>?</p> <p>Response: All requirements met aside from the disclosure of the district map. The local government boundaries map was inadvertently removed in 2024 when the webpages were reviewed that detailed the previously existing ward boundaries that were abolished in October 2023. The map has since been restored in January 2025.</p>
5.	<p>Question 7: Did the local government prepare a report on the training completed by Council Members in the 2023/24 financial year and publish it on the local government's official website by 31 July 2024?</p> <p>Response: The Councillor training register was updated on 23 July 2024, however, the updated register was not published to the City's website until August 2024.</p>
<i>Tenders for Providing Goods and Services</i>	
6.	<p>Question 1: Did the local government comply with its current purchasing policy [adopted under F&G Reg 11A(1) and (3)] in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?</p> <p>Response: There were three known instances of purchasing policy non-compliance within this threshold. Two instances were due to officers committing expenditure without authority to do so, and the third due to not obtaining the required number of quotations.</p>
7.	<p>Question 3: When regulations 11(1), 12(2) or 13 of the <i>Local Government Functions and General Regulations 1996</i>, required tenders to be publicly invited, did the local</p>

	<p>government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)?</p> <p>Response: Of the 27 tenders invited, one notice did not include the contact person's particulars in accordance with Reg. 14(3)(b). The Tenderlink forum was provided instead.</p>
8.	<p>Question 7: Did the information recorded in the local government's tender register comply with the requirements of the <i>Local Government (Functions and General) Regulations 1996</i>, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?</p> <p>Response: The City's tender register meets the regulatory standards, however, one instance of an unsuccessful tenderer not being recorded was identified.</p>

The 2024 CAR review process has highlighted the City's commitment to compliance, with a high degree of adherence to legislative requirements observed. The results reflect a notable improvement when compared to prior reporting periods, demonstrating the effectiveness of the City's ongoing efforts to enhance its governance practices.

All identified instances of non-compliance have been addressed or are actively being resolved. Additionally, the City remains dedicated to continuous improvement, regularly reviewing and refining its systems and processes to further mitigate the risk of future non-compliance.

LEVEL OF SIGNIFICANCE

In accordance with *Council Policy CG-8 Significant Decision Making*, this matter is considered to be of moderate significance in terms of Council's ability to perform its role.

STATUTORY IMPLICATIONS

Regulations 13-15 of the *Local Government (Audit) Regulations 1996* provide for compliance audits.

The CAR is to be received and accepted by the Audit and Organisational Risk Committee and Council prior to a certified copy being submitted to the Department of Local Government by 31 March of each year.

COUNCILLOR/OFFICER CONSULTATION

Consultation has taken place with relevant City officers when preparing responses.

COMMUNITY CONSULTATION

No community consultation is required.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

STRATEGIC IMPLICATIONS

This item is relevant to the Council's approved Strategic Community Plan 2020-2030 and the Corporate Business Plan 2020-2025. In particular, the Operational Plan 2024-2025 provided for this activity:

Programs/Services: 4.e.1.2 Organisational Risk Management
 Projects/Actions: 4.e.1.2.21.2 Complete the annual Compliance Audit Return

RISK MANAGEMENT CONSIDERATIONS

The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	N/A	Nil
Service Interruption	N/A	Nil
Environment	N/A	Nil
Reputation	Low	The CAR is utilised to inform the DLGSC and is not likely to have significant reputational implications unless major non-compliances are identified through the process.
Compliance	Moderate	The CAR provides an opportunity for self-assessment, to review current practices and identify any areas for operational improvement. Good systems and strong governance are in place to manage this risk.

IMPACT ON CAPACITY

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

RELEVANT PRECEDENTS

The CAR is submitted to the Audit and Organisational Risk Committee and to Council prior to March 31 each year.

VOTING REQUIREMENTS

Simple Majority.

CONCLUSION

Each local government is required to carry out an annual Compliance Audit Return in relation to the period 1 January 2024 to 31 December 2024. Overall, the audit indicates a compliance rate of 94.86% for the City, an increase from 2023. Measures have been taken to rectify non-compliances, and internal controls continue to be monitored to identify and address non-compliances as they occur. The City's governance systems continue to reflect a high level of compliance and scrutiny.

5.2 AUDIT AND ORGANISATIONAL RISK COMMITTEE MEETING DATES 2025

File No: FM.3

Responsible Executive Officer: Director Corporate and Commercial

Reporting Author: Governance Coordinator – Procurement & Compliance

Date of Report: 31 January 2025

Applicant/Proponent: Nil

Disclosure of Interest: Nil

Attachment(s): Nil

PURPOSE

For the Audit and Organisational Risk Committee to consider scheduled dates for Committee meetings for 2025.

COMMITTEE RESOLUTION

Res No : AOR250217-03
MOVED : Cr Gillam
SECONDED : Cr Simpson

That the Audit and Organisational Risk Committee:

- 1. ENDORSE the following meeting dates for the Audit and Organisational Risk Committee for the remainder of 2025:**
 - 3pm on Monday 21 July 2025; and
 - 3pm on Monday 17 November 2025; and
- 2. AUTHORISE the Presiding Officer or CEO to initiate any additional meetings of the Audit and Organisational Risk Committee, if required.**

CARRIED 3/0

FOR : Cr Scott, Cr Gillam, Cr Simpson
AGAINST : Nil

BACKGROUND

The Audit and Organisational Risk Committee is a committee of Council with Terms of Reference indicating a meeting frequency of at least three times per annum with additional meetings called in the event of an urgent matter needing to be considered.

The Committee is expected to consider such matters as:

- Annual compliance audit returns (statutory document);
- Interim and Annual Financial Reports provided by external auditors, findings and opinions;
- Audit reports produced by officers or external parties, including internal audit plan;
- Oversight of risk management – strategic and operational reviews, including framework and associated policies;
- Review progress on previous outstanding audit recommendations;
- Regulation 17 review of internal controls;
- Review of appropriate policies and frameworks; and
- Outcomes on any investigations of material and significant non-compliance.

The suggested dates have in the past aligned with external audit activities (excluding recent years where completion of audits have been delayed). The table below highlights matters for discussion that will be provided to the Committee for consideration.

Additional audit committee meeting dates can be held if needed. Tranche 2 reforms to the *Local Government Act 1995* will be focussing on some changes to the manner in which audit committees operate. This may warrant a review of the terms of reference at a time when these changes are more widely understood and the composition of the committees and roles.

Date of Meeting	Matters for Discussion
21 July 2025 Monday 3.00pm	Main driver: <ul style="list-style-type: none"> • Internal Audit by OAG Routine reports: <ul style="list-style-type: none"> • Audit Framework Project update • Risk Management Report • Risk Management Framework Project Update • Update on outstanding audit findings and recommendations
17 November 2025 Monday 3.00pm	Main driver: <ul style="list-style-type: none"> • Annual Financial Report and Audit Opinion for 2025 FY from the Office of the Auditor General • New Committee Members (post LG elections) • Review of Terms of Reference for audit committee Routine reports: <ul style="list-style-type: none"> • Risk Management Report • Risk Management Framework Project Update • Internal Audit Program update • Meeting Schedule for 2026 • Update on outstanding audit findings and recommendations
February 2026	Main driver: <ul style="list-style-type: none"> • Compliance Audit Return Routine reports: <ul style="list-style-type: none"> • Risk Management Report • Risk Management Framework Project Update • Internal Audit Program update • Update on outstanding audit findings and recommendations

LEVEL OF SIGNIFICANCE

In accordance with Council Policy *CG-8 Significant Decision-Making Policy*, this matter is considered to be of low significance in terms of Council's ability to perform its role.

STATUTORY IMPLICATIONS

Division 1A of Part 7 of the *Local Government Act 1995* makes provision for local government audit committees.

COUNCILLOR/OFFICER CONSULTATION

No Councillor or Officer consultation is required.

COMMUNITY CONSULTATION

No community consultation is required.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

STRATEGIC IMPLICATIONS

This item is relevant to the Council's approved Strategic Community Plan 2020-2030 and the Corporate Business Plan 2020-2025. In particular, the Operational Plan 2024-2025 provided for this activity:

Program/Services: 4.a.2.6 Agenda and Minutes Preparation

RISK MANAGEMENT CONSIDERATIONS

The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	N/A	Nil
Service Interruption	Low	City has various internal controls to ensure that risks are managed and alternate methods exist to report issues back to Executive and Council.
Environment	N/A	Nil
Reputation	N/A	Nil
Compliance	Low	The Committee's terms of reference stipulate the expected frequency of meetings. The Committee is required to meet to discuss appointment of auditors and outcomes of any audits.

IMPACT ON CAPACITY

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

RELEVANT PRECEDENTS

The Committee's meeting frequency has been dependent upon available audit reports from internal and external parties and other matters of business. In recent years with delays in external audit reports and diminished capacity and resourcing has been a limiting factor on the production of committee reports.

VOTING REQUIREMENTS

Simple Majority.

CONCLUSION

The Audit and Organisational Risk Committee meeting is scheduled to meet three times a year however additional meetings may be called if an urgent matter needs to be considered.

6 ITEMS FOR INFORMATION ONLY

Nil

7 MATTERS BEHIND CLOSED DOORS

Nil

8 CLOSURE & DATE OF NEXT MEETING

The meeting closed at 4.50pm.

The date of the next meeting is to be held on Monday, 21 July 2025 at 3:00 pm in Council Chambers - Welcome Road, Karratha.