



Shire of
Serpentine
Jarrahdale

Audit, Risk and Governance Committee Meeting

Unconfirmed Minutes

Monday, 24 February 2025

6.00pm

Contact Us

Enquiries

Call: (08) 9526 1111

Fax: (08) 9525 5441

Email: info@sjshire.wa.gov.au

In Person

Shire of Serpentine Jarrahdale

6 Paterson Street, Mundijong WA 6123

Open Monday to Friday 8.30am-5pm (closed public holidays)



www.sjshire.wa.gov.au



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Unconfirmed



Minutes of the Audit, Risk and Governance Committee Meeting held in the Council Chambers, Civic Centre, 6 Paterson Street, Mundijong, on Monday, 24 February 2025.

The Presiding Member, Councillor Mack declared the meeting open at 6.14pm and welcomed Committee Members and Staff.

Councillor Mack acknowledged the Noongar people of the Boodja – the land – that we gather on today. For thousands of years their connection to Country has provided knowledge, guidance, spirituality, and life. We pay our respects to this ongoing connection, as well as to their Elders past, present and emerging.

Presiding Member, Councillor Mack advised that the meeting is being live streamed and audio recorded. No other visual or audio recording of this meeting by any other means is allowed.

Minutes

1. Attendances and apologies (including leave of absence):

Elected Members: S Mack.....Presiding Member
R Coales
C Mazzini
T Duggin
R Jerrett

External Members: Ms E Newby
Mr J Curulli

Officers: Mr P Martin.....Chief Executive Officer
Mr N Scidone.....Acting Director Infrastructure Services
Mr B Oliver.....Director Community Engagement
Ms C Mortimer.....Acting Director Corporate Services
Mr A TrosicDirector Development Services
Ms D Merritt.....Coordinator Governance
Ms J Bavaro.....PA to Director Corporate Services (Minute Taker)

Leave of Absence: Cr M Byas

Apologies: N Bishop

Observers: Nil.



2. Public Questions:

Nil.

3. Deputations:

Nil.

4. Declaration of Committee Members and Officers interest:

Nil.

5. Receipt of minutes or reports and consideration of adoption of recommendations from Committee meetings held since the previous Council meetings:

5.1 Minutes of previous Audit, Risk and Governance Committee Meetings:

5.1.1 - Audit, Risk and Governance Committee Meeting - 25 November 2024

ARG05/02/25

AUDIT, RISK AND GOVERNANCE COMMITTEE RESOLUTION

Moved Ms Newby, seconded Cr Jerrett

That the Minutes of the Audit, Risk and Governance Committee Meeting held on 25 November 2024 be CONFIRMED (E24/17405)

CARRIED UNANIMOUSLY 7/0

5.1.2 - Special Audit, Risk and Governance Committee Meeting - 28 January 2025

ARG06/02/25

AUDIT, RISK AND GOVERNANCE COMMITTEE RESOLUTION

Moved Cr Jerrett, seconded Ms Newby

That the Minutes of the Special Audit, Risk and Governance Committee Meeting held on 28 January 2025 be CONFIRMED (E25/955)

CARRIED UNANIMOUSLY 7/0



6. Reports for consideration:

6.1 - Shire of Serpentine Jarrahdale Bush Fire Service - Brigade Operating Procedures Review (SJ4043)	
Responsible Officer:	Coordinator Emergency Services
Senior Officer:	Director Community Engagement
Disclosure of Officer's Interest:	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

Authority / Discretion

Information	For the Council / Committee to note.
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Report Purpose

The purpose of this report is for the Committee to note:

1. The proposed sections of the Shire of Serpentine Jarrahdale Bush Fire Service - Brigade Operating Procedures (BOP) to be reviewed in 2025.
2. The proposed timeline and scope for the review of the *Serpentine-Jarrahdale Bush Fire Brigade Local Law 2021*.
3. A summary of current compliance by volunteer brigade members who have signed the Shire's Volunteer Code of Conduct.
4. The proposed process and timeline for action in regard for volunteer brigade members who have not signed acknowledgement of the Shire's BOP and Code of Conduct by 28 February 2025.

Relevant Previous Decisions of Council

*Ordinary Council Meeting - 9 December 2024 - OCM345/12/24 - COUNCIL RESOLUTION - **extract***

That Council:

4. *ADOPTS Audit, Risk and Governance Committee Resolution ARG12/11/24 and*
 1. *NOTES that a review of the Shire of Serpentine Jarrahdale Bush Fire Service – Brigade Operating Procedures has been undertaken and will be issued to volunteer brigade members by 30 November 2024.*
 2. *NOTES that following the issuing of the revised Brigade Operating Procedures, all volunteer brigade members will be required to sign acknowledgement of the Shire's Code of Conduct as a Shire volunteer.*
 3. *RECOMMEND that Council request the Chief Executive Officer to present the following items to the February 2025 Audit, Risk and Governance Committee Meeting:*



- i. The proposed sections of the Shire of Serpentine Jarrahdale Bush Fire Service – Brigade Operating Procedures to be reviewed in 2025;*
- ii. A proposed timeline and scope for the review of the Serpentine Jarrahdale Bush Fire Brigade Local Law 2021;*
- iii. A summary of compliance by volunteer brigade members who have signed the Shire's Code of Conduct as a Shire volunteer.*

Background

Brigade Operating Procedures and Shire Code of Conduct

The Shire of Serpentine Jarrahdale Bush Fire Service – Brigade Operating Procedures (BOP) is established under the *Serpentine-Jarrahdale Bush Fire Brigades Local Law 2021* (the Local Law) and outlines the working structure of the Bush Fire brigades.

The Shire's review of the BOP in 2023 and 2024 identified:

1. Sections of the BOP for future review and improvement, and
2. The requirement for the Local Law to be reviewed to accommodate future improvements to the BOP without introducing inconsistencies between the two documents.

The Shire issued the revised BOP to brigade members in on 28 November 2024 and required that members sign acknowledgement of the Shire BOP and Code of Conduct by no later than 28 February 2025.

Relevant provisions of the *Serpentine-Jarrahdale Bush Fire Brigades Local Law 2021*:

Section 3.2(2) requires that each brigade member is to “*comply with the Bush Fire Brigade Operating Procedures, policies and the provisions of this local law*”.

Section 4.2(4)(a) provides that “*The Chief Bushfire Control Officer may terminate the membership of any brigade member, who is determined to be, or considered to be, unfit to serve as a member of a bush fire brigade*”.

Section 4.3(3) confirms that “*The Chief Executive Officer of the Local Government shall be the final decision making authority in regards to the grievances associated with membership and code of conduct of Bush Fire Brigades*”.

Community / Stakeholder Consultation

Policy Concept Forum

Nil.

Volunteer Brigade Members

Between December 2024 February 2025, Shire officers conducted information sessions on the revised BOP and Volunteer Code of Conduct with six out of seven of the Shire's volunteer Bush Fire Brigades. A final information session is scheduled for 20 February 2025.

Statutory Environment

- *Serpentine-Jarrahdale Bush Fire Brigade Local Law 2021*
- *Bush Fires Act 1954*
- *Bush Fire Regulations 1954*



- *Fire Brigades Act 1942*
- *Emergency Management Act 2005*
- *Local Government Act 1995*
- *Work Health and Safety Act 2020*
- *Work Health and Safety Regulations 2022*
- *Equal Opportunities Act 1984*

Comment

Review of Brigade Operating Procedures

The following sections of the Brigade Operating Procedures are proposed to be reviewed in 2025:

1. Section 9 - Cadets
2. Section 14.4 - Fitness for Work, and Section 14.5 - Alcohol and other drugs

Local Law Review Scope and Timeline

Following last year's review of the BOP, officers have identified the need for review of the *Serpentine-Jarrahdale Bush Fire Brigade Local Law 2021* to ensure that the Local Law aligns with contemporary brigade management practices and allows for future improvements to the Brigade Operating Procedures.

The scope and timeline of the Local Law review will include:

- Preparation: Identify changes, track amendments.
- Notice of Proposed Law: Seek Council endorsement, outline purpose/effect.
- Local Public Notice: Advertise for 6 weeks, advise Department of Local Government.
- Making the Local Law: Consider submissions, adopt by absolute majority if changes are minor.
- Sign and Seal: Formalise adoption, record via memo.
- Government Gazette: Publish; law effective in 14 days, notify the public.
- Joint Standing Committee: Submit explanatory memorandum within 10 days of gazettal.

Volunteer Brigade Member Compliance

The Shire wrote to all brigade members on 28 November 2024 advising that they are required to acknowledge the revised BOP and Code of Conduct by 28 February 2025. Members were advised that non-compliance will result in the members suspension, and ultimately termination from the brigade.

Based on feedback received from brigade members, the application of the Shire's Code of Conduct to the Shire's volunteers was reviewed in January 2025, and a revised "Volunteer Code of Conduct" issued to all members on 29 January 2025.



Following the release of the BOP and Code of Conduct, and the follow-up information sessions, the Shire has received a steady influx of acknowledgement forms with the following table detailing compliance as of 10 February 2025:

Brigade	Compliance
Byford Bush Fire Brigade	37%
Jarrahdale Bush Fire Brigade	32%
Keysbrook Bush Fire Brigade	50%
Mundijong Bush Fire Brigade	47%
Oakford Bush Fire Brigade	28%
Serpentine Bush Fire Brigade	55%
Serpentine Jarrahdale Emergency Support Bush Fire Brigade	16%
Total Compliance:	37%

Officers are supporting brigades to complete and return acknowledgement forms by the 28 February 2025 due date. Based on feedback received from brigade leadership and at information sessions, Officers expect to see the above compliance rate increase noting that that acknowledgement forms received to date predominantly represent the most active members from each brigade.

Brigade Members Out of Compliance

Acknowledgement of the Brigade Operating Procedures and Code of Conduct is a requirement for all brigade members. Brigade members who do not complete and return the required acknowledgment form by 28 February 2025 will be managed through the following process:

Options

Option 1

That the Audit, Risk and Governance Committee RECOMMENDS that Council:

1. NOTES the proposed 2025 review sections of the Shire of Serpentine Jarrahdale Bush Fire Service - Brigade Operating Procedures.
2. NOTES the timeline and scope outlined for the review of the Serpentine-Jarrahdale Bush Fire Brigade Local Law 2021.
3. NOTES the summary of compliance by volunteer brigade members and ongoing efforts to ensure all members acknowledge the Shire's Code of Conduct by 28 February 2025.
4. NOTES that for brigade volunteers who do not complete and return the acknowledgement form of the Brigade Operating Procedures and Code of Conduct by the 28 February 2025:
 - i. the Chief Bush Fire Control Officer will suspend the volunteers brigade membership, and;



- ii. the Chief Bush Fire Control Officer will recommend to the Chief Executive Officer to terminate the membership of brigade volunteers who do not complete and return the acknowledgement form of the Brigade Operating Procedures and Code of Conduct by 30 May 2025.

Option 2

That the Audit, Risk and Governance Committee RECOMMENDS that Council:

1. NOTES the proposed 2025 review sections of the Shire of Serpentine Jarrahdale Bush Fire Service - Brigade Operating Procedures.
2. NOTES the timeline and scope outlined for the review of the Serpentine-Jarrahdale Bush Fire Brigade Local Law 2021.
3. NOTES the summary of compliance by volunteer brigade members and ongoing efforts to ensure all members acknowledge the Shire's Code of Conduct by 28 February 2025.
4. REQUESTS the Chief Executive Officer to review the deadlines for Brigade volunteers to complete and return the acknowledgement form of the Brigade Operating Procedures and Code of Conduct.

Option 1 is recommended.

Conclusion

The proposed 2025 review of sections within the Brigade Operating Procedures, alongside the formal review of the *Serpentine-Jarrahdale Bush Fire Brigade Local Law 2021*, will ensure consistent and contemporary management of the Shire's volunteer Bush Fire Brigades.

Compliance with the requirement for brigade members to acknowledge the Volunteer Code of Conduct is expected to increase by the 28 February 2025 deadline. If compliance is not achieved by the deadline the Shire will work with individual brigade members to receive acknowledgement of the volunteer code of conduct and brigade operating procedure.

For those members who do not comply the Chief Bushfire Control Officer and the CEO will implement suspension and potentially termination of membership.

These actions collectively support stronger governance, operational clarity, volunteer engagement and compliance with the workplace health and safety obligations of the Shire's Bush Fire Brigades.

Attachments (available under separate cover)

Nil.

Alignment with our Council Plan 2023-2033

Thriving
4. Ensure sustainable and optimal use of Shire resources and finances

Financial Implications

Nil.



Risk Implications

Risk has been assessed on the Officer Options:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	There are no significant risks associated with this option.						
2	Potential negative public perception if the Committee does not note the updates regarding the Brigade Operating Procedures, Local Law Review, and compliance.	Engagement with relevant internal subject matter experts and Brigade captains as part of the document review.	Reputation	Possible	Minor	MODERATE	Option 1

Voting Requirements: Simple Majority

Officer Recommendation

That the Audit, Risk and Governance Committee RECOMMENDS that Council:

1. NOTES the proposed 2025 review sections of the Shire of Serpentine Jarrahdale Bush Fire Service - Brigade Operating Procedures.
2. NOTES the timeline and scope outlined for the review of the Serpentine-Jarrahdale Bush Fire Brigade Local Law 2021.
3. NOTES the summary of compliance by volunteer brigade members and ongoing efforts to ensure all members acknowledge the Shire's Code of Conduct by 28 February 2025.
4. NOTES that for brigade volunteers who do not complete and return the acknowledgement form of the Brigade Operating Procedures and Code of Conduct by the 28 February 2025:
 - i. the Chief Bush Fire Control Officer will suspend the volunteers brigade membership, and;
 - ii. the Chief Bush Fire Control Officer will recommend to the Chief Executive Officer to terminate the membership of brigade volunteers who do not complete and return the acknowledgement form of the Brigade Operating Procedures and Code of Conduct by 30 May 2025.



ARG07/02/25

AUDIT, RISK AND GOVERNANCE COMMITTEE RESOLUTION

Moved Ms Newby, seconded Mr Curelli

That the Audit, Risk and Governance Committee RECOMMENDS that Council:

- 1. NOTES the proposed 2025 review sections of the Shire of Serpentine Jarrahdale Bush Fire Service - Brigade Operating Procedures.**
- 2. NOTES the timeline and scope outlined for the review of the Serpentine-Jarrahdale Bush Fire Brigade Local Law 2021.**
- 3. NOTES the summary of compliance by volunteer brigade members and ongoing efforts to ensure all members acknowledge the Shire's Code of Conduct by 28 February 2025.**
- 4. NOTES that for brigade volunteers who do not complete and return the acknowledgement form of the Brigade Operating Procedures and Code of Conduct by the 28 February 2025:**
 - i. the Chief Bush Fire Control Officer will suspend the volunteers brigade membership, and;**
 - ii. the Chief Bush Fire Control Officer will recommend to the Chief Executive Officer to terminate the membership of brigade volunteers who do not complete and return the acknowledgement form of the Brigade Operating Procedures and Code of Conduct by 30 May 2025.**
- 5. REQUESTS the Chief Executive Officer provide a report to a future Audit, Risk and Governance Committee on the status of Elected Members serving as bushfire volunteers, in particular whether there is a conflict of interest.**

CARRIED UNANIMOUSLY 7/0

Reason for Difference:

We have a concern that Elected Members serving as volunteers may be deemed as employees.

Please note that the Audit, Risk and Governance Committee does not have delegated authority to make decisions. All recommendations of the Audit, Risk and Governance Committee are presented to Council for ratification.



6.2 - 2024 Compliance Audit Return (SJ2484)	
Responsible Officer:	Manager Corporate Performance
Senior Officer:	Director Corporate Services
Disclosure of Officer's Interest:	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

Authority / Discretion

Legislative	Includes adopting local laws, local planning schemes and policies.
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Report Purpose

The purpose of the report is to enable the Committee to consider and make recommendations to Council regarding adoption of the 2024 Compliance Audit Return.

Relevant Previous Decisions of Council

There are no previous decisions of Council relating to this matter.

Background

The Compliance Audit Return (CAR) is a legislative requirement used to assess compliance with elements of the *Local Government Act 1995* (the Act). The CAR takes the form of a questionnaire which, once completed and certified, is provided to the Department of Local Government, Sport and Cultural Industries (DLGSC).

Community / Stakeholder Consultation

Nil

Statutory Environment

Section 7.13(1)(i) of the Act requires local governments to carry out a compliance audit in a manner specified in the Regulations. Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996* require:

- a local government to carry out a compliance audit return for the period 1 January to 31 December in each year;
- the local government's audit committee to review the CAR and report to Council the results of that review;
- following Council's approval, the certification of the CAR by the President and Chief Executive Officer; and
- the certified copy of the CAR be provided to the Department of Local Government, Sport and Cultural Industries' Chief Executive Officer by 31 March of that year.



Comment

The CAR provides a means to self-check compliance with statutory requirements. The 2024 CAR contains questions related to:

- Commercial Enterprises by Local Governments
- Delegation of Power/Duty
- Disclosure of Interest
- Disposal of Property
- Elections
- Finance
- Integrated Planning and Reporting
- Local Government Employees
- Official Conduct
- Optional Questions
- Tenders of Providing Goods and Services

The 2024 CAR was made available to local governments on 17 December 2024.

Assurance

Responses to the CAR are compiled by the Shire's Internal Audit function, who conducts the following assurance checks on the answers provided by the responsible functional areas:

- Verifies that evidenced records and their content exist in the record management system
- Verifies that evidenced Council resolutions did occur in the manner described through the review of Council minutes
- Followed up and requested further evidence from responsible functional areas in circumstances where the provided response indicated a lack of clarity.

Internal Audit

Review Scope

In accordance with the internal audit program for 2024-2025, Australian Audit was appointed to conduct the 2024 CAR internal audit on 17 December 2024. The audit was conducted in January 2025 with a report being provided to the Shire on 4 February 2025.

The review focused solely on the assessment of the completed 2024 Compliance Audit Return information based on a selected sample which were assessed against support documentation.

The review did not assess the Shire's compliance with any other statutory obligations under the *Local Government Act 1995* and associated Regulations, which were not included nor sought by the 2024 Compliance Audit Return.



Review Approach / Methodology

The review undertook the following approach:

- Sighted relevant documentation, on a sample basis, as provided by the Shire's Internal audit Coordinator to support the assessment of compliance or non-compliance information as reported in the 2024 Compliance Audit Return.

A total of 30 legislative sections were selected for review.

The conclusion in the Internal Audit Report, contained within **attachment 2** states:

"Based on our sample testing, we can conclude that nothing came to our attention during our review and assessment of the support documentation provided for the 30 selected legislative items that would indicate that the 2024 Compliance Audit Return information is incorrect.

All items requiring to be adjusted as noted from our review were discussed with the Shire management and have been adjusted.

We can confirm and agree that only 1 area of non-compliance (NO was provided as a response) exists as identified and recorded by the Shire in the 2024 Compliance Audit Return.

This being:

- **F&G Regulation 11A (1) & (3)** - Non-compliance with Shire Purchasing Policy regarding purchases under \$250,000.

No other non-compliance matters came to our attention during our review"

Findings

The 2024 CAR identified that there was one (1) non-compliance as follows:

Tenders for Providing Goods and Services				
No	Reference	Question	Response	Comments
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy, adopted under the <i>Local Government (Functions and General) Regulations 1996</i> , regulations 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?	No	Council Policy 3.2.4 - Purchasing - Procurement of Goods or Services up to \$250,000 (E19/5674) requires a requisition and purchase order to be raised and approved prior to the commitment of purchases unless an exemption in accordance with the Policy applies. The Shire tracks compliance with this provision on a regular basis. In 2024, there were instances of noncompliance with this provision which were managed in



				accordance with the non-compliance provisions of the Policy
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Further context to identified non-compliance

Legislative Compliance

Regulation 11A(1) requires a local government to prepare or adopt, and to implement, a purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$250 000 or less or worth \$250 000 or less.

Regulation 11A(3) requires that the purchasing policy must make provision in respect of —

- (a) the form of quotations acceptable; and
- (ba) the minimum number of oral quotations and written quotations that must be obtained; and
- (b) the recording and retention of written information, or documents, in respect of —
 - (i) all quotations received; and
 - (ii) all purchases made.

The Shire has adopted and implemented Council Policy 3.2.4 - Purchasing - Procurement of Goods or Services in accordance with r 11A(1) and the Policy contains the requirements of r 11A(3). Compliance to legislation has therefore been met.

Compliance to Purchasing Policy (response to Compliance Audit Return Question)

The Shire has a comprehensive process in place to control, monitor and address noncompliance with the Shire's purchasing policy, including:

- A centralised procurement function meaning that a requisition is raised by an officer, approved by another officer with the required level of purchasing power and then released by an officer from the procurement team who checks the requisition meets the purchasing policy.
- Monthly compliance reporting to Managers.
- Quarterly compliance reporting to Executives.
- Induction training for new starters.
- Extra training for business areas where trends are identified.
- An immediate escalation notification process of serious noncompliance to the Director or CEO (via memo) for management in accordance with the Shire's code of conduct and disciplinary procedures.

This approach is used to ensure that compliance with purchasing rules is met, or in situations where there is an identified noncompliance, appropriate action can be taken.

The number of non-compliances for 2024 was 154 of 3,716 purchase orders (4.1%). In 2023, it was 3%, in 2022 it was 7%. The increase of 1.1% in non-compliances when compared to the previous year are mostly attributed to the shutdown process of the purchasing system for 3 days at the end of the financial year.



Many standing orders (standing orders are used for small incidental purchases and consumables such as hardware) were closed at 30 June 2024 and Officers were unable to raise a new standing order until 3 days post the new financial year. Inevitably within these 3 days Officers were required to purchase consumables, or did not realise their standing order had been closed.

Going forward for 2025, the process has been adjusted to allow standing orders to remain open for the shut down period. Removing the standing order non-compliances (31) from the data results in a non-compliance rate of 3.3%.

Officers are of the view that with continued monitoring and training this level of noncompliance does not represent a significant risk overall. Centralised procurement, supported by improved reporting is assisting in ensuring vigilance within the context of greater demand on the Shire's service delivery and responsiveness to customer requests which often requires emergency and out of hours works.

Options

Option 1

That the Audit, Risk and Governance Committee recommends that Council:

1. APPROVES the 2024 Compliance Audit Return for the period 1 January 2024 to 31 December 2024, as shown in **attachment 1**;
2. AUTHORISES the Shire President and Chief Executive Officer to certify the Compliance Audit Return; and
3. AUTHORISES the certified 2024 Compliance Audit Return be submitted to the Department of Local Government, Sport and Cultural Industries.

Option 2

That the Audit, Risk and Governance Committee recommends that Council DOES NOT APPROVE the Compliance Audit Return for the period 1 January 2024 to 31 December 2024.

Option 1 is recommended.

Conclusion

The 2024 Compliance Audit Return demonstrates the Shire's overall strong compliance with legislative requirements and as this report details, the noncompliance identified has been managed accordingly. Pleasingly the internal audit concluded that that the information recorded by the Shire can be relied upon to be correct and agreed that no further non-compliances existed.

Attachments (available under separate cover)

- **6.2 - attachment 1** - Compliance Audit Return 2024 (E25/1484)
- **6.2 - attachment 2** - Compliance Audit Return 2024 - Internal Audit Report (IN25/2474)



Alignment with our Council Plan 2023-2033

Thriving
4. Ensure sustainable and optimal use of Shire resources and finances

Financial Implications

Nil.

Risk Implications

Risk has been assessed on the Officer Options:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	There are no significant risks associated with Option 1.						
2	If Council do not approve the Compliance Audit Return, it will not be submitted on time (i.e. legislative non-compliance) resulting in a possible elevation of the Shire on the Departments risk assessment.	Nil	Organisational Performance	Unlikely	Minor	LOW	Nil



Voting Requirements: Simple Majority

ARG08/02/25

AUDIT, RISK AND GOVERNANCE COMMITTEE RESOLUTION / Officer Recommendation

Moved Mr Curelli, seconded President Coales

That the Audit, Risk and Governance Committee recommends that Council:

- 1. APPROVES the 2024 Compliance Audit Return for the period 1 January 2024 to 31 December 2024, as shown in attachment 1;**
- 2. AUTHORISES the Shire President and Chief Executive Officer to certify the Compliance Audit Return; and**
- 3. AUTHORISES the certified 2024 Compliance Audit Return be submitted to the Department of Local Government, Sport and Cultural Industries.**

CARRIED UNANIMOUSLY 7/0

Please note that the Audit, Risk and Governance Committee does not have delegated authority to make decisions. All recommendations of the Audit, Risk and Governance Committee are presented to Council for ratification.

Unconfirmed



6.3 - Strategic Risk Register Quarterly Review Report - February 2025 (SJ2881)	
Responsible Officer:	Manager Corporate Performance
Senior Officer:	Director Corporate Services
Disclosure of Officer's Interest:	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

Authority / Discretion

Information	For the Council / Committee to note.
Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.

Report Purpose

The purpose of this report is to provide the Audit, Risk and Governance Committee (the Committee) an overview of the quarterly review undertaken on the Shire's Strategic Risk Register and provide the Committee with the updated Strategic Risk Register for recommendation to Council for endorsement.

Relevant Previous Decisions of Council

<i>Ordinary Council Meeting – 9 December 2024 – OCM345/12/24 - COUNCIL RESOLUTION - extract</i> <i>That Council:</i> <i>2. ADOPTS Audit, Risk and Governance Committee Resolution ARG10/11/24 and;</i> <i>1. NOTES the Strategic Risk Register Review as contained within this paper.</i> <i>2. ENDORSES the updated Strategic Risk Register as contained within attachment 1 with the following amendments:</i> <ul style="list-style-type: none"><i>○ Add as an action to risk 12 to review and progress of the economic development and tourism strategy.</i><i>○ Add as an action to risk 14 to conduct a review of the business continuity plan.</i>
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Background

Risk Management is a framework of culture, processes and structures directed towards the effective management of risk. This includes consideration of both potential opportunities and adverse effects on existing operations. As all actions and transactions involve risk, effective Risk Management involves the anticipating, understanding and monitoring of risk. It contributes to good corporate governance by providing reasonable assurance to Council, Executive Management and the community that the organisational objectives will be achieved within a tolerable degree of residual risk.



In September 2020, Council, on recommendation from the Committee, endorsed the Shire's new Strategic Risk Register and approved the revised Council Policy Risk Management (OCM281/09/20). These are important achievements towards improving the risk management processes at the Shire as they provide a mechanism for Shire executives to manage risk at a strategic level and an avenue for the Committee and Council to monitor strategic risk through quarterly reporting.

Community / Stakeholder Consultation

N/A

Statutory Environment

Regulation 17 of the *Local Government (Audit) Regulations 1996* (WA) ('the Regulations') require the CEO to review the appropriateness and effectiveness of the Shire's systems and processes in relation risk management, internal control and legislative compliance (r. 17(1)). The review may include any or all of the abovementioned matters (r. 17(2)) and the results of any review must be reported to the Shire's Audit, Risk and Governance Committee (r. 17(3)). Each matter must be the subject of a review not less than once in every 3 financial years (r. 17(2)).

The most recent review of risk management was completed by the Shire in the 2021-22 financial year and considered by the Committee at its February 2022 meeting. The next review is due no later than 30 June 2025.

Comment

Strategic Risk Register Quarterly Review – February 2025

In accordance with Council Policy Risk Management, the Executive Management Group reviewed the Strategic Risk Register. Following this, Officers have prepared the following quarterly report for the Committee's noting. Committee members and Councillors agreed to the structure of this report at the Strategic Workshop held 4 November 2020.

Strategic Risk Register Quarterly Review – February 2025

1. Risk Rating Reviews

Nil

2. New and Emerging Risks

Nil

3. Updates to Risk Mitigation Strategies

Actions complete and moved to controls

Risk 14 (Emergency Management)

- Action 1 - *Conduct a review of the Business Continuity Plan* is complete and Control 1 updated.

Risk 15 (Worker Work Health and Safety)



- Action 5 - *Undertake works necessary to ensure compliance to revised WHS legislation adhering to ISO45001 standard* is complete. All relevant Business Operating Procedures have been revised, reviewed and approved by the Executive Management Group.

Risk 17 (ICT Internal Control)

- Action 3 - *Develop a Cloud Migration Strategy to assist with mitigation of the length of time to recover all systems in the event of a disaster* is complete and Control 19 updated to include reference to the Cloud Migration Strategy (E24/18520).

Actions amended

Risk 2 (Organisational Workforce)

- Action 7 - *Implement the new office accommodation plan* has been updated with the next stage of the project, as endorsed by Council at the 10 February 2025 Ordinary Council Meeting (OCM031/02/25). *Office Accommodation Upgrade (Stage 2c)* to retitled to Office Accommodation Upgrade with the next stage of the project being *Stage A Refurbishment: Infrastructure Services and Financial Services Upgrade* with a target date of 30 June 2025. *Council Chambers (Stage 2b)* has been removed as resolved by Council to defer any further works for a New Civic Space, pending future resolution.

Risk 6 (Bushfire Management)

- Action 17 - *Develop a baseline maintenance schedule for open drains and review and improve maintenance schedules for open drains based on improved data* target date has been amended to 30 June 2025 (was 31 December 2024), to accommodate sufficient time for review and improvement on the baseline schedule, and OneComm implementation.

Risk 6 (Bushfire Management)

- Action 18 - *Develop a long term / further detailed schedule including timelines and costings for roadside verges for rural roads* target date has been amended to 30 June 2025 (was 31 December 2024) to accommodate sufficient time for the development of long term / further detailed schedule improvements to be made.

Risk 8 (Asset Management)

- Action 3 - *Develop a Bridge Asset Management Plan* has been amended to reflect the revision of six (6) Asset Management Plans as identified in the Shire's Asset Management Strategy 2024-2027. The action is staged and retitled to *Revise the Roads Asset Management Plan* with a target date of 30 June 2025; and *Revise the Footpaths, Bridges, Parks and Reserves, Stormwater Drainage and Building Asset Management Plans* with a target date of 30 June 2026. Control 5 - *Asset Management Plans and review of these every two years* has been removed as a control as this is the action in progress. Following the completion of the actions a regular review control will be established.

Risk 12 (Desirable Place - Economy)

- Action 12 - *Review the progress of the Economic Development and Tourism Strategy* action has been added as requested by the Audit, Risk and Governance Committee (ARG10/11/24) with a target date of 30 June 2026, and status 'Not Started'.



Development of a new Economic Development and Tourism Strategy is underway and in accordance with the Corporate Business Plan 2024-2028, is on track for completion by 30 June 2025, therefore review and reporting on progression of the Strategy will occur the following financial year.

Risk 13 (Desirable Place - Vibrant community in a rural setting)

- Action 3 - *Byford Skate Park (Construction of Stage 2)* target date amended to 31 July 2025 (was 30 June 2025), as adopted by Council at the 18 November 2024 Ordinary Council Meeting (OCM325/11/24).

Risk 13 (Desirable Place – Vibrant community in a rural setting)

- Action 5 - *Byford Pump Track* target date amended to 31 October 2025 (was 31 March 2025), as adopted by Council at the 19 August 2024 Ordinary Council Meeting (OCM228/08/24).

Risk 15 (Worker Work Health and Safety)

- Action 6 - *Undertake an internal WHS audit on the Safety Management System* target date of 30 June 2025 has been added (was TBA), and status 'In Progress'. Procurement is underway.

Risk 17 (ICT Internal Control)

- Action 1 - *Implement the management actions from the ICT General Controls Audit Report 2023 (ARG016/08/23)* target date has been amended to 30 June 2027 (was 30 June 2026). An update on ICT General Controls Audit was provided and noted by Council at the 9 December 2024 Ordinary Council Meeting (OCM/345/12/24).

New actions

Risk 2 (Organisational Workforce)

- Action 15 - *Development of a new Organisational Development Roadmap* has been added with a target date of 30 June 2026, and status 'In Progress'.

4. Other

Risk 2 (Organisational Workforce)

- Action 14 - *Approval and communication of new organisational benefits* has been removed. Development of a new Organisational Development Roadmap is underway (see section of report titled 'New actions' - Action 15) and any future organisational benefits will be considered as part of this new workforce plan.

The updated Strategic Risk Register incorporating the amendments from the above review is contained within **attachment 1**.

Strategic Risk Register Review Update

The review of the Strategic Risk Register is progressing well. Procurement of a consultant to facilitate the process has been finalised. Consultants met with the Audit, Risk and Governance Chair, Chief Executive Officer and Director of Corporate Services for an initial briefing in January 2025, and workshops with the Executive Management Group will commence in late February through to April 2025. Following this, a workshop with the Audit, Risk and Governance Committee will be held. The review of the risk register remains on track to be completed by 30 June 2025.



Options

Option 1

That the Audit, Risk and Governance Committee RECOMMENDS that Council:

1. NOTES the Strategic Risk Register Review as contained within this paper.
2. ENDORSES the updated Strategic Risk Register as contained within **attachment 1**.
3. NOTES the review of the Strategic Risk Register is underway and a workshop with the Audit, Risk and Governance Committee will be scheduled in May 2025.

Option 2

That the Audit, Risk and Governance Committee RECOMMENDS that Council:

1. NOTES the Strategic Risk Register Review as contained within this paper.
2. REQUESTS that the Chief Executive Officer make revisions as specified by the Committee to the Strategic Risk Register.
3. NOTES the review of the Strategic Risk Register is underway and a workshop with the Audit, Risk and Governance Committee will be scheduled in May 2025.

Option 1 is recommended.

Conclusion

This reporting period, a summary of progress towards mitigation includes the completion of three actions, addition of one action, and amendment of nine actions primarily to re-align with recent Council Resolutions.

The ongoing reporting and monitoring of Strategic Risk provide assurance to the Committee and Council that the register is being monitored and mitigation actions are underway. It is also a key tool in supporting the Committee's and Council's responsibilities pertaining to risk management.

Attachments (available under separate cover)

- **6.3 - attachment 1** - Strategic Risk Register (E20/8711)
- **6.3 - attachment 2** - Strategic Risk Register - Tracked Changes (E25/1498)

Alignment with our Council Plan 2023-2033

Thriving
1. Plan for the sustainable growth of the Shire of Serpentine Jarrahdale
4. Ensure sustainable and optimal use of Shire resources and finances

Financial Implications

There are no financial implications associated with this report. The recommendation of additional or amended risks or controls by the Committee may be financial implications for Council to consider.



Risk Implications

Risk has been assessed on the Officer Options:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	There are no significant risks associated with this option.						
2	If the Committee recommends revision to the register, these may not be informed by sufficient operational information.	Nil	Organisational Performance	Rare	Insignificant	LOW	Nil

Voting Requirements: Simple Majority

ARG09/02/25

AUDIT, RISK AND GOVERNANCE COMMITTEE RESOLUTION / Officer Recommendation

Moved Cr Duggin, seconded Ms Newby

That the Audit, Risk and Governance Committee **RECOMMENDS** that Council:

1. **NOTES** the Strategic Risk Register Review as contained within this paper.
2. **ENDORSES** the updated Strategic Risk Register as contained within attachment 1.
3. **NOTES** the review of the Strategic Risk Register is underway and a workshop with the Audit, Risk and Governance Committee will be scheduled in May 2025.

CARRIED UNANIMOUSLY 7/0

Please note that the Audit, Risk and Governance Committee does not have delegated authority to make decisions. All recommendations of the Audit, Risk and Governance Committee are presented to Council for ratification.



7. Motions of which notice has been given:

Nil.

8. Urgent business:

Nil.

9. Closure:

There being no further business, the Presiding Member declared the meeting closed at 6.39pm.

Officers assisting the meeting stopped the recording of the meeting.

I certify that these minutes were confirmed at the Audit, Risk and Governance Committee Meeting held on _____.

.....Presiding Member – Councillor Mack

.....Date