



Shire of
Serpentine
Jarrahdale

Special Council Meeting Confirmed Minutes

4:00pm

Monday, 1 November 2021

Purpose: Appointment of external members to the Audit, Risk and Governance Committee.

Contact Us

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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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The purpose of this Special Council Meeting is to discuss and, where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting. Persons should be aware that the provisions of the *Local Government Act 1995* (Section 5.25(1)(e)) and *Council's Standing Orders Local Law 2002 (as amended)* – Part 14, Implementing Decisions. No person should rely on the resolutions made by Council until formal advice of the Council resolution is received by that person.

The Shire of Serpentine Jarrahdale expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Council meeting.



Councillor Attendance Register

In accordance with Ordinary Council Meeting, 16 December 2019, Resolution OCM293/12/19, clause 5 – “That Council requests the Chief Executive Officer maintain a Councillor Attendance Register recording Councillor Attendances at Ordinary Council Meetings, Special Council Meetings and Policy Concept Forums”.

Council October 2021 -

Date	Type	Cr Rich	Cr Atwell	Cr Byas	Cr Coales	Cr Dagostino	Cr Duggin	Cr Singh	Cr Strange	Cr Strautins
25/10/21	SCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
25/10/21	PCF	✓	✓	✓	✓	✓	✓	✓	✓	✓
18/10/21	SCM	✓	✓	✓	✓	✓	✓	✓	✓	✓

A – Apology

LoA – Leave of Absence

NA – Non Attendance

EPNG – Electronic Participation Not Granted



Minutes of the Special Council Meeting of the Shire of Serpentine Jarrahdale held on Monday, 1 November 2021 in the Council Chambers, Civic Centre, 6 Paterson Street, Mundijong.

The Shire President, Councillor Rich declared the meeting open at 4pm and welcomed Councillors and Staff and acknowledged that the meeting was being held on the traditional land of the Noongar People and paid her respects to the Traditional Owners, Elders Past, Present and Emerging.

Minutes

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

Councillors: M Rich.....Presiding Member
D Atwell
M Byas
R Coales (From 4:01pm)
T Duggin (From 4pm)
G Singh
L Strange
D Strautins

Officers: Mr P Martin.....Chief Executive Officer
Ms H Sarcich.....Deputy CEO / Director Community and
Organisational Development
Mr F SullivanDirector Corporate Services
Mr A TrosicDirector Development Services
Mr R Najafzadeh.....Director Infrastructure Services
Dr K ParkerManager Governance and Strategy
Ms M GibsonGovernance Officer – Council and Committees
(Minute Taker)

Apologies: Councillor M Dagostino

Observers: Nil.

2. Public question time:

2.1 Public questions

No public questions were submitted in writing prior to the meeting and there were no members of the public in the gallery.

3. Public statement time:

No public statements were submitted in writing prior to the meeting.

4. Petitions and deputations:

Nil.

5. Declaration of Councillors and Officers interest:

Nil.



6. Receipt of reports:

6.1 Reports

6.1.1 – Appointment of external members to the Audit, Risk and Governance Committee (SJ3708)	
Responsible Officer:	Manager Governance and Strategy
Senior Officer:	Chief Executive Officer
Disclosure of Officers 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 this report is to enable Council to consider appointment of external members to the Shire's Audit, Risk and Governance Committee following deferral of the matter at the Special Council Meeting held on 25 October 2021.

Relevant Previous Decisions of Council

Special Council Meeting – 25 October 2021 – SCM054/10/21 - COUNCIL RESOLUTION
That Council:

- 1. AMENDS the Terms of Reference of the Audit, Risk and Governance Committee to amend the membership of the Committee to include four external members.*

Special Council Meeting – 25 October 2021 – SCM055/10/21 - COUNCIL RESOLUTION
That Council:

- 2. APPOINTS the following Councillors as members of the Audit, Risk and Governance Committee:*
 - Cr Rich*
 - Cr Strange*
 - Cr Coales*
 - Cr Singh*
 - Cr Duggin*

Special Council Meeting – 25 October 2021 – SCM056/10/21 - COUNCIL RESOLUTION
That Council:

- 3. APPOINTS the following Councillor as deputy member of the Audit, Risk and Governance Committee who under section 5.11A of the Act may perform the functions of the member when the member is unable to do so by reason of illness, absence or other cause:*
 - Cr Strautins*



*Special Council Meeting – 25 October 2021 – SCM061/10/21 - COUNCIL RESOLUTION
That Council move to next order of business.*

Background

At the Special Council Meeting on Monday, 25 October 2021 Council resolved to expand membership of the Audit, Risk and Governance Committee to four external members, made Councillor appointments to the group and deferred consideration of external members to a future meeting.

Community / Stakeholder Consultation

An expression of interest was issued in September 2021 and promoted on the Shire's website and the Examiner newspaper on 23 September 2021.

Statutory Environment

The powers and duties of audit committees are described in the Act and the *Local Government (Audit) Regulations 1996* (the Audit Regulations). The Audit, Risk and Governance Committee is also a committee of Council under s5.8 of the Act but does not have delegated power meaning that resolutions made by the committee do not have effect until they are formally resolved by Council.

Section 7.1A of the Act states that:

- (1) A local government is to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.*
- (2) The members of the audit committee of a local government are to be appointed [by Absolute Majority] by the local government and at least 3 of the members, and the majority of the members, are to be council members.*
- (3) A CEO is not to be a member of an audit committee and may not nominate a person to be a member of an audit committee or have a person to represent the CEO as a member of an audit committee.*
- (4) An employee is not to be a member of an audit committee.*

Under section 5.100 of the *Local Government Act 1995* an external member may not be paid for their attendance at a Committee meeting. At the September 2021 Ordinary Council Meeting, Council resolved to adopt Council Policy 3.3.6 Reimbursement of external committee members. Under the policy, external committee members are to be reimbursed to the value set out in the policy for:

- childcare costs incurred by an external committee member because of the member's attendance at a meeting of a committee of which he or she is also a member.
- travel costs incurred by an external committee member because of the member's attendance at a meeting of a committee of which he or she is also a member.
- an expense incurred by an external committee member performing a function in his or her capacity as an external committee member.



Comment

Five responses were received during the expression of interest. The information supplied by each respondent is provided in **CONFIDENTIAL attachment 1** along with a summary prepared by Officers to inform Council in their decision-making.

This summary has been revised following the deferment of the appointment of external members at the 25 October 2021 Special Council Meeting.

As the appointment of external members involves the personal affairs of a person it is recommended that Council close the meeting pursuant to section 5.23(2)(b) of the Act prior to discussing the matter.

At the 25 October 2021 Ordinary Council Meeting, Council resolved to expand the membership of external members to four members. This approach was consistent with the Officer's recommendation at the time and ensured that the Committee had an odd-number of members and that in accordance with section 7.1A of the Act that the majority of the Committee's members are Councillors.

For the reasons detailed in **CONFIDENTIAL attachment 1**, Officers recommend that Council appoint three external members to the Committee at this time and request that an expression of interest for the fourth external member be conducted. While operating with eight members of a nine member committee is not considered to be optimal long-term, such an approach would enable the Audit, Risk and Governance Committee to perform its important functions on behalf of the Shire.

Amending the terms of reference to adjust the numbers of external members following Council's resolution at the 25 October 2021 Special Council Meeting is not recommended. Such a decision would likely constitute a revocation under Regulation 10 of the *Local Government (Administration) Regulations 1996* and require the written support of one-third of Council.

With the deferment of the decision to appoint external members to the Audit, Risk and Governance Committee, Officers also recommend that Council resolve to reschedule the Audit, Risk and Governance Committee scheduled for Monday, 1 November 2021 to Monday, 15 November 2021 at 5:30pm.

The rationale for this recommendation is to provide sufficient time for all Audit, Risk and Governance Committee members to read and review the Officer's reports to be presented at this meeting and for external members to receive information about their important role. If Council was to resolve in the affirmative, recommendations from the rescheduled Audit, Risk and Governance Committee meeting would be presented to the December 2021 Ordinary Council Meeting.



Options and Implications

Option 1

That Council:

1. APPOINTS the following persons as external members of the Audit, Risk and Governance Committee:
 - _____
 - _____
 - _____
 - VACANT
2. REQUESTS that the Chief Executive Officer run an expression of interest for a fourth external member consistent with the Terms of Reference amended at the 25 October 2021 Ordinary Council Meeting for Council's consideration in 2022.
3. RESOLVES to reschedule the Audit, Risk and Governance Committee meeting scheduled for Monday, 1 November 2021 at 5:30pm to Monday, 15 November 2021 at 5:30pm.

Option 2

That Council

1. APPOINTS the following persons as external members of the Audit, Risk and Governance Committee:
 - _____
 - _____
 - _____
 - _____
2. RESOLVES to reschedule the Audit, Risk and Governance Committee meeting scheduled for Monday, 1 November 2021 at 5:30pm to Monday, 15 November 2021 at 5:30pm.

Option 3

That Council:

1. REVOKES Resolution SCM054/10/21.
2. AMENDS the Terms of Reference of the Audit, Risk and Governance Committee to amend the membership of the Committee to include three external members.
3. APPOINTS the following persons as external members of the Audit, Risk and Governance Committee:
 - _____
 - _____
 - _____



4. RESOLVES to reschedule the Audit, Risk and Governance Committee meeting scheduled for Monday, 1 November 2021 at 5:30pm to Monday, 15 November 2021 at 5:30pm.

Option 1 is recommended.

Conclusion

Section 7.1A of the Act requires a local government to establish an audit committee of three or more persons. The CEO or employees are not permitted to be members of the audit committee. The Audit, Risk and Governance Committee provides an important role for the Shire in the areas of governance, financial management, risk and audit.

Attachments (available under separate cover)

- **6.1.1 – CONFIDENTIAL attachment 1** – Audit, Risk and Governance Committee – Outcome of Expressions of Interest (E21/12512)

Alignment with our Strategic Community Plan

Outcome 4.2	A strategically focused Council
Strategy 4.2.2	Ensure appropriate long term strategic and operational planning is undertaken and considered when making decisions

Financial Implications

In accordance with Council's policy, external members may be reimbursed costs.

Councillors receive an annual fee in lieu of meeting fees.

Risk Implications

Risk has been assessed on the Officer Options and Implications:

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	The Committee would operate with a maximum of eight members for a time which could increase the risk of a lack of quorum.		Organisational Performance	Unlikely	Minor	MODERATE	



2	The risks associated with this option are detailed in CONFIDENTIAL attachment 1		Reputation	Possible	Minor	MODERATE	
3	The Committee would have an even number of members which is not recommended practice		Organisational Performance	Possible	Minor	MODERATE	

Voting Requirements: Absolute Majority (s7.1A(2), s5.10, and s5.11A of the *Local Government Act 1995*)

Officer Recommendation

That Council:

1. APPOINTS the following persons as external members of the Audit, Risk and Governance Committee:
 - _____
 - _____
 - _____
 - VACANT
2. REQUESTS that the Chief Executive Officer run an expression of interest for a fourth external member consistent with the Terms of Reference amended at the 25 October 2021 Special Council Meeting for Council's consideration in 2022.
3. RESOLVES to reschedule the Audit, Risk and Governance Committee meeting scheduled for Monday, 1 November 2021 at 5:30pm to Monday, 15 November 2021 at 5:30pm.

SCM071/11/21

COUNCIL RESOLUTION

Moved Cr Duggin, seconded Cr Strange

That the meeting be closed to members of the public to provide the opportunity for Councillors to ask questions regarding the expressions of interest as contained within CONFIDENTIAL attachment 1 to item 6.1.1, pursuant to section 5.23(2)(b) of the *Local Government Act 1995*.

CARRIED UNANIMOUSLY 8/0

At 4:03pm the meeting went behind closed doors.



SCM072/11/21

COUNCIL RESOLUTION

Moved Cr Rich, seconded Cr Strautins

That Council:

- 1. APPOINTS the following persons as external members of the Audit, Risk and Governance Committee:**
 - Eileen Newby
 - Reinder Ruiters
 - Kelly Berry
 - Jacob Curulli
- 2. RESOLVES to reschedule the Audit, Risk and Governance Committee meeting scheduled for Monday, 1 November 2021 at 5:30pm to Monday, 15 November 2021 at 5:30pm.**
- 3. As a condition of appointment to the Audit, Risk and Governance Committee, all external members are to complete the Council Member Essentials program online module - Conflicts of Interest, as offered by WALGA. This training is to be paid for by the Shire and completed within 3 months of appointment.**

CARRIED 6/2

Councillor Coales, in accordance with Section 5.21(4)(b), Local Government Act 1995 requested the votes be recorded.

*Councillors Rich, Atwell, Byas, Singh, Strange and Strautins voted FOR the motion.
Councillors Coales and Duggin voted AGAINST the motion.*

Reason for difference to Officer Recommendation

That the only person that can declare a conflict of interest is the individual and given the information presented to Council for decision there is no reason for exclusion.

SCM073/11/21

COUNCIL RESOLUTION

Moved Cr Byas, seconded Cr Strange

That the meeting be reopened to members of the public.

CARRIED UNANIMOUSLY 8/0

At 4:25pm the doors were reopened to members of the public. No members of the public returned to the gallery.



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 4:26pm.

I certify that these minutes were confirmed at the Ordinary Council Meeting held on the 15 November 2021.


.....

Presiding Member – Councillor Rich

..... 22/11/2021 Date