murchisonshire

Ancient land under brilliant skies

Minutes of the Meeting of the

Murchison Shire Council Audit Committee

Held in the Council Chambers, Carnarvon Mullewa Road, Murchison,
on Friday **26 September 2025**, commencing at 11:15am

Purpose To consider the following

~ Chief Executive Officers Review of the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance.

## TABLE OF CONTENTS



ATTACHMENTS

## 1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

Shire President declared the meeting open at 11.16pm

## 2 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

Councillors
Cr R Foulkes-Taylor – President
Cr Q Fowler

Staff
Bill Boehm – CEO
Rebecca Fogarty – Community Manager

Apologies
Cr A Whitmarsh – Deputy President

Observers
Cr M Fowler and Cr G Mead

## 3 CONFIRMATION OF MINUTES

Background
Minutes of the Audit Committee Meeting of Council have previously been circulated to all Audit Committee Members

**Recommendation**
That the minutes of the Audit Committee meeting held on Thursday 28 February 2025 be confirmed as an accurate record of proceedings.

Voting Requirements
Simple Majority

**Committee Decision**

**Moved: Cr** Q Fowler **Seconded: Cr** R Foulkes-Taylor

hat the minutes of the Audit Committee meeting held on Thursday 28 February 2025 be confirmed as an accurate record of proceedings.

**Carried** **For** 2 **Against** 0

## 4 ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION

Nil

# 5 CEO REPORT

## 5.1 Audit Regulation Section 17(3) Review

| | |
|---|---|
| File: | 2.2 |
| Author: | Bill Boehm – Chief Executive Officer |
| Interest Declared: | No interest to disclose |
| Date | 16 October 2020 |
| Attachments: | 5.1.1 Risk Dashboard Report September 2025 & Summary 2014-2025<br>5.1.2 Policy 1.10 Risk Management |

<u>Background</u>

The Local Government (Audit) Regulations requires the CEO to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance. This review must be undertaken by the CEO every three financial years and the results reported to the Audit Committee, who in turn must report their considerations of the review to Council.

The last review was presented to the Audit Committee on the 22 October 2020, who in turn reported on it the same day to Council.

Prior to that on 18 December 2014 Council adopted the Audit Committees and adopted a Risk Management Policy and Procedures (Risk Management Framework), which sets out the Shire's approach to the identification, assessment, management, reporting and monitoring of risks. A copy is attached. This includes detailed explanation and definitions that underpin the evaluation and rating.

Broadly, the Policy states that Risk Management will form part of the Strategic, Operational, Project and Line Management accountabilities and that every employee within the Shire is recognised as having a role in risk management, from the identification of risks to implementing risk treatments. The Risk Management Framework is to be reviewed for appropriateness and effectiveness at least every four years.

<u>Comment</u>

This is the fourth Audit Regulation 17(3) Review. It considered that given the financial and resource constraints faced by the Shire, the controls that are in place are adequate and effective, minimising the risks to the Shire. In addition, the review identified areas of improvement and the actions to be taken to achieve that improvement.

The attached Risk Dashboard Report identifies risk profiles for 15 themes across the areas of risk management, internal control and legislative compliance, listing actions to be taken to reduce risk and/or improve control, by either due date.

Under each of the 15 Risk Profiles comments have been provided to illustrate the rationale behind the rating and where applicable providing comment as on previous actions that were identified as part of previous reviews and where appropriate providing some explanation.

As a broad overview a summary of all three Risk Dashboard Reports for 2014-2025 has been proved as attached. As indicated there has been steady improvement to what in all likelihood will be a stable level moving forward

A few points to note:

1 The review needs to be recognised within the context of the size and nature of the Shire, the availability and skills of our small staff and the many competing priorities that invariably impinge on the available time required to address each area. .

2 Over the past years there has been a steady improvement across the board even though in most cases the ratings have remained relatively static. Given the nature of the Risk Matrix and definitions, this is unlikely to appreciably change but nevertheless shows a sound picture.

3 In 2016 the then only profile that was identified as being High Risk was Asset Sustainability. Principally this was then because Council, had have become aware of that since Asset Sustainability Ratios had been included in the Annual Financial Report and we needed to review our asset management practices over the next year to ensure that we can maintain/replace what we already have and to ensure that depreciation rates have been set to reflect the true useful remaining life and residual value of our assets.

Essentially this view was then formed using only one criterion, Ie Asset Sustainability Ratios. As indicated in the relevant commentary there are a raft of other factors that have far more relevance to our situation and when examined collectively more than justify a revised rating in the 2020 and 2025 Reviews as being more appropriate and accurate. It is also of note that these sustainability ratios have been removed from the Annual Financial Report with a significant number of improvement actions in this space have also been undertaken

Statutory Environment
*Only sections relevant to this item are shown*

Local Government (Audit) Regulations 1996

*s16 Audit committee, functions of*

*An audit committee —*

*(c) is 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.*

*s17 CEO to review certain systems and procedures*

*(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 at least once every 3 financial years.*

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

Strategic Implications
Nil

Policy Implications
Refer Risk Management Policy and Procedures adopted December 2014.

Financial Implications
Nil. If this review was to be undertaken in conjunction with a third party consultant a significant would needed to have been included in the budget in the year that the review is due.

Consultation
CEO and Community Manager

**Recommendation**

That the Audit Committee, considers and notes the Chief Executive Officer's Audit Regulation Section 17(3) Review Report of the Councils local government systems, and reports to the 26 September 2025 Ordinary Meeting of Council recommending that Council receive and note the Committees review.

<u>Voting Requirements</u>

Simple Majority

**Committee Decision**

**Moved: Cr** R Foulkes-Taylor **Seconded: Cr** Q Fowler

That the Audit Committee, considers and notes the Chief Executive Officer's Audit Regulation Section 17(3) Review Report of the Councils local government systems, and reports to the 26 September 2025 Ordinary Meeting of Council recommending that Council receive and note the Committees review.

**Carried** **For** 2 **Against** 0

## 6 URGENT BUSINESS

Nil

## 7 MEETING CLOSURE

*The Shire President closed the meeting at 11.25pm.*