



AGENDA

Audit and Risk Committee
Meeting

19 June 2025

**SHIRE OF BROOMEHILL-TAMBELLUP
NOTICE OF MEETING**

**A meeting of the Audit and Risk Committee will be held in the Council Chambers
46-48 Norrish Street, Tambellup on 19 June 2025 commencing at 12.30pm.**



**Karen Callaghan
Chief Executive Officer**

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Audit & Risk Committee - Terms of Reference

The duties and responsibilities of the committee will be:

- a. Provide guidance and assistance to council as to the carrying out the functions of the local government in relation to audits;
- b. Meet with the auditor once in each year and provide a report to council on the matters discussed and outcome of those discussions;
- c. Liaise with the CEO to ensure that the local government does everything in its power to:
 - assist the auditor to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and
 - ensure that audits are conducted successfully and expeditiously;
- d. Examine the reports of the auditor after receiving a report from the CEO on the matters to:
 - determine if any matters raised require action to be taken by the local government; and
 - ensure that appropriate action is taken in respect of those matters;
- e. Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;
- f. Review the scope of the audit plan and program and its effectiveness;
- g. Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the council;
- h. Review the annual Compliance Audit Return and report to the council the results of that review, and
- i. Consider the CEO's biennial reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to the Council the results of those reviews.

Membership

The committee will consist of four members with three elected members and one external person. All members shall have full voting rights.

- External persons appointed to the committee will preferably have business or financial management/reporting knowledge and experience, and be conversant with financial and other reporting requirements.
- Appointment of external persons shall be made by Council by way of a public advertisement and be for a term of two years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to council's elected representatives.
- Reimbursement of approved expenses will be paid to each external person who is a member of the committee.
- The CEO and employees are not members of the committee.
- The CEO or his/her nominee is to be available to attend meetings to provide advice and guidance to the committee.
- The local government shall provide secretarial and administrative support to the committee.

Meetings

The committee shall meet at least quarterly. Additional meetings shall be convened at the discretion of the presiding person.

Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.

**Agenda for the Audit and Risk Committee Meeting to be held in the Council Chambers,
46-48 Norrish Street, Tambellup on 19 June 2025**

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1. DECLARATION OF OPENING

The Chairperson, Cr Barritt, will open the meeting at 12.30pm.

2. ATTENDANCE

Councillors

Cr DT Barritt

Cr CM Dewar

Cr SH Penny

Cr J Wills

Ms C Witham Independent Member

Staff

KP Callaghan Chief Executive Officer

KP Squibb Manager of Finance and Administration

Apologies

3. DISCLOSURE OF INTEREST

4. PUBLIC QUESTION TIME

5. CONFIRMATION OF MINUTES

5.1 AUDIT AND RISK COMMITTEE MEETING HELD 20 FEBRUARY 2025

OFFICER RECOMMENDATION

That the minutes of the Audit and Risk Committee meeting held on 20 February 2025 be confirmed as a true and accurate record.

6. STATUS REPORT

Matters identified from the 2022/2023 and 2023/2024 audits have been populated into the Status Report, and an update on the status of each has been provided.

7. RISK REGISTER

Attachments 7.1 – Risk Dashboard

7.2 – Audit Reg 17 Risk Assessment Register

In November 2022 the Senior Management Team (SMT), with the guidance of an external risk consultant MS Consulting, reviewed the existing Risk Management Framework and Council Policy. Following the review, the Council adopted a new Risk Management Policy in December 2022.

The SMT undertook an organisation-wide assessment of risk and developed a Risk Register. Key areas identified have been assigned to the responsible staff member, with target dates for each allocated. The Risk Register is reviewed by the SMT quarterly.

The attached Risk Dashboard is a summary of the Risk Register and is attached for the Committee to review and discuss.

In December 2024, the Audit and Risk Committee received the Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls Report which was prepared by Moore Australia WA.

Improvement actions identified in this review have been captured in the Audit Reg 17 Risk Assessment register, which is attached for the Committee's information. The actions identified have been assigned to Officers, and those in the high-risk category will be addressed as a priority.

8. KEY PILLAR 1: BROOMEHILL-TAMBELLUP POINT OF DIFFERENCE

Nil.

9. KEY PILLAR 2: BROOMEHILL-TAMBELLUP ECONOMY

Nil.

10. KEY PILLAR 3: BROOMEHILL-TAMBELLUP LIFESTYLE

Nil.

11. KEY PILLAR 4: BROOMEHILL-TAMBELLUP SHIRE SUPPORT

11.1 CORPORATE CREDIT CARDS

ATTACHMENT(S)	11.1.1 Office of the Auditor General Performance Audit Report – Local Government Management of Purchasing Cards 11.1.2 Current Policy 2.10 Corporate Credit Cards 11.1.3 Draft Policy 2.10 Corporate Credit Cards
FILE NO	ADM
AUTHOR	Kay Squibb, Manager of Finance and Administration
DATE	13 June 2025
DISCLOSURE OF INTEREST	

STRATEGIC IMPLICATIONS	
Strategic Community Plan 2023-2033	Corporate Business Plan 2024 -2028
Community Outcomes	Corporate Actions
Key Pillar: BT Shire Support	
No specific community outcome.	No specific corporate action.

SUMMARY

The Audit and Risk Committee to review the Office of the Auditor General (OAG) report from the Performance Audit; Local Government Management of Purchasing Cards and consider a subsequent review of Council Policy 2.10 Corporate Credit Cards.

BACKGROUND

In June 2024, the Auditor General tabled a report in Parliament on Local Government Management of Purchasing Cards. The audit assessed whether three regional local governments effectively managed the issue, use and cancellation of purchasing cards. The report is provided as attachment 11.2.1.

Purchasing cards are an approved line of credit and a well-established part of modern purchasing systems. For this Shire, they include corporate credit cards and fuel cards. They provide for an effective, convenient and timely way to purchase goods and services of low value.

Local Governments must have effective controls to prevent and detect misuse of purchasing cards and meet their legislated responsibilities around the allocation of finances.

The OAG report includes better practice guidance to assist local governments to mitigate the risks associated with the use of purchasing cards and for creating an effective control environment.

This report prompted a review of Council Policy 2.10 Corporate Credit Cards.

COMMENT

The reviewed Policy provides a framework to guide the Chief Executive Officer when fulfilling their statutory duties for establishing and implementing appropriate systems and procedures for incurring expenditure and making payments specifically to Corporate Credit Cards. The Draft Policy is provided as attachment 11.2.2.

The Policy outlines the circumstances where the use of credit cards is appropriate and may only be used for expenditure directly arising from a Shire operational business activity for which there is a budget provision. All purchases must be in accordance with legislation, the Shire's purchasing policy, Code of Conduct, and any conditions or limitations applicable to the individual cardholder.

A credit card may be used when the procurement of goods and services is impractical or inefficient if undertaken via a purchase order or is not able to be obtained other than by use of a Corporate Credit Card.

The new Policy is supported by operational procedures which outline the terms of use for cardholders.

Credit cards are issued to the following positions:

- Chief Executive Officer
- Manager of Finance and Administration.

Fuel cards are issued to the following positions:

- Chief Executive Officer
- Manager of Finance and Administration
- Manager of Works
- Senior Ranger

CONSULTATION

Chief Executive Officer

STATUTORY ENVIRONMENT

Section 6.5(a) of the *Local Government Act 1995* prescribes the Chief Executive Officer's duty to ensure that proper accounts and records of the transactions and affairs of the local government are kept in accordance with Regulations.

The *Local Government (Financial Management) Regulations 1996* prescribe:
Regulation 5 – the Chief Executive Officer's duties to ensure efficient systems and procedures are established for the proper authorisation of incurring liabilities and making payments.

Regulation 11(1)(a) and (2) requires a local government to develop procedures that ensure effective security for the authorisation and payment of accounts and for the authorised use of payment methods, including credit cards.

FINANCIAL IMPLICATIONS

Nil.

POLICY IMPLICATIONS

Review of Policy 2.10 Corporate Credit Cards.

RISK MANAGEMENT IMPLICATIONS

This item has been evaluated against the Shire's Risk Assessment and Acceptance Criteria. The level of risk is considered to be "Low" and can be managed by existing procedures and with current resources.

ASSET MANAGEMENT IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION

That the Audit and Risk Committee:

1. notes the Office of the Auditor General performance audit report number 19: 2023-24 Local Government Management of Purchasing Cards; and
2. recommends to the Council that the review of Policy 2.10 Corporate Credit Cards be adopted.

12. OTHER ITEMS FOR DISCUSSION

13. DATE OF NEXT MEETING

Thursday 21 August 2025, commencement time to be confirmed.

14. CLOSURE