

AUDIT COMMITTEE MEETING

MINUTES



For the Audit Committee Meeting held on

17 August 2022

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MINUTES

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chairperson, Cr Slater declared the meeting open at 1.35pm. The Chairperson alerted the meeting to the procedures for emergencies including evacuation, designated exits and muster points.

2. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

2.1 ATTENDANCE

Chairperson	Cr PW (Peter) Slater
Councillors	Cr PM (Peter) Beech
	Cr RW (Robert) Johnson
	Cr JA (Jen) Quick
	Cr LM (Lee) Casson
	Cr P (Perin) Mulcahy
	Cr DM (Daisy) Egerton-Warburton
	Cr G (George) Pollard
Chief Executive Officer	Ms LA (Linda) Gray
Manager of Works	Mr JE (Jeff) Alderton
Minute Taker	Ms JL (Jo) Scott
Members of the Public	Nil

2.2 APOLOGIES

Manager of Finance & Administration	Mrs DE (Diana) Marsh
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3. APPLICATIONS FOR LEAVE OF ABSENCE

Moved Cr Johnson, seconded Cr Quick that Cr Horrocks be granted a leave of absence from the Audit Committee Meeting on 17 August 2022

Carried 8/0

3.1 APPROVED LEAVE OF ABSENCE

Cr PL (Phil) Horrocks 17 August 2022

4. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

4.1 AUDIT COMMITTEE MEETING – 20 April 2022

Moved Cr Beech, seconded Cr Egerton-Warburton that the minutes from the Audit Committee Meeting held on 20 April 2022, be confirmed as a true and correct record.

Carried 8/0

5. GENERAL BUSINESS

5.1	DRAFT POLICY – RATES STRATEGY
RESPONSIBLE OFFICER:	Linda Gray – Chief Executive Officer
REPORT AUTHOR:	Linda Gray – Chief Executive Officer
FILE REFERENCE:	GO17
APPLICANT:	Nil
DATE OF REPORT:	11 August 2022
ATTACHMENTS:	Draft Rating Strategy

Purpose

The purpose of this report is for the Audit and Risk Committee to consider the adoption of the draft Rates Strategy as a new policy for inclusion into the Shire of Cranbrook's Policy Manual.

Background

Prior to the adoption of the 2022/23 Budget, Council met in June and July 2022 to be provided with background information on the decisions to be made regarding funding. A very important part of the process is to set a rate in the dollar for rates that will allow the Council to operate financially. It is pivotal to determining the amount required to be made up from rates and whether a balanced, surplus or deficit budget is identified and addressed.

Officers Comment

The Council needed to determine the most appropriate and affordable rate in the dollar, and to ensure the consistent, efficient, and fair collection of rate revenue. To assist in this determination a draft rating strategy was created which provided information to Council on current rating principles and practices.

Whilst the draft was used as a guide only, it was felt that the benefit to Council of having a clearer understanding of the rating decision making process was extremely important. For that reason, Council are being asked to adopt the draft rating strategy as a new policy for the Shire of Cranbrook and for the new policy to be included in the current Shire of Cranbrook's Policy Manual.

The proposed addition would be:

- **Policy 1.18 Governance – Rating Policy** – This policy will provide Council information on current rating principles and practices and applicable legislation and be reviewed annually.

Statutory Environment

Section 2.7(2b) of the Local Government Act 1995, states that:
The Council is to determine the Local Government's policies.

Delegations and authorisations are designated by various acts and regulations as specified in the manual.

Policy Applicable – Implications

This report proposes adoption of the new rating policy in the Shire of Cranbrook's Policy Manual.

Financial Implications

There are various financial implications from this report, all of which are considered as part of the budget process.

Risk Implications

The risks associated with matters in this report are varied and include:

- Business and Community Disruption
- Errors, Omissions and Delays
- Failure to fulfil Statutory, Regulatory or Compliance Requirements
- Inadequate Document Management Processes

The **impact** of the risk is Financial, Service Interruption, Non-Compliance, Reputational,

The **consequences** of these risks are considered to be Major

The **likelihood** is Rare

Hence the **risk rating** for this item is Medium

Risk mitigation includes:

- Councillors having a clear understanding of the content of the new rating policy in the Shire of Cranbrook's policy manual, and consequently a better understanding of the decision-making process in setting the rate in the dollar for the Shire.

Strategic Community Plan Reference

Outcome 16 – High Performing Shire: An accountable and respected Shire, investing in its people and structures.

Deliverable 16.1: A Shire and supporting entities are well-governed with delineated roles and accountabilities.

Consultation

Consultation for this report included Belinda Knight, consultant, Council and the Executive Management Team.

Voting Requirements

Absolute Majority

OFFICERS RECOMMENDATION

Moved Cr Pollard, seconded Cr Casson that the Audit and Risk Committee recommends that:

1. Council adopts the attached draft Rating Strategy, and
2. Council agrees that the new policy be included in the Shire of Cranbrook's Policy Manual as Policy 1.18 Governance Rating Policy, and reviewed annually.

AMENDMENT

The Audit and Risk Committee would like to make an amendment to point 1. of the above recommendation to state, that Council adopt the draft Rating Strategy on that basis that it excludes the sentence "This could be considered a wealth tax" from the final document.

COMMITTEE DECISION

Moved Cr Slater, seconded Cr Egerton-Warburton that the Audit and Risk Committee recommends that:

1. Council adopts the attached draft Rating Strategy with the exclusion of the sentence "This could be considered a wealth tax" from the final document, and
2. Council agrees that the new policy be included in the Shire of Cranbrook's Policy Manual as Policy 1.18 Governance Rating Policy, and reviewed annually.

Carried 8/0

6. MATTERS BEHIND CLOSED DOORS

**** CONFIDENTIAL ****

6.1 SHIRE OF CRANBROOK'S UPGRADE RE CYBER SECURITY

RESPONSIBLE OFFICER: Linda Gray – Chief Executive Officer
REPORT AUTHOR: Linda Gray – Chief Executive Officer
FILE REFERENCE: AD201
APPLICANT: N/A
DATE OF REPORT: 15 August 2022
ATTACHMENTS: Confidential Attachment

Statutory Environment

Section 5.23 of the Local Government Act 1995 allows the Committee to close all or part of a Meeting to members of the public if the meeting or the part of the meeting deals with a range of issues, dealing with any of the following; (a) a matter affecting an employee or employees; (b) the personal affairs of any person; (c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; (d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting; (e) a matter that if disclosed, would reveal — (i) a trade secret; (ii) information that has a commercial value to a person; or (iii) information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government; (f) a matter that if disclosed, could be reasonably expected to — (i) impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law; (ii) endanger the security of the local government's property; or (iii) prejudice the maintenance or enforcement of a lawful measure for protecting public safety; (g) information which is the subject of a direction given under section 23(1a) of the Parliamentary Commissioner Act 1971; and (h) such other matters as may be prescribed.

As such it is recommended that the meeting be closed to the public in order deal with these items.

A decision to close a meeting or part of a meeting and the reason for the decision are to be recorded in the minutes of the meeting.

Voting Requirements

Simple Majority

PROCEDURAL MOTION

Moved Cr Quick, seconded Cr Mulcahy that the meeting be closed to members of the public in accordance with section 5.23 (e) a matter that if disclosed, would reveal — (i) a trade secret; (ii) information that has a commercial value to a person; or (iii) information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government.

The Meeting was closed to the public at 1.45pm.

Voting Requirements

Absolute Majority

OFFICER'S RECOMMENDATION/COMMITTEE DECISION

Moved Cr Egerton-Warburton, seconded Cr Beech that the Audit and Risk Committee adopt the draft cyber security policy as per the confidential attachment.

PROCEDURAL MOTION

Moved Cr Pollard, seconded Cr Johnson that the meeting be re-opened to members of the public.

The Meeting was re-opened to the public at 1.49pm.

7. CLOSURE OF MEETING

There being no further business to discuss the Chairperson, Cr Slater declared the meeting closed at 1.50pm.