

**RESOURCE RECOVERY GROUP  
MINUTES  
SPECIAL MEETING OF COUNCIL**

**MONDAY 23 APRIL 2024  
2.00pm**

**RESOURCE RECOVERY GROUP  
9 Aldous Place BOORAGOON**

**Our Mission:** *We are leaders in maximising material recovery and minimising climate impacts by providing our communities with best practice resource recovery solutions with high recovery rates and ethical supply chains*

*On behalf of our Participant Local Governments*



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**1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The Chairperson welcomed everyone in attendance and declared the meeting open at 2.23pm..

"I respectfully acknowledge the traditional owners of the land on which this meeting is taking place today – the Nyungar people of Western Australia and pay our respects to their elders' past and present and emerging."

**2. RECORD OF ATTENDANCE / APOLOGIES**

**PRESENT – In-person**

Cr Karen Wheatland  
Cr Hannah Fitzhardinge  
Cr A White  
Mr Mick McCarthy  
Mr Brendan Doherty  
Mr Xabier Urresti  
Ms Pratigya Pandeya  
Ms Ann Johnson

City of Melville  
City of Fremantle  
Town of East Fremantle  
REG Member, City of Melville  
RRG Acting Chief Executive Officer  
RRG, Executive Manager Operations  
RRG, Finance Manager  
RRG, Executive Manager Governance & Culture

**APOLOGIES**

Mr Gaham Tattersall  
Mr Nick King  
Mr Peter Kocian

REG Member, City of Fremantle  
REG Member, Town of East Fremantle  
REG Member, Town of East Fremantle

**3. DISCLOSURE OF INTERESTS:**

Nil

**4. PUBLIC QUESTION TIME**

Nil

**5. ANNOUNCEMENTS BY THE CHAIRPERSON OR PRESIDING PERSON**

I wish to bring attention to the meeting that item 11.2 – *Acting Chief Executive Officer KPI's* is to be removed from the agenda to allow for further consultation on this matter.

**6. PETITIONS / DEPUTATIONS / PRESENTATIONS**

**7. ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH MEETING MAY BE CLOSED TO PUBLIC**

11.1 – Staff Resourcing

**8. BUSINESS NOT DEALT WITH FROM PREVIOUS MEETING**

Nil

## 9. REPORTS OF THE CEO

Items 9.1, 9.2 and 9.3 were adopted en bloc.

|                            |  |
|----------------------------|--|
| <b>REPORT NO</b>           | 9.1  |
| <b>SUBJECT</b>             | <b>AUDITORS REPORT FOR THE YEAR ENDED 30 JUNE 2023</b>   |
| <b>AUTHOR</b>              | P Pandeya, Manager Finance   |
| <b>RESPONSIBLE OFFICER</b> | B Doherty, Acting Chief Executive Officer  |
| <b>EMPLOYEE INTEREST</b>   | Nil  |
| <b>DATE OF REPORT</b>      | 19 April 2024  |
| <b>FILE REFERENCE</b>      | FD: Corporate Finance/Audit  |
| <b>ATTACHMENTS</b>         | #1 Auditors closing report on the annual audit 2023<br>#2 RRG Annual Financial Highlights & Results as presented in the Annual Report<br>#3 Audited Financial Statements – (to be tabled at the meeting) |

### COUNCIL RESOLUTION/AUDIT & RISK COMMITTEE RECOMMENDATION:

**24.04-02            MOVED: Cr H Fitzhardinge            SECONDED: Cr A White**

1. The statutory auditor's report and management report received from the Office of the Auditor General for Western Australia for the year ended 30 June 2023 be received.
2. The financial statements for the year ended 30 June 2023 be received.

**CARRIED 3/0**

For: Cr K Wheatland, Cr H Fitzhardinge, Cr A White

### VOTING REQUIREMENT

Simple Majority

### PURPOSE OF REPORT

To present to the Council the Independent Auditor's report for the year ended 30 June 2023 and the financial performance of the RRG for the year ending 30 June 2023.

### NATURE OF COUNCIL'S ROLE IN THE MATTER:

#### Advocative

Not applicable

#### Executive

The role of the Council is to accept the Auditors report and ensure the CEO responds to any matters raised in the management letter or audit report in accordance with the local Government Act 1995 and regulations.

#### Legislative

1. The annual financial report is to contain matters prescribed in FM regulations 36.

2. The annual financial report is to be prepared for the preceding financial year by 30 September each year and submitted to its auditor. (LGA s6.4).
3. After the annual financial report has been audited in accordance with the Act the CEO is to sign and append to the report a declaration in the form of Form 1.

A copy of the annual financial report of a local government is to be submitted to the Departmental CEO within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report. (FM regs 51)

4. The auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to — (LGA s7.9(1))
  - (a) the mayor or president; and
  - (b) the CEO of the local government; and
  - (c) the Minister.
5. Where it is considered by the auditor to be appropriate to do so, the auditor is to prepare a management report to accompany the auditor's report and to forward a copy of the management report to the persons specified in section 7.9(1) with the auditor's report.
6. A local government must — (LGA s7.12A (4))
  - a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
  - b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.
7. Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website. (LGA s7.12A(5))
8. The Local Government Act 1995 (s5.53) requires Regional Councils to prepare an annual report for the financial year ending 30 June, by 31 December each year.
  - (2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

**IMPLICATIONS TO CONSIDER:**

**Consultative:**

Consult with Auditors

**Strategic relevance:**

Compliance requirement

**Policy related:**

Accounting policies

**Financial:**

Auditors Fee as per budget provision each year

**Legal and statutory:**

Local Government Act 1995 and regulations.

**Risk related:**

| <b>Risk No</b> | <b>Risk Description</b>    | <b>Potential Consequences</b>         | <b>Controls Are Currently In Place,</b>   | <b>Overall Risk Rating</b> |
|----------------|----------------------------|---------------------------------------|---|----------------------------|
| A03            | Non-Compliance (Corporate) | 1. Infringement by relevant authority | <ul style="list-style-type: none"> <li>• Compliance Calendar/Register</li> <li>• State Government Legislative Updates Annual Compliance Audit Return</li> </ul> | Low<br>6                   |

**BACKGROUND:**

The Local Government Amendment (Auditing) Act 2017 was proclaimed in October 2017, giving the Auditor General the mandate to audit local governments and regional councils.

The Act allows the Auditor General to take on responsibility for the annual financial audits of local governments as existing audit contracts expire.

Since 2019/2020 the Auditor General has been responsible for conducting a statutory financial audit for the Resource Recovery Group and has appointed RSM Australia as its contractor to undertake the audit on its behalf.

The auditor is to audit the statutory accounts and annual financial statements of the Local Government.

**REPORT:**

Representatives from the Office of the Auditor General and RSM presented their audit report to the Audit & Risk Committee meeting held on 15 April 2024.

The report consisted of:

1. Auditors closing report on the annual statements
2. Resource Recovery Group Annual Financial Report for the year ended 30 June 2023
3. Resource Recovery Group Annual Financial Highlights and Results as presented in the Annual Report

**AUDITORS CLOSING REPORT ON ANNUAL AUDIT FOR THE YEAR ENDED 30 JUNE 2023**

The Auditor has issued two management letters during the audit, noting 1 moderate finding in our financial control, 10 moderate findings in IT controls (includes 7 controls relating to prior year finding).

Management comments and actions are noted in the letters.

RRG's financial position reports \$16.07 million net loss which includes \$11.2 million of impairment of assets and \$4.87 million of depreciation with details referred to the financial indicators and results included in the Annual Report and attachments.

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|----------------------------|---|
| <b>REPORT NO</b>           | 9.2   |
| <b>SUBJECT</b>             | <b>ANNUAL REPORT 2022/2023</b>  |
| <b>AUTHOR</b>              | A Johnson, Executive Manager Governance & Culture   |
| <b>RESPONSIBLE OFFICER</b> | B Doherty, Acting Chief Executive Officer   |
| <b>EMPLOYEE INTEREST</b>   | Nil   |
| <b>DATE OF REPORT</b>      | 18 April 2024   |
| <b>FILE REFERENCE</b>      | F: Organisation/O04 Annual Reports/Annual Reports 2023  |
| <b>ATTACHMENTS</b>         | #1 Annual Report 2022-2023<br>#2 Audited Financial Statements – (to be tabled at the meeting) |

**COUNCIL RESOLUTION/CEO RECOMMENDATION:**

**24.04-03            MOVED: Cr H Fitzhardinge            SECONDED: Cr A White**

- 1. The annual report of the Resource Recovery Group for the year ended 30 June 2023 be adopted.**
- 2. The CEO be authorised to make minor changes to the report if required prior to the public release of the report.**

**CARRIED 3/0**

For: Cr K Wheatland, Cr H Fitzhardinge, Cr A White

**VOTING REQUIREMENT**

Absolute Majority

**PURPOSE OF REPORT**

The Regional Council to consider and adopt the Annual Report for the preceding financial year, 1 July 2022 – 30 June 2023.

**NATURE OF COUNCIL'S ROLE IN THE MATTER:**

**Advocative**

Not applicable

**Executive**

The role of the Council is to accept the annual report by an absolute majority decision in accordance with the *Local Government Act 1995*, s5.54(1).

**Legislative**

*The Local Government Act 1995* (s5.53) requires Regional Councils to prepare an annual report for the financial year.

Acceptance of Annual Reports (s5.54)

- 1) Subject to subsection (2), the annual report for a financial year is to be accepted\* by the local government no later than 31 December after that financial year. \* Absolute majority required.
- 2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

**Notice of annual reports (s5.55)**

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

**Publication of annual reports (s5.55A)**

The CEO is to publish the annual report on the local government's official website within 14 days after the report has been accepted by the local government.

**IMPLICATIONS TO CONSIDER:**

**Consultative:**

A draft of the annual report has been provided to REG members prior to Council adoption. An Annual General Meeting of Electors is not a requirement for Regional Local Governments.

**Strategic relevance:**

Compliance requirement

**Policy related:**

Not applicable

**Financial:**

The preparation and design of the annual report has been undertaken in-house and is available as an electronic copy.

**Legal and statutory:**

The Local Government Act 1995 (s5.53) (s5.54) (s5.55) (s5.55A)

**Risk related:**

| <b>Risk No</b> | <b>Risk Description</b>    | <b>Potential Consequences</b>         | <b>Controls Are Currently In Place,</b>   | <b>Overall Risk Rating</b> |
|----------------|----------------------------|---------------------------------------|---|----------------------------|
| A03            | Non-Compliance (Corporate) | 1. Infringement by relevant authority | <ul style="list-style-type: none"> <li>• Compliance Calendar/Register</li> <li>• State Government Legislative Updates Annual Compliance Audit Return</li> </ul> | Low<br>6                   |

**REPORT:**

The Annual Report highlights the activities of the Resource Recovery Group for the financial year 2022-2023.

In addition to the Local Government Act requirements, an email link to the RRG website advising the availability of the Annual Report will be distributed to all stakeholders and can be made available on request.



|                            |   |
|----------------------------|---|
| <b>REPORT NO</b>           | 9.3   |
| <b>SUBJECT</b>             | <b>LOCAL GOVERNMENT COMPLIANCE AUDIT RETURN 2023</b>  |
| <b>AUTHOR</b>              | A Johnson, Executive Manager Governance & Culture   |
| <b>RESPONSIBLE OFFICER</b> | B Doherty, Acting Chief Executive Officer   |
| <b>EMPLOYEE INTEREST</b>   | Nil   |
| <b>DATE OF REPORT</b>      | 17 April 2024   |
| <b>FILE REFERENCE</b>      | FD: Corporate/Governance/Reporting/Compliance Returns   |
| <b>ATTACHMENTS</b>         | #1 Compliance Audit Return 2023<br>#2 Letter of Non-Compliance - 2023 Compliance Audit Return |

**COUNCIL RESOLUTION/AUDIT & RISK COMMITTEE RECOMMENDATION:**

**24.04-04            MOVED: Cr H Fitzhardinge            SECONDED: Cr A White**

- 1. THAT THE REASONS AND ACTIONS TAKEN FOR NON-COMPLIANCE MATTERS RAISED IN THE RETURN BE NOTED.**
- 2. THAT THE LOCAL GOVERNMENT COMPLIANCE AUDIT RETURN FOR THE PERIOD 1 JANUARY 2023 TO 31 DECEMBER 2023 BE ADOPTED AND FORWARDED TO THE DEPARTMENT OF LOCAL GOVERNMENT FOLLOWING CERTIFICATION BY THE CHAIR AND THE CHIEF EXECUTIVE OFFICER.**

**CARRIED 3/0**

For: Cr K Wheatland, Cr H Fitzhardinge, Cr A White

**VOTING REQUIREMENT**

Simple Majority

**PURPOSE OF REPORT**

To review the Local Government compliance Audit Return for the period 1 January 2023 to 31 December 2023.

**NATURE OF COUNCIL'S ROLE IN THE MATTER:**

**Advocative**

Not applicable

**Executive**

The role of the Council is to ensure compliance with section 7.13(1)(i) of the Local Government Act 1995 and Regulations 13, 14 and 15 of the Local Government (Audit) Regulations 1996, local governments are required to carry out an audit of compliance for the period 1 January to 31 December each year.

**Legislative**

Regulation 14 of the Local Government (Audit) Regulations 1996 requires:

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.

- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.
- (3) After the audit committee has reported to the council under sub regulation (3A), the compliance audit return is to be –
  - (a) Presented to the council at a meeting of the council; and
  - (b) Adopted by the council; and
  - (c) Recorded in the minutes of the meeting at which it is adopted.

**IMPLICATIONS TO CONSIDER:**

**Consultative:**  
Not Applicable

**Strategic relevance:**  
Compliance requirement

**Policy related:**  
Nil

**Financial:**  
Nil – audit undertaken in-house

**Legal and statutory:**

**Risk related:**

| <b>Risk No</b> | <b>Risk Description</b>    | <b>Potential Consequences</b>         | <b>Controls Are Currently In Place,</b>  | <b>Overall Risk Rating</b> |
|----------------|----------------------------|---------------------------------------|--|----------------------------|
| A03            | Non-Compliance (Corporate) | 1. Infringement by relevant authority | 1- CEO Review of Statutory legislation & Compliance Report 2018<br>2- code of conduct<br>3- Compliance Calendar/Register<br>4 - State Govt Legislative updates<br>8- Annual Compliance Audit Return, | Low<br>6                   |

**BACKGROUND:**

Local Governments are required to complete a self-assessment Compliance Audit Return for submission to the Department of Local Government.

The Audit & Risk Committee reviews the Compliance Audit Return and recommends to Council any remedial action taken or proposed to be taken regarding instances of non-compliance.

The Compliance Audit Return is then to be presented to Council and the Chair and the Chief Executive Officer are to complete a joint certification as to the contents of the return and submit to the Department of Local Government by 31 March 2024, together with any comments of non-compliance.

**REPORT:**

The Compliance Audit Return was undertaken by the Executive Manager Governance & Culture.

One non-compliance was noted in relation to the Auditors report for the financial year ended 30 June 2023 which was not received by the Local Government by 31 December 2023.

On 20 March 2024 the Department of Local Government acknowledged receipt of the submission of the Compliance Audit Return by RRG. They have since forwarded correspondence noting our return outstanding as it was not endorsed by Council prior to 31 March 2024. This has occurred due to there being no meeting of Council during March.

**10. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**  
Nil

**11. CONFIDENTIAL ITEMS**

The Chairperson announced that the meeting would now be closed to the public to discuss confidential matters and noted that no members of the public were in attendance.

Ms Pandeya exited the meeting at 2.33pm.

**COUNCIL RESOLUTION**

**24.04-05            MOVED: Cr H Fitzhardinge            SECONDED: Cr A White**

**THAT THE MEETING GO BEHIND CLOSED DOORS TO DISCUSS CONFIDENTIAL ITEM 11.1, IN ACCORDANCE WITH SECTION 5.23 (2) (C), A CONTRACT/S ENTERED INTO, OR WHICH MAY BE ENTERED INTO, BY THE LOCAL GOVERNMENT AND SECTION (A), A MATTER AFFECTING AN EMPLOYEE OR EMPLOYEES.**

For Cr K Wheatland, Cr A White, Cr H Fitzhardinge  
**CARRIED 3/0**

**11.1 STAFF RESOURCING**

**24.04-06            MOVED: Cr A White            SECONDED: Cr H Fitzhardinge**

**Council endorse the recruitment of an Executive position on a fixed term basis for 12 months to manage and support the CEO in the achievement of his KPI's and provide support to corporate and governance functions.**

For Cr K Wheatland, Cr A White, Cr H Fitzhardinge  
**CARRIED 3/0**

**COUNCIL RESOLUTION**

**24.04-07            MOVED: Cr A White            SECONDED: Cr H Fitzhardinge**

**THAT THE MEETING COME OUT FROM BEHIND CLOSED DOORS.**

For Cr K Wheatland, Cr A White, Cr H Fitzhardinge  
**CARRIED 3/0**

**12. DECLARATION OF CLOSURE OF MEETING**

There being no further business, the Deputy Chairperson thanked those present for their attendance and the meeting was declared closed at 2.39pm.

I hereby certify that the Minutes of the Special Council Meeting held on 23 April 2024 were confirmed on 23 May 2024.

Cr Karen Wheatland  
Presiding Member

  
Signature