

**RESOURCE RECOVERY GROUP
AGENDA PAPERS
SPECIAL MEETING OF COUNCIL**

**TUESDAY 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



Dear Members




In accordance with section 5.25(1)(g) of the Local Government Act 1995, the Resource Recovery Group gives notice that a Special Meeting of Council will be held at 9 Aldous Place Booragoon on **Tuesday 23 April 2024 at 2.00pm** for the purpose of:

- **Auditor Report for the year ended 30 June 2023**
- **Annual Report for the year ended 30 June 2023**
- **Compliance Audit Return 2023**
- **Staff Resourcing (Confidential)**
- **Acting Chief Executive Officer – KPI's (Confidential)**

Brendan Doherty
ACTING CHIEF EXECUTIVE OFFICER

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VISION	A circular economy with less waste and lower carbon emissions		
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.		
OBJECTIVES			
	Recycle materials to their highest practical value	Innovate and implement new approaches to recycling and resource recovery	Educate by providing tools to recycle right, reduce waste and live more sustainably
KEY FOCUS AREAS	1. Deliver practical solutions that maximise material recovery	3. Lead the change to new material recovery solutions to benefit our communities	5. Be a leader in facilitating social change to increase material recovery and reduce climate impacts through education
	2. Form viable partnerships to optimise business sustainability	4. Deliver solutions that are environmentally sustainable & add value to recovered products	6. Influence best practice environmental outcomes through stakeholder advocacy
PROJECTS	1.1 Optimise operations in recovery and re-use to add value 1.2 Re-purpose facilities for re-processing plastics 1.3 Re-purpose facilities for FOGO 1.4 Re-purpose facilities for a residual waste transfer station	3.1 Investigate the viability to improve technologies for waste recovery 3.2 Be recognised as an industry leader in championing progressive solutions to materials recovery 3.3. Lead trial projects to reuse recycled materials	5.1 Promote the Recycle Right Program amongst participants and other local governments as community education plan actions 5.2 Partner with member councils and complementary organisations to promote behaviour change towards waste recovery and reuse a. Promote the benefits of source separation for 3 bin systems b. Kerbside Audits c. Bin Tagging Program d. rollout FOGO to MUDs e. rollout FOGO to mixed use and commercial
	2.1 Pursue opportunities to partner with other organisations	4.1 Identify and deliver process improvements	6.1 Proactively lead and influence best practice outcomes in Federal, State and Local Government forums to support the development of regional and metropolitan waste management policies and legislation. 6.2 Advocate for enhanced packaging design controls and extended producer responsibility. 6.3 Advocate for legislation that limits the disposal of unprocessed MSW.

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

AUDIT & RISK COMMITTEE RECOMMENDATION:

- 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.**

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:

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

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

CEO RECOMMENDATION:

- 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.**

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:

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

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

AUDIT & RISK COMMITTEE RECOMMENDATION:

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.

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:

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

REPORT NO.	11.1
SUBJECT	STAFF RESOURCING
AUTHOR	A Johnson, Executive Manager Governance & Culture
RESPONSIBLE OFFICER	A Johnson, Executive Manager Governance & Culture
EMPLOYEE INTEREST	Nil
DATE OF REPORT	19 April 2024
FILE REFERENCE	
ATTACHMENTS	

The information in this report is confidential and is not to be disclosed.

Confidential Report in accordance with the Local Government Act 1995 Section 5.23 (2)
(a), a matter affecting an employee or employees.

Improper Use of Information

5.93. A person who is a council member, a committee member or an employee must not make improper use of any information acquired in the performance by the person of any of his or her functions under this Act or any other written law –

- (a) to gain directly or indirectly an advantage for the person or any other person; or
- (b) to cause detriment to the local government or any other person.

Penalty: \$10,000 or imprisonment for 2 years.

REPORT NO.	11.2
SUBJECT	ACTING CHIEF EXECUTIVE OFFICER – KPI's
AUTHOR	A Johnson, Executive Manager Governance & Culture
RESPONSIBLE OFFICER	A Johnson, Executive Manager Governance & Culture
EMPLOYEE INTEREST	Nil
DATE OF REPORT	18 April 2024
FILE REFERENCE	FD: SMG\Doherty B
ATTACHMENTS	

The information in this report is confidential and is not to be disclosed.

Confidential Report in accordance with the Local Government Act 1995 Section 5.23 (2)
(a), a matter affecting an employee or employees.

Improper Use of Information

5.93. A person who is a council member, a committee member or an employee must not make improper use of any information acquired in the performance by the person of any of his or her functions under this Act or any other written law –

- (a) to gain directly or indirectly an advantage for the person or any other person; or
- (b) to cause detriment to the local government or any other person.

Penalty: \$10,000 or imprisonment for 2 years.