

**MINUTES OF THE RISK MANAGEMENT AND INTERNAL AUDIT
COMMITTEE MEETING OF THE LITCHFIELD COUNCIL
HELD ON THURSDAY 27th AUGUST 2015
AT COUNCIL CHAMBERS, BEES CREEK ROAD, FRED'S PASS**

Present:	Frank Crawley	Official Manager
	Ben Dornier	Acting Chief Executive Officer
	Iain Summers	Chairperson
	Diane Chellingworth	Acting Director of Corporate Services
	Valerie Urbain	Finance Manager
	Aisla Connolly	Acting Council Secretary

Preamble:

As per section 225 of the Local Government Act, the participation by the Official Manager, together with the independent Chair, satisfies the quorum for the meeting.

1. OPENING OF MEETING:

The Chairperson, Iain Summers opened the Meeting at 2.00 p.m.

2. APOLOGIES AND LEAVE OF ABSENCE:

Nil

3. CONFIRMATION OF MINUTES:

The Committee resolved THAT the minutes of the Risk Management and Internal Audit Committee Meeting held Tuesday 18 November 2014, 4 pages, are confirmed in full.

MOVED: I. SUMMERS

SECONDED: F. CRAWLEY

CARRIED

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CHAIRPERSON

4. BUSINESS ARISING FROM THE MINUTES:

4.1 The Chair and CEO to discuss the assessment of the Committee.

The discussion included compliance with The assessment which will include the Committee’s Terms of Reference, incorporating the wider risk management oversight role, as well as compliance with Local Government (Accounting) Regulation 10, and the Department of Local Government’s General Instruction No. 3 on Audit Committees.

4.2 Preparation of a separate 2015 Annual Report on Council’s performance.

Council staff should prepare one annual report document in a format better achieving the requirements of the Local Government Act. This would include commentary on how well the Key Performance Indicators (KPIs) in the Strategic Plan were met, not just performance data. Also, the Annual Report should provide a narrative analysis of the annual financial statements

4.3 The Fraud Statement and how it is to be completed for future external audits.

Discuss with the auditors, particularly in light of issues currently under investigation, Committee would need to adopt any wording that is issued by the Chairperson on behalf of the Committee, but would not be in a position to do so until a fraud risk assessment and management plan is included in the risk register. The Acting CEO is also expected to be asked to issue a similar letter, so will need to consider his response.

4.4 The status of the Risk Register.

The Committee noted the current version of the Strategic Risk Register was not yet in a satisfactory format, and that this was preventing the development of an internal audit plan.

4.5 Additional matter:

Management to provide to the Committee a copy of the Audit Closing Report from UHY Haines Norton for the year ended 30 June 2014.

5. CONFLICT OF INTEREST:

The Chairperson (Iain Summers) declared that his daughter is employed by UHY Haines Norton in Adelaide, but not in the audit section or in any dealings with issues relating to this Council.

The Acting CEO (Ben Dornier) declared that he is an employee of the City of Palmerston.

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CHAIRPERSON

6. **PRESENTATIONS:**

Nil

7. **ACCEPTING OR DECLINING LATE ITEMS:**

Nil

8. **NOTICES OF MOTION:**

THAT the Acting CEO provide various examples to the Committee to decide on a format for assessment of the Committee's performance which the Chairperson will complete.

MOVED: F. CRAWLEY
SECONDED: I. SUMMERS
CARRIED

THE Committee noted it is still not in a position to issue a Fraud Assessment Statement to the external auditors without an adequately completed fraud control section in the Councils Risk Register.

MOVED: F. CRAWLEY
SECONDED: I. SUMMERS
CARRIED

THAT the 2014/2015 Annual Report provide a narrative analysis and discussion on the performance against the Municipal plan objectives, KPIs and budget and the financial statements.

MOVED: F. CRAWLEY
SECONDED: I. SUMMERS
CARRIED

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CHAIRPERSON

The Committee tasked the Council to develop the risk management process to a more mature stage, allowing appropriate information to be available for oversight by the Committee and the development of a three year internal audit plan.

MOVED: I. SUMMERS

SECONDED: F. CRAWLEY

CARRIED

9. OFFICERS REPORTS AND ITEMS FOR DISCUSSION

9.1 AUDIT COMMITTEES – GENERAL INSTRUCTION NO. 3

1. THAT the Committee receive Report Number 15A/0001.
2. THAT the Acting CEO review the Terms of Reference to ensure compliance with General Instruction No 3, and that the reviewed Terms of Reference be brought to the next Committee meeting for consideration.

MOVED: F. CRAWLEY

SECONDED: I. SUMMERS

CARRIED

9.2 DEBT RECOVERY

1. THAT the Committee receive Report Number 15A/0002.
2. THAT the Committee recommend Council adopt the Debt Recovery Policy.
3. THAT the Committee recommend Council adopt the Rate Concession Policy.

The Chair highlighted that the Committee's role was not to provide technical analysis of Council's operational policies and procedures, but rather to see how management rely on these to control risks, and over time, to check through internal audits how well these function.

Accordingly, the Committee was unable to resolve to recommend the policies.

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CHAIRPERSON

9.3 COUNCIL GOVERNANCE ISSUES

1. THAT the Committee receive Report Number 15A/0003.
2. THAT the Committee include a response to the governance issues raised in this report when preparing its work plan.

Procurement instruction No.4. was tabled.

Discussion took place with the Committee supporting the register of key controls, sign off, delegating Officer/s. compliance in relation to procurement, account reconciliation.

The Committee recommends Acting CEO to continue to introduce stronger policies and procedures regarding the governance of Council as identified in report 9.3.

The Committee would be happy to receive a report on the key processes that underpin governance controls.

MOVED: I. SUMMERS
SECONDED: F. CRAWLEY
CARRIED

The Next meeting was scheduled for 2.00pm 29 October 2015.

The meeting closed at 4.20pm.