

**MINUTES OF THE LITCHFIELD COUNCIL
RISK MANAGEMENT AND AUDIT COMMITTEE
MEETING HELD ON TUESDAY 6 FEBRUARY 2018
IN THE EXECUTIVE CONFERENCE ROOM, 7 BEES CREEK ROAD, FRED'S PASS**

Present:	Iain Summers	Chairperson
	Kirsty Hunt (Councillor)	Committee Member
	Doug Barden (Councillor)	Committee Member
Staff:	Kaylene Conrick	Chief Executive Officer
	Silke Maynard	Director Community and Corporate Services
	David Jan	Governance and Risk Adviser
	Karina Gates	Finance Manager
	Wendy Smith	Acting Director of Infrastructure and Operations

1. OPENING OF MEETING:

The Chairperson, Iain Summers opened the Meeting at 5.30 p.m.

2. APOLOGIES AND LEAVE OF ABSENCE:

Nil

3. CONFLICT OF INTEREST:

Cr Hunt noted that her partner was involved in a Northern Territory Government traffic management investigation, which was the catalyst for a proposed internal audit of the Council's procedures, referred to in item 11.1.

4. CONFIRMATION OF MINUTES:

Resolution:

THE COMMITTEE resolved that the full minutes of the Risk Management and Audit Committee Meeting held Tuesday 10 October 2017, 5 pages, are confirmed.

MOVED: Cr Hunt

SECONDED: Cr Barden

CARRIED

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Iain Summers

CHAIRPERSON

5. BUSINESS ARISING FROM THE MINUTES:

Committee noted that all items from previous meeting have been attended to.

Resolution:

That the Committee notes the updates for previous business and resolves to remove completed items

MOVED: Cr Barden

SECONDED: Cr Hunt

CARRIED

6. PRESENTATIONS:

Nil

7. ACCEPTING OR DECLINING LATE ITEMS:

Nil

8. NOTICES OF MOTION:

Nil

9. INTERNAL AUDIT ACTION PLANS

Nil

10. EXTERNAL AUDIT ACTION PLAN

Nil

11. OFFICERS REPORTS AND ITEMS FOR DISCUSSION

11.1 Internal Audit Plan

Committee noted that

- Internal Audit (IA) 1 will be examining Councils processes for ensuring contracted works carry out proposed traffic management plans. This IA falls under the “Errors, omissions, delays and incorrect advice” risk profile. The IA has been driven by the recent findings of a Coroner’s report.
- The purpose of IA 2 is to ensure the maintenance of appropriate processes. No previous payroll audit has been conducted.
- IA 2 falls under the “Inadequate safety and security practices” risk profile.

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Fain Sumner

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CHAIRPERSON

Chair noted that the RMAC role is to provide comment on the choice of IAs in relation to their contribution to managing risk profiles.

Discussion was had regarding the budget requirements of the IA plan and the need for a 2-3 year plan.

Resolution:

THAT the RMAC

1. endorses the internal audit plan for 2018/2019 of;
 - a. Audit of Councils processes related to traffic management of Council commissioned works
 - b. Audit of Councils payroll processes, and
 - c. Audit of Mobile Work Force work health and safety procedures and practices.
2. Recommends an appropriate budget allocation in the 2018/19 Municipal Plan.

MOVED: Cr Barden

SECONDED: Cr Hunt

CARRIED

11.2 Risk Management Framework

The Chair provided a summary of the discussion at the last meeting and explained the risk management process and the oversight role of the RMAC regarding the due date of actions proposed in the risk dashboard.

The Committee examined the high-risk profiles with inadequate controls, the actions proposed to address them, and the linkages to the 2018/2019 proposed internal audits

The Chair noted that the risk profiles should help identify priorities during budget development.

The Committee noted the reporting framework and reports to the RMAC will need to show movement on the Risk dashboard regarding the achievement of deadlines. A tracking system for monitoring changes in due dates of actions will need to be established, and further links to the Municipal Plan will be added as the KPIs are reviewed and the plan developed.

Resolution:

THAT the RMAC

1. Note the risk dashboard report and risk profiles
2. Note the updated reporting flowchart identifying quarterly reporting of the dashboard report to the RMAC

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Fain Sumner

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CHAIRPERSON

3. Note that appropriate actions are being taken to ensure that the Municipal Plan is aligned with the risk management framework.
4. After enquiring the RMAC is satisfied that the risk management methodology and treatment plans are appropriate.

MOVED: Cr Hunt

SECONDED: Cr Barden

CARRIED

11.3 Records Management Improvement Plan

Committee noted that this is a high-risk area in the risk profiles and that management will readvertise for the records management position again this year.

Resolution:

THAT the RMAC

1. Note the records management improvement plan is not progressing
2. Request a report at the next meeting regarding progress
3. Highlight that due to the inability to recruit Records Management resources the control rating in the "Inadequate Records Management Processes" risk profile remains "Inadequate", with an overall risk rating of "Moderate".

MOVED: Cr Hunt

SECONDED: Cr Barden

CARRIED

11.4 Management Response to External Audit Management Report

The Committee noted that it can see that management have responded diligently to the UHY recommendations.

Resolution:

THAT the RMAC receive and note the Council's response to the External Audit Management Report for the financial year ended 30 June 2017 as attached to this report.

MOVED: Cr Hunt

SECONDED: Cr Barden

CARRIED

12 OTHER BUSINESS

Nil

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CHAIRPERSON

That the RMAC meeting be moved into confidential at 7.00pm

MOVED: Cr Hunt

SECONDED: Cr Barden

CARRIED

The meeting was closed to the public at 7.00pm

13 CONFIDENTIAL ITEMS

THAT pursuant to Section 65 (2) of the Local Government Act and Regulation 8 of the Local Government (Administration) regulations the meeting be closed to the public to consider the following Confidential Items

13.1 Confidential – Confirmation of confidential minutes

Regulation 8(c)(iv) Reason - information that would, if publicly disclosed, be likely to prejudice the interest of the council or some other person.

13.2 Confidential – Procurement Audit Action Plan

Regulation 8(c)(iv) Reason - information that would, if publicly disclosed, be likely to prejudice the interest of the council or some other person.

13.3 Confidential – Project Anthe Forensic Investigation

Regulation 8(c)(iv) Reason - information that would, if publicly disclosed, be likely to prejudice the interest of the council or some other person.

13.4 Confidential – Internal Audit – work Permit Processes

Regulation 8(c)(iv) Reason - information that would, if publicly disclosed, be likely to prejudice the interest of the council or some other person.

13.4 Confidential – Appointment External Auditors

Regulation 8(c)(iv) Reason - information that would, if publicly disclosed, be likely to prejudice the interest of the council or some other person.

12 CLOSE

Next meeting 8 May 2018 at 10.00am in the Executive meeting room.

The meeting closed at 7.20pm.

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CHAIRPERSON