



AUDIT AND RISK MANAGEMENT COMMITTEE MEETING

MINUTES

SECTION 5.9(2)(a) LGA 1995

Committee Brief

1. **Provide guidance and assistance to the local government -**
 - a) **as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and**
 - b) **as to the development of a process to be used to select and appoint a person to be an auditor; and**
2. **May provide guidance and assistance to the local government as to -**
 - a) **matters to be audited; and**
 - b) **the scope of audits; and**
 - c) **its functions under Part 6 of the Act; and**
 - d) **the carrying out of its functions relating to other audits and other matters related to financial management; and**
3. **Is to review a report given to it by the CEO under Regulation 17(3) (the CEO's report) and is to -**
 - a) **report to the Council the results of that review; and**
 - b) **give a copy of the CEO's report to the Council.**

A Meeting of the Audit and Risk Management Committee was held
in the Committee Room, Lowood Road, Mount Barker WA 6324,
at 12:00 noon Tuesday 1 March 2016.

Rob Stewart
CHIEF EXECUTIVE OFFICER

Committee Members

Cr K Clements, Cr L Handasyde, Cr J Moir and Cr C Pavlovich (Council 223/15)

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Membership

Cr K Clements

Cr L Handasyde

Cr J Moir

Cr C Pavlovich (Presiding Member)

Cr J Hamblin (Deputy for any member)

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

12.02 pm The Presiding Member declared the meeting open.

Members Present

Cr C Pavlovich (Presiding Member)

Cr K Clements

Cr J Moir

Apologies

Cr L Handasyde

Staff

Mr R Stewart - Chief Executive Officer

Mrs A Kendrick – Senior Administration Officer – Finance

RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

2 CONFIRMATION OF MINUTES

Moved Cr J Moir, seconded Cr K Clements:

That the Minutes of the Meeting of the Audit and Risk Management Committee, held on 2 February 2016 as circulated, be taken as read and adopted as a correct record.

CARRIED

3 DISCLOSURE OF INTEREST

Part 5 Division 6 Local Government Act 1995

No disclosure of interest.

4.1 COMPLIANCE AUDIT RETURN - 2015

File No: N36702
Attachment: [Compliance Audit Return](#)
Responsible Officer: John Fathers
Deputy Chief Executive Officer
Author: Donna McDonald
Senior Administration/Human Resources Officer
Proposed Meeting Date: 1 March 2016

PURPOSE

The purpose of this report is to recommend to the Council the adoption of the Compliance Audit Return for the calendar year 1 January to 31 December 2015 and to enable the Council to fulfil its statutory obligations with regard to the Compliance Audit.

BACKGROUND

A Compliance Audit is required to be completed once in each calendar year.

STATUTORY ENVIRONMENT

The Compliance Audit is required pursuant to Section 7.13 of the Local Government Act 1995. The Local Government (Audit) Regulations 1996 includes the following sub regulations in Regulation 14:

- '(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 subregulation (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.'*

After the Compliance Audit return has been presented to the Council, a certified copy of the return together with:

- (a) A copy of the relevant section of the minutes referred to in the regulations; and
- (b) Any additional information explaining or qualifying the Compliance Audit is to be submitted to the Department of Local Government and Communities by 31 March 2016.

FINANCIAL IMPLICATIONS

There are no financial implications for this report.

POLICY IMPLICATIONS

Policy implications do not apply for this report and it is the opinion of the author that policy development is not required.

STRATEGIC IMPLICATIONS

The Shire of Plantagenet Strategic Community Plan 2013-2023 provides at Outcome 4.1 (Effective governance and leadership) the following Strategy:

Strategy 4.1.6:

'Provide administrative support to Shire for Governance functions'

Accordingly, the recommended outcome for this report aligns with the Strategic Community Plan.

The Shire of Plantagenet Corporate Business Plan 2015/2016 – 2019/2020 also includes Action 4.1.6.4 Maximise awareness of and compliance with relevant legislation.

OFFICER COMMENT

The completed Compliance Audit Return is attached to the report. The 2015 Compliance Audit revealed no areas of non-compliance.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr K Clements, seconded Cr J Moir:

That it be a recommendation to the Council:

That the Compliance Audit Return for the calendar year 1 January 2015 to 31 December 2015 be adopted and submitted to the Department of Local Government and Communities.

CARRIED

4 ORGANISATIONAL RISK MANAGEMENT

In line with a previous Committee request, this item is listed as a permanent fixture on the agenda. The current Organisational Risk Register is attached for information.

Item 8.5.1: Disruption of Waste Disposal Operations. Cr Clements suggested Porongurup Transfer Station should now be added to Specific Risks Identified.

Mr Stewart responded that all waste disposal operations have potential risk and this is acknowledged within the Inherent Risk Score 'High'. The risk to Porongurup transfer station staff as a result of exposure to asbestos to be added to the Specific Risks Identified.

Item 1.5.1: Failure to manage assets for the future. Cr Clements noted that the Specific Risk associated with Rocky Gully Hall now be removed. He also suggested the risk associated with the leaks at CRC be added to Specific Risks Identified.

Mr Stewart responded that Rocky Gully to be removed from the register, the Rec Centre roof will be replaced by Education Department and that the Community Resource Centre roof is not considered to be a specific risk as the leak was due to an unusual rainfall event.

Item 4.2.4: Ineffective political leadership. Cr Moir suggested the potential risk associated with future joint ventures, such as ventures associated with VROC, be itemised on the Strategic Risk Register with the need for due diligence identified in the Control Procedure.

Cr Pavlovich commented that this would be difficult to include in the Risk Register.

Item 4.2.1: Ineffective town planning. Cr Pavlovich suggested that risks associated with the gap between the decisions of Town Planning and perceived misuse of the land be identified as a Specific Risk, risk being the potential for adverse social impact such as unsightly streetscapes. Mitigating processes could include conditions on future industrial planning approvals.

Cr Clements discussed the addition into the risk register the risks associated with the disposal of recycling.

Cr Pavlovich has requested a workshop to consider a selection of items from the Strategic Risk Register. He requested the separation of items into categories within the register. Cr Clements suggested that the categories to be on separate pages with Responsible Person identified.

5 GENERAL BUSINESS

This item to be removed from the Agenda of future meetings.

6 NEXT MEETING

Workshop to be scheduled for six weeks.

7 CLOSURE OF MEETING

12.54pm The Presiding Member declared the meeting closed.

CONFIRMED: PRESIDING MEMBER _____ **DATE:** ____/____/____