



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 10.30am Tuesday 10 September 2019.

Rob Stewart
CHIEF EXECUTIVE OFFICER

Committee Members

Cr J Moir, Cr M O'Dea, Cr J Oldfield and Cr C Pavlovich (Council 222/17)

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Membership

Cr J Moir

Cr M O'Dea

Cr J Oldfield

Cr C Pavlovich

Cr B Lang (Deputy for any member)

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

10.30am The Presiding Member declared the meeting open.

2 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

Members Present

Cr M O'Dea (Presiding Member)
Cr J Oldfield
Cr C Pavlovich
Cr J Moir

Staff

Mr R Stewart - Chief Executive Officer
Mr J Fathers – Executive Manager Corporate Services
Mr A Budrikis – Executive Manager Strategic Development

3 CONFIRMATION OF MINUTES

Moved Cr C Pavlovich, seconded Cr J Moir:

That the Minutes of the Meeting of the Audit and Risk Management Committee, held on 26 March 2019 as circulated, be taken as read and adopted as a correct record.

CARRIED

4 DISCLOSURE OF INTEREST

Part 5 Division 6 Local Government Act 1995

Nil

5 REPORTS OF COMMITTEE MEMBERS AND OFFICERS

Nil

6 ORGANISATIONAL RISK MANAGEMENT

At the meeting held on 26 February 2019, it was requested that a meeting of the committee be held specifically to complete a review of the Strategic Risk Register.

An initial meeting was held on 26 March 2019, which did not complete the review.

During discussion at that meeting, it was agreed to create a new risk relating to damage to road and drainage assets from flooding, which could have a substantial financial impact. There was agreement that the residual score for risks 2.2.1 - Criminal activity and 2.2.2 - Civil Unrest should be 'Low'.

It was further agreed to recommend to the Council that the target value of the Natural Disaster Reserve be amended to include the Council's portion under the Disaster Recovery Funding Arrangements plus a component for typical reinstatement works for smaller storm events (estimated an additional \$100,000.00).

It should be noted that Shire staff undertook a workshop with Local Government Insurance Services (LGIS) in February 2019 to start the development of a new Risk Management Framework. This will result in a revised risk register, which will be presented to the Committee in due course. The work done by the Committee in reviewing the Strategic Risk Register will be incorporated into the new document.

During discussion, members discussed a number of risks associated with the Mountains and Murals project and festival.

The CEO and Executive Manager Strategic Development confirmed the decision of the Council to form a committee, to be known as the Mountains and Murals Advisory Committee, which will advise the Council on the creation of wall murals in Mount Barker and any associated mural festival. While that committee has not yet met, a number of preparatory activities are taking place, including development of a risk management plan and traffic management plan. The committee will advise the Council on any other matters it considers relevant.

The view was expressed that risk and budget related issues should be specifically examined in council reports and the addition of such headings in future Council reports would be useful. The 'Budget Items' heading would report on current year budget allocation / impact and the 'Financial Implications' heading would relate to longer term financial implications. Further, the 'Risk Implications' heading would consider high level risks, in particular any relevant issues documented in the Strategic Risk Register.

Thereafter, the Committee noted that there would be at least another two meetings held in the current calendar year, one being to consider the audit report / annual report and another to review the new strategic risk register.

Moved Cr C Pavlovich, seconded Cr J Oldfield:

That the intention of the Chief Executive Officer to add 'Risk Implications' and 'Budget Implications' headings to future Council reports, with this format to be reviewed in 12 months, be noted.

CARRIED

7 GENERAL BUSINESS

8 NEXT MEETING

To be advised.

9 CLOSURE OF MEETING

11.30am The Presiding Member declared the meeting closed.

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