



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 11.30am Tuesday 26 March 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

11.34am 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

Observers

Cr L Handasyde
Cr B Lang

Staff

Mr R Stewart - Chief Executive Officer
Mr J Fathers - Deputy Chief Executive Officer

3 CONFIRMATION OF MINUTES

Moved Cr J Moir, seconded Cr C Pavlovich:

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

CARRIED

Moved Cr J Moir, seconded Cr C Pavlovich:

That the Minutes of the Meeting of the Audit and Risk Management Committee, held on 19 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

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.

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.

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, 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).

7 GENERAL BUSINESS

7.1 BUSINESS CONTINUITY PLAN

In April 2018, the Shire's auditors, Moore Stephens carried out a Financial Management Review of the Shire. Section 5(2)(c) of the Local Government (Financial Management) Regulations 1996 requires such a review to be carried out every four financial years.

Whilst reviewing the adequacy of the Shire's IT general environment, the auditors noted that the Shire does not have documented procedures relating to business continuity and recovery in the event of a disaster.

To help ensure the Shire's operations are restored with minimal disruption during times of disaster, it was recommended that a business continuity and recovery plan should be properly documented.

Shire staff undertook a workshop with Local Government Insurance Services (LGIS) in February 2019 to develop a Business Continuity Plan. A copy of the plan is attached for information. The document is a collection of checklists developed and maintained in readiness for use during an incident, particularly if the incident results in a disruption to business-as-usual activities.

8 NEXT MEETING

To be advised.

9 CLOSURE OF MEETING

12.42pm The Presiding Member declared the meeting closed.

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