



**SHIRE OF ASHBURTON
AUDIT AND RISK COMMITTEE MEETING**

MINUTES

**Mayu Maya Centre, Pannawonica
21 September 2017**

SHIRE OF ASHBURTON
AUDIT AND RISK COMMITTEE MEETING

The Acting Chief Executive Officer recommends the endorsement of these minutes at the next Audit and Risk Committee Meeting.

Acting CEO:  _____

Date: 28/09/2017

These minutes were confirmed by the Committee as a true and correct record of proceedings by the Audit and Risk Committee Meeting.

Presiding Member: _____

Date: ____/____/____

DISCLAIMER

The recommendations contained in the Agenda are subject to confirmation by the Committee and endorsement by the Council. The Shire of Ashburton warns that anyone who has any application lodged with Council must obtain and should only rely on written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Ashburton for any act, omission or statement or intimation occurring during a Council meeting.

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1. DECLARATION OF OPENING

The Presiding Member declared the meeting open at 11.18 am.

1.1 ACKNOWLEDGEMENT OF COUNTRY

As representatives of the Shire of Ashburton Council, we respectfully acknowledge the local Indigenous people, the traditional custodians of this land where we are meeting upon today and pay our respects to them and all their elders both past and present.

2. ATTENDANCE

2.1 PRESENT

Members:	Cr P Foster Cr K White Cr D Dias	Tom Price Ward (Presiding Person) Onslow Ward Paraburdoo Ward
Staff:	Mr D Stewart Mr J Bingham Ms J Smith Mrs M Lewis	Acting Chief Executive Officer Director Corporate Services Executive Officer CEO & Councillor Support Officer
Guests:	Cr L Rumble Cr D Diver Cr M Lynch Cr M Gallanagh Cr L Thomas	Deputy Shire President, Paraburdoo Ward Tom Price Ward Tom Price Ward Pannawonica Ward Tableland Ward
Members of Public:	There were no members of the public in attendance at the commencement of the meeting.	
Members of Media:	There were no members of the media in attendance at the commencement of the meeting.	

2.2 APOLOGIES

Cr G Dellar Ashburton Ward

2.3 APPROVED LEAVE OF ABSENCE

There were no Councillors on approved leave of absence.

3. ANNOUNCEMENT OF VISITORS

There were no visitors in attendance.

4. DECLARATION BY MEMBERS

4.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA

Councillors Foster, White and Dias noted that they had given due consideration to all matters contained in the Agenda presently before the meeting.

4.2 DECLARATIONS OF INTEREST

Councillors to Note

A member who has an Impartiality, Proximity or Financial Interest in any matter to be discussed at a Council or Committee Meeting, that will be attended by the member, must disclose the nature of the interest:

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- (a) In a written notice given to the Chief Executive Officer before the Meeting or;
- (b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- (a) Preside at the part of the Meeting, relating to the matter or;
- (b) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under Section 5.68 or Section 5.69 of the Local Government Act 1995.

NOTES ON DECLARING INTERESTS (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have an interest in a matter.

These notes are included in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the Local Government Act 1995 but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
 - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the Local Government Act; or
 - 6.2 Where the Minister allows the Councillor to participate under s.5.69(3) of the Local Government Act, with or without conditions.

Declarations of Interest provided:

Item Number/ Name	Type of Interest	Nature/Extent of Interest
There were no interests declared.		

5. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

5.1 AUDIT AND RISK COMMITTEE MEETING HELD ON 18 JULY 2017

Officers Recommendation and Committee Decision		
MOVED: Cr D Dias	SECONDED:	Cr K White
That the Minutes of the Audit and Risk Committee Meeting held on 18 July 2017, be confirmed as a true and accurate record.		
		CARRIED 3/0
Councillors Foster, Dias and White voted for the motion		

ATTACHMENT 5.1

6. TERMS OF REFERENCE

Under the Local Government Act 1995, Local Governments are required to appoint an Audit Committee (section 7.1A of the Local Government Act 1995).

An Audit and Risk Committee is to provide guidance and assistance to the Local Government – as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act and as to the development of a process to be used to select and appoint a person to be an auditor and may provide guidance and assistance to the Local Government as to – matters to be audited, the scope of audits, its functions under Part 6 of the Act and the carrying out of its functions relating to other audits and other matters related to financial management (clause 16 Local Government (audit) Regulations 1996).

7. AGENDA ITEMS

7.1 REGULATION 17 - RISK AUDIT PROGRESS REPORT SEPTEMBER 2017

MINUTE: 8/2017

FILE REFERENCE:	FM14.16.17
AUTHOR'S NAME AND POSITION:	Nicky Tyson Procurement Coordinator
AUTHORISING OFFICER AND POSITION:	Dale Stewart Acting Chief Executive Officer
NAME OF APPLICANT/RESPONDENT:	Not Applicable
DATE REPORT WRITTEN:	8 September 2017
DISCLOSURE OF FINANCIAL INTEREST:	The author and the authorising officer have no financial, proximity or impartiality interests in the proposal.
PREVIOUS MEETING REFERENCE:	Agenda Item 13.5 (Minute No. 200/2017) – Ordinary Meeting of Council 18 July 2017

Summary

This Risk Audit and review process is to occur at least once every two calendar years. The Shire's contracted Auditors, Moore Stephens Australia Pty Ltd conducted the latest review in late 2016 and its report contains a list of improvements/opportunities.

At the July Audit & Risk Committee meeting it was reported that a number of suggestions and opportunities had already been completed and planning had commenced and/or systems had been put in place to address the remaining.

The Committee is now informed that further items have been completed with some in the final stages of progression.

Background

At the Council Meeting of 18 July 2017 Council resolved to seek completion of a Customer Complaint Handling Procedure to be due before the end of September 2017, rather than its date of March 2018.

Local Government (Audit) Regulations 1996 includes Local Government Operational Guideline – 9 – Audit in Local Governments. Regulation 17 prescribes a number of matters that are to be reviewed by local government Audit Committees. These functions now include

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reviewing the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance; and reporting the results of the Committee's consideration of that review, to the Council. This Risk Audit and review process is to occur at least once every two calendar years.

The latest review / audit was conducted onsite, 24 – 25 October 2016, by Moore Stephens and a report was presented to the Audit & Risk Committee on 17 January 2017 and again on 14 March 2017.

Comment

The attached report from the Chief Executive Officer is referred to the Audit & Risk Committee and contains progress of action taken on the recommendations from Moore Stephens Pty Ltd in the Regulation 17 Audit for the Shire of Ashburton's consideration in the areas covered by the audit, that being:

Risk Management;
Internal Controls; and
Legislative Compliance.

There were no critical (i.e. legislative compliance) issues raised in the Moore Stephens Regulation 17 Audit and attached is the CEO's report to the Audit & Risk Committee (which contains updated Officer Status/Progress Comments) outlining how the Shire's administration propose to see the improvements recommended progressed and finalised.

ATTACHMENT 7.1A

As the attached report outlines, of the 43 improvement opportunities suggested in the report, many have been completed through new or existing actions. Of the progressing items, it is anticipated that all of these suggested improvements will be considered and where thought warranted, addressed within the next 6 - 12 months.

A Customer Complaint Handling Procedure has been brought forward and developed in earlier than previously indicated in accordance with the resolution of the Council Meeting of 18 July 2017.

Consultation

Acting Chief Executive Officer
Director Corporate Services
Acting Administration Manager
Moore Stephens Australia (Pty) Ltd

Statutory Environment

Regulation 17 Local Government Audit Regulations 1996 requires the following:

1. *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:*
 - a) *risk management;*
 - b) *internal control; and*
 - c) *legislative compliance.*

2. *The review may relate to any or all of the matters referred to in sub regulation (1) (a), (b) and (c), but each of those matters is to be the subject of a review at least once every two calendar years.*

3. *The CEO is to report to the Audit Committee the results of that review.*

Financial Implications

Implementing the recommendations of the Report that have financial impacts will be processed through normal budgetary processes.

A suitable allocation will be made in the budget for future reviews, which are to take place every two years.

Strategic Implications

Shire of Ashburton 10 Year Community Strategic Plan 2017-2027

Goal 5 – Inspiring Governance

Objective 4 – Exemplary Team & Work Environment

Risk Management

Adoption of this item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Medium" risk (largely due to the costs of developing/implementing new procedures, etc) but can be managed by routine procedures and monitoring by the Director Corporate Services.

Policy Implications

Various policies have and will be amended to become aligned with new process. This will take place over the coming months via now standardised policy review process.

Voting Requirement

Simple Majority Required

Officers Recommendation

That the Audit & Risk Committee recommend to Council:

That with respect to the Review of Risk Management, Legislative Compliance and Internal Controls, Council:

1. Notes the updated Acting CEO's Report (as per ATTACHMENT 7.1A) which describes how the suggested improvements/opportunities will be implemented, including actions completed, progressing items, and those requiring further consideration along with any relevant items viewed; and;
2. Adopt the new Policy ADM09 Complaints Management (as per ATTACHMENT 7.1B).

Committee Decision

MOVED: Cr K White

SECONDED: Cr D Dias

That the Audit & Risk Committee recommend to Council:

That with respect to the Review of Risk Management, Legislative Compliance and Internal Controls, Council:

- 1. Notes the updated Acting CEO's Report (as per ATTACHMENT 7.1A) which describes how the suggested improvements/opportunities will be implemented, including actions completed, progressing items, and those requiring further consideration along with any relevant items viewed; and;**
- 2. Adopt the new Policy ADM09 Complaints Management (as per ATTACHMENT 7.1B) with the amendment of the wording of 11 (b) - "members" to "elected members".**

CARRIED 3/0

Councillors Foster, White and Dias voted for the motion

Reason for change

The Committee wished to make it clear that the reference to members was restricted to elected member.

8. NEXT MEETING

The next Audit and Risk Committee Meeting will be held on 15 December 2017, at the Council Chambers, Onslow Shire Complex, Second Avenue, Onslow at a time to be determined.

9. CLOSURE OF MEETING

The Presiding Member closed the meeting at 11.29 am.