



Audit & Risk Committee

Section 7.1A of the *Local Government Act 1995*

Committee Function: Regulation 16 of the Local Government (Audit) Regulations 1996

10 June 2021

MINUTES

To: The Members of the Audit & Risk Committee

Here within the Minutes of the Audit & Risk Committee of the Shire of Toodyay held on the abovementioned date in the Council Chambers at the Shire of Toodyay, 15 Fiennes Street, Toodyay.

Suzie Haslehurst
CHIEF EXECUTIVE OFFICER

Membership Composition	
Council Representation - Primary	Cr Ruthven, Cr Hart, Cr Madacsi and Cr Pearce
Council Representation - Deputy	Cr Bell and Cr Chitty
Community Representation	H McDonald-Appleby and J Robertson

Preface

When the CEO approves these Minutes for distribution they are in essence "Unconfirmed" until the following Audit Committee Meeting, where the Minutes will be confirmed subject to any amendments.

The "Confirmed" Minutes are then signed off by the Presiding Person.

Attachments that formed part of the Agenda, in addition to those tabled at the Meeting are incorporated into a separate attachment to these Minutes.

Unconfirmed Minutes

These minutes were approved for distribution on 17 June 2021.



Suzie Haslehurst

CHIEF EXECUTIVE OFFICER

Confirmed Minutes

These minutes were confirmed at a meeting held on¹²⁻⁸⁻²¹.....

Signed: 

Note: The Presiding Member at the meeting at which the minutes were confirmed is the person who signs above.

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ATTACHMENTS with separate index follows Item 10.



1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

Cr Ruthven, Chairperson, declared the meeting open at 12.00pm.

2. RECORDS OF ATTENDANCE / APOLOGIES

Members

Cr Ruthven	Council Member (PM/Chairperson)
Cr Madacsi	Council Member (DPM/Deputy Chair)
Cr Hart	Council Member
Cr Pearce	Council Member
Ms H McDonald-Appleby	Community Member
Ms J Robertson	Community Member

Staff

Ms S Haslehurst	Chief Executive Officer
Mr M Werder	Acting Manager Corporate & Community Services
Miss B Flaherty	Finance Coordinator

Visitors

M Johnson	Audit Director, Butler Settineri
M Loo	Office of the Auditor General

Apologies

Nil.

3. DISCLOSURE OF INTERESTS

The Chairperson advised that no disclosures of interest in the form of a written notice had been received prior to the commencement of the meeting.

Visitors introduced themselves and provided information in relation to the interim audit that is planned to be conducted between 21 June 2021 to 24 June 2021.

The meeting was adjourned by the Chairperson at 1.30pm and later resumed at 2.00pm.

4. CONFIRMATION OF MINUTES

4.1 Minutes of Meeting held on 8 April 2021.

OFFICER'S RECOMMENDATION/ARC RES. NO. 10/06/21

MOVED Cr Pearce

SECONDED Cr Madacsi

That the Unconfirmed Minutes of the Audit & Risk Committee Meeting held on 8 April 2021 be confirmed.

MOTION CARRIED 6/0

5. INFORMATION ADDITIONAL TO THE AGENDA

5.1 Review of Audit & Risk Committee Status Report

Refer to the Status Report in the attachments to the minutes.

6. BUSINESS LEFT OVER FROM PREVIOUS MEETING (if adjourned)

Nil.

7. OFFICER REPORTS

7.1 Review of Risk Management Systems and Processes

Date of Report:	10 June 2021
Applicant or Proponent:	Shire of Toodyay
File Reference:	COC2
Author:	M Werder – Acting Manager Corporate and Community Services
Responsible Officer:	S Haslehurst– Chief Executive Officer
Previously Before Council:	N/A
Author's Disclosure of Interest:	Nil
Council's Role in the matter:	Executive
Attachments	Nil.

PURPOSE OF THE REPORT

The 'Regulation 17 Review - Review the appropriateness and effectiveness of the Risk Management system', etc will be undertaken in 2021/2022. This report recommends a process to consider the current key risks facing the Shire and to develop strategies to address these risks, prior to the official review.

BACKGROUND

The minutes of the Audit and Risk Committee meeting held 8 April 2021 contained:

8 OTHER BUSINESS / NEW BUSINESS OF AN URGENT NATURE

CEO – Risk Management

Risk Dashboards refer to common risks found across local governments and what controls are in place.

It is intended to hold a workshop with staff and then the Audit and Risk Committee after which updates will be provided to the Audit and Risk Committee on a six-monthly basis. This was overtaken by a document that came out of the Reg. 17 review. There is not an up-to-date Risk Register in this organisation.

Intentions are to revisit the dashboard and look at what the risks are, where we are at managing the risks and ensuring that we make note of areas for improvement. Opportunity for continuous improvement.

Action: *CEO will provide information to the Committee once progressed.”*

COMMENTS AND DETAILS

The following process is proposed to review current risks, their potential impacts and mitigation strategies to be implemented.

Item	Activity	Timeline
1	Presentation by LGIS to Audit & Risk Committee regarding organisational risk management	August 2021 meeting
2	Workshop involving officers across the organisation to understand and identify area specific risks and develop mitigation strategies with reference to informing reports/plans.	August 2021
3	Review Risk Management policy for presentation to Audit and Risk Committee	October 2021 meeting
4	Development of Risk Management Dashboard and reporting template for presentation to Audit and Risk Committee	December 2021 meeting

In preparation for the above, a preliminary list of considerations is presented for discussion.

Response to the Governance Review

The ‘Report of the Inquiry into the Shire of Toodyay’ made 25 findings and 5 recommendations. One of these is that a governance review is undertaken by an independent party. This is currently underway, and the findings will inform the proposed risk review.

Compliance with Purchasing Policy including Tendering Guidelines.

Policy F.3 – Purchasing Policy was considered at the Audit and Risk Committee meeting on 8 April 2021 and adopted at the 27 April 2021 OCM. The risk to be addressed is to ensure compliance with the policy. A strategy to enable strict compliance can be to provide an internal training program.

10-year Assurance Cycles Plan

The DRAFT 10-year Assurance Cycles Plan was recommended at the Audit and Risk Committee meeting held on 8 April 2021 and adopted at the 27 April 2021 OCM. The risk to be addressed is to ensure that the proposed projects are prepared for and met on time. Most areas are to be considered regularly as a continual improvement process.

LGIS Risk Strategies

The LGIS has produced a document that provides guidance on risk management and mitigation and this document will be referred to in developing the strategies to manage the LGIS identified risks.

Cyber Security

This is a constant threat and the Shire needs to confer with the IT provider to ensure that backups are regular and that other security strategies are in place. The Shire undertook a review of cyber security following the last Audit Reg 17 review and implemented a number of strategies. Progress against the review will be used to identify and mitigate outstanding risks in this area.

Record-keeping

A focus audit by the Office of the Auditor-General identified several areas for improvement relating to the Shire's record-keeping. The Audit report will be used as an informing document for the risk review.

IMPLICATIONS TO CONSIDER

Consultative:

Local Government Insurance Services (LGIS)

Strategic:

A key factor in the Strategic Community Plan, Toodyay 2028 is Governance: The way the Shire leads and operates.

The strategic outcome is: *A Council that engages with the community and provides good governance on behalf of the community.*

Policy related:

A.18 Risk Management.

Financial:

Identified risk mitigation strategies may require a budget allocation. These will be prioritised and presented to Council for consideration.

Legal and Statutory:

Regulation 17 of the *Local Government (Audit) Regulations 1996* directs the Chief Executive Officer (CEO) to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management; internal control

and legislative compliance at least once every 3 financial years and to report the results of the review to the Audit Committee.

Risk related:

Effective risk management systems and processes enable an organisation to achieve an appropriate balance between realising opportunities for gain while minimising adverse impacts.

Workforce related:

The review process will require input from officers across the Shire's operations. It is acknowledged that competing workload priorities could impact timelines for the review.

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION/ARC RES. NO. 11/06/21

MOVED Cr Hart

SECONDED Cr Madacsi

The Audit Committee recommends the following to Council:

That Council notes the proposed process as outlined in this report for a review of the Shire's risk management systems and processes.

MOTION CARRIED 6/0

8. OTHER BUSINESS / NEW BUSINESS OF AN URGENT NATURE

Nil.

9. NEXT MEETING

The next Audit & Risk Committee Meeting is scheduled to be held on 12 August 2021, commencing at 2.00pm.

10. CLOSURE OF MEETING

The Chairperson declared the meeting closed at 2.50pm.

Attachments to Minutes

Audit and Risk Committee

Thursday 10 June 2021

INFORMATION ADDITIONAL TO THE AGENDA

5.1 Updated Audit and Risk Committee Status Report	1
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REPORTS TO BE TABLED

7.1 Review of Risk Management Systems and Processes	N/A
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No attachments	N/A
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ARC STATUS REPORT
Audit & Risk Committee

Supporting Officer
Manager Corporate & Community Services



Meeting Date	Purpose	Resolution	Target date for completion	Actioned by	Completion Date	Meeting Commentary / Comments made
08/04/2021	7.2 Internal Audit / Assurance Cycles Plan	<p>That Council adopts the DRAFT 10-year Assurance Cycles Plan, as amended.</p> <p>That the words “assessed annually” be included in the title of the Plan.</p> <p>That other projects proposed in the Officer’s Report be included in the Plan as follows:</p> <p><u>Projects Proposed</u></p> <p>Governance Review;</p> <p>Conflict of Interest, Gifts, Benefits and Hospitality;</p> <p>Fraud, Corruption, Misconduct;</p> <p>Records Management;</p> <p>Information Management and Technology.</p> <p>Procurement;</p> <p>Contract Management;</p> <p>Human Resources;</p> <p>Business Continuity;</p> <p>Other area to be determined</p>	ASAP	EA	27/04/2021	Council Resolution No. 98/04/21
08/04/2021	7.1 Policy F.3 – Purchasing Policy	<p>The Audit Committee recommends the following to Council:</p> <p>That Council adopts the revised F.3 – Purchasing Policy as amended with the following amendments:</p> <ul style="list-style-type: none"> Page 1 – First dot point – remove the words “a more” and replace with the word “an”; 	ASAP	EA	27/04/2021	Council Resolution No. 97/04/21

ARC STATUS REPORT
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Manager Corporate & Community Services



Meeting Date	Purpose	Resolution	Target date for completion	Actioned by	Completion Date	Meeting Commentary / Comments made
		<ul style="list-style-type: none"> • Page 1 – Second dot point – remove the word “internal”; • Page 5 – Remove the word “will” and replace with the word “may” and remove the words “whenever possible”; and • Page 15 – Add the word “continuously” before the words “improve review processes”. 				