



Southern Grampians
SHIRE COUNCIL

Audit & Risk Committee Agenda

Ordinary Meeting
16 April 2019

Held at 2.00pm in the
Martin J Hynes Auditorium
3 Market Place, Hamilton

	Outcome Sought	Presenter	Tabled
1. MEMBERSHIP			
Members			
Mr Michael Murphy OAM – Chair	<i>Noting</i>	<i>M Murphy</i>	<i>Verbal</i>
Mr Brian Densem			
Cr Mary Ann Brown – Mayor			
Cr Colin Dunkley			
Attending			
Mr Michael Tudball – Chief Executive Officer			
Ms Evelyn Arnold – Director Community & Corporate Services			
Ms Belinda Johnson – Manager Finance			
Mr Jason Cay – Finance Co-Ordinator			
Mr Darren Barber – Manager Organisational Development			
Minutes			
Ms Nadine Rhook – Executive Assistant – Director Community & Corporate Services			
2. WELCOME			
3. APOLOGIES			
4. CONFLICT OF INTEREST			
5. CONFIRMATION OF MINUTES			
Confirmation of Minutes: Audit & Risk Committee meeting – 19 February 2019	<i>Confirmation</i>	<i>Chair</i>	<i>Attachment</i>
6. EXTERNAL AUDIT			
6.1 Progress Report of Current Actions (Interplan)	<i>Information</i>	<i>E Arnold</i>	<i>Attachment</i>
7. INTERNAL AUDIT			
7.1 Internal Audit Progress – Overall	<i>Information</i>	<i>E Arnold</i>	<i>Attachment</i>
7.2 Internal Audit Progress – Draft Scopes	<i>Decision</i>	<i>E Arnold</i>	<i>Attachment</i>
<ul style="list-style-type: none"> • Infrastructure Asset Management & Road Maintenance/Inspections • Building Maintenance 			
7.3 Internal Audit – Customer Service & Complaints Management – Final Report	<i>Information</i>	<i>RSD Audit/L Patterson</i>	<i>Attachment</i>
7.4 Progress Report of Current Actions (Interplan) – Business Continuity Plan	<i>Information</i>	<i>D Barber</i>	<i>Attachment</i>

	Outcome Sought	Presenter	Tabled
7.5 Progress Report of Current Actions (Interplan) – Contract Management	<i>Information</i>	<i>B Johnson</i>	<i>Attachment</i>
8. MATTERS ARISING FROM THE PREVIOUS MINUTES			
8.1 Summary Table of Outstanding Matters	<i>Information</i>	<i>B Johnson</i>	<i>Attachment</i>
8.2 Procurement Compliance	<i>Information</i>	<i>M Tudball</i>	<i>Report</i>
9. STANDING ITEMS			
9.1 Flood Recovery	<i>Information</i>	<i>M Tudball</i>	<i>Attachment</i>
9.2 Financial Report – Standard Statements	<i>Information</i>	<i>B Johnson</i>	<i>Attachment</i>
9.3 Reports Released by Other Government Agencies	<i>Information</i>	<i>B Johnson</i>	<i>Report</i>
9.4 Financial Statements – Flood Works	<i>Information</i>	<i>J Cay</i>	<i>Attachment</i>
9.5 Implementation of Local Government Act	<i>Information</i>	<i>D Barber</i>	<i>Report</i>
9.6 Excess Annual Leave Balances	<i>Information</i>	<i>D Barber</i>	<i>Report</i>
9.7 OHS Report	<i>Information</i>	<i>D Barber</i>	<i>Attachment</i>
10. BUSINESS FROM THE ANNUAL SCHEDULE			
10.1 Review Draft Budget Documents	<i>Information</i>	<i>B Johnson</i>	<i>Attachment</i>
11. GENERAL BUSINESS			
11.1 Review Due Diligence	<i>Information</i>	<i>B Johnson</i>	<i>Report</i>
11.2 Appointment of ARC External Member	<i>Information</i>	<i>M Tudball</i>	<i>Verbal</i>
11.3 Councillors Expenses Policy	<i>Information</i>	<i>D Barber</i>	<i>Report</i>
11.4 Fraud Items	<i>Information</i>	<i>M Tudball</i>	<i>Verbal</i>
12. COMMITTEE IN CAMERA			
13. NEXT MEETING			

1. Attendance

Members

Mr Michael Murphy OAM – Chair
Mr Brian Densem
Cr Mary Ann Brown – Mayor
Cr Colin Dunkley

Officers

Mr Michael Tudball – Chief Executive Officer
Ms Evelyn Arnold – Director Community & Corporate Services
Ms Belinda Johnson – Manager Finance
Mr Jason Cay – Finance Coordinator
Mr Darren Barber – Manager Organisational Development
Mr Lachy Patterson – Manager Community Relations

Minutes

Mrs Nadine Rhook – Executive Assistant – Director Community & Corporate Services

Guests

Kathie Teasdale – Partner - RSD Audit
Cr Albert Calvano

2. Welcome - Chair

The Chair declared the meeting open and welcomed all to the meeting especially Ms Kathie Teasdale from RSD Audit, Cr Albert Calvano and Mr Lachy Patterson. He also thanked all for the work that had been done in putting the papers and agenda together and finalising some of the processes.

The Chair advised that there would be a Committee in Camera session at the end of the *Item 7.3 - Internal Audit – Customer Service & Complaints Management Scope – Final Report & Action List* with the Internal Auditor.

3. Apologies

Mr Chris Kol - McLaren Hunt Financial Group
Mr Jason Cay – Finance Coordinator

4. Conflict of Interest

Mr Mick Murphy – Wannon Water
Mr Brian Densem – Chair of Glenelg Hopkins CMA Audit & Risk Committee

The Chair also declared a conflict of interest under *Item 11.2 – Appointment of ARC External Member* as being presented by Mr Tudball who advised it not being seen as material but would be comfortable with Mr Murphy staying in the room whilst the item was being discussed. This is noted as being declared.

5. Confirmation of Minutes

Minutes of the meeting held on 19 February 2019 have been circulated.

These unconfirmed minutes were presented to Council at the Ordinary Monthly Meeting held on Wednesday 13 March 2019.

RECOMMENDATION

That the Minutes of the Ordinary Meeting of the Audit & Risk Committee held on 19 February 2019 be confirmed as a correct record of business transacted.

It should be noted that the next ordinary meeting of the Audit & Risk Committee is to be confirmed for 20 August 2019.

Moved: Mr Densem
Seconded: Cr Brown

CARRIED

Item 6.1 was held over until after the Internal Audit matters – Items 7.1, 7.2 and 7.3.

6.1 Action & Task Report – External Audit

ACTION/AGREEMENT

THAT the Committee note the Audit & Risk Committee Action & Task Summary Report as presented.

NOTED

7.1 Internal Audit Progress - Overall

ACTION/AGREEMENT

THAT the Committee note the verbal update of the Internal Audit Progress.

NOTED

7.2 Internal Audit - Draft Scopes – Infrastructure Asset Management & Road Maintenance/Inspections & Building Maintenance

ACTION/AGREEMENT

THAT the Committee endorse the draft scope for Infrastructure Asset Management & Road Maintenance/Inspections.

THAT the Committee note the linkage between the external audit management letter issue and this process.

Moved: Cr Brown
Seconded: Cr Dunkley

CARRIED

THAT the Committee endorse the draft scope for Building Maintenance.

Moved Cr Brown
Seconded: Mr Densem

CARRIED

7.3 Internal Audit – Customer Service & Complaints Management Scope – Final Report & Action List

ACTION/AGREEMENT

THAT the Committee endorse the Final Report for the Customer Service and Complaints Management Review which is attached.

THAT the tasks outlined be entered into Interplan for monitoring and reporting.

Moved: Cr Brown

Seconded: Cr Dunkley

CARRIED

The group was asked to leave the meeting for a Committee in Camera session following this item at 2.50pm.

Cr Calvano and Mr Patterson left the meeting at 2.50pm.

The group returned to the meeting at 3.02pm and continued at Item 6.1

7.4 Action & Task Report (Interplan) - Business Continuity Plan

ACTION/AGREEMENT

THAT the Committee note the Action & Task Summary Report – Business Continuity Plan as presented

NOTED

7.5 Action & Task Report (Interplan) – Contract Management

ACTION/AGREEMENT

THAT the Committee note the Action & Task Summary Report – Contract Management Plan as presented.

NOTED

8.1 Summary Table of Outstanding Matters

ACTION/AGREEMENT

THAT this item be noted.

THAT this item follow the Confirmation of Minutes in the future ARC Agendas.

NOTED

THAT matters identified as closed be endorsed by the Committee.

Moved: Cr Brown
Seconded: Cr Dunkley

CARRIED

8.2 Procurement Compliance

ACTION/AGREEMENT

THAT this item be noted.

NOTED

9.1 Flood Recovery

ACTION/AGREEMENT

Mr Tudball provided a verbal update to the Committee and that this item be noted.

THAT an updated table on the broader flood projects will be provided with the ARC Minutes.

THAT this item and the Financial Statements - Flood Works be presented as one in future ARC Agendas.

NOTED

9.2 Financial Report – Standard Statements

ACTION/AGREEMENT

THAT the Committee note the Financial Statements as presented.

NOTED

9.3 Government Agencies

ACTION/AGREEMENT

THAT this is be noted.

NOTED

9.4 Financial Statements – Flood Works

ACTION/AGREEMENT

THAT the Committee note the Financial Statements as presented.

THAT Mr Tudball to combine the Flood Works item into the Financial Statements – Flood Works and provide comments in the body of the report and confidence that items are progressing.

THAT the spreadsheet is provided one last time in the next ARC Agenda.

NOTED

9.5 Implementation of Local Government Act

ACTION/AGREEMENT

THAT the report be noted by the Committee.

THAT Mr Barber to forward Section 161 and 163 and Division 2 of the new Local Government Act to Mr Densem.

NOTED

9.6 Excess Annual Leave Balances

ACTION/AGREEMENT

THAT the Committee note the Excess Annual Leave Balances report including the recommended actions.

NOTED

9.7 OHS Report

ACTION/AGREEMENT

THAT the Committee accept the attached report for noting.

NOTED

10.1 Review Draft Budget Documents

ACTION/AGREEMENT

THAT the Committee note the attached statements.

THAT the Draft Budget 2019/20, Draft Strategic Resource Plan 2019/20 – 2022/23 and Draft Pricing Register 2019/20 documents be sent out to the Committee once completed.

NOTED

11.1 Due Diligence Review of Flood Event 2016

ACTION/AGREEMENT

THAT this item be noted.

NOTED

11.2 Appointment of ARC Chairperson

ACTION/AGREEMENT

That the Audit and Risk Committee endorse;

1. The re-appointment of Mr Michael Murphy to the position of Chairperson of this Committee to expire 13 March 2021;

Moved: Cr Brown

Seconded: Mr Densem

CARRIED

11.3 Councillor Expenses Policy

ACTION/AGREEMENT

THAT the Committee note the updated Councillor Expense Policy including the Audit and Risk Committee responsibilities under 'Reporting On Expenditure' adopted at the April 10, 2019 Council Meeting.

THAT the Policy and Expenses Draft Reports be brought back to the Committee for feedback at the May ARC Meeting and then for annual review post-30 June each year.

NOTED

11.4 Fraud Information

ACTION/AGREEMENT

THAT the Committee note the verbal update.

NOTED

12. Committee in Camera

The group left the meeting for a Committee in Camera at 2.50pm and returned on 3.02pm.

13. Next Meeting

The next quarterly meeting is scheduled for Tuesday 20 August 2019 commencing at 2.00pm in the Martin J Hynes Auditorium.

The group agreed that an extra meeting would be required at the end of May 2019 to consider the Interim Management Letter.

Meeting closed 4.09pm.