



TOWN OF
VICTORIA PARK



Audit and Risk Committee Minutes – 22 February 2021



WE'RE OPEN
VIC PARK

Please be advised that an **Audit and Risk Committee** was held at 6.30pm on **Monday 22 February 2021** as an electronic meeting.

Cr Brian Oliver – Presiding Member
23 February 2021

Table of contents

| Item | Page no |
|---|---------|
| 1 Declaration of opening | 3 |
| 2 Attendance..... | 4 |
| 2.1 Apologies..... | 4 |
| 2.2 Approved leave of absence..... | 4 |
| 3 Declarations of interest..... | 5 |
| 4 Confirmation of minutes..... | 5 |
| 5 Presentations..... | 5 |
| 6 Method of dealing with agenda business | 5 |
| 7 Reports | 6 |
| 7.1 Audit Committee meeting dates for 2021..... | 6 |
| 7.2 Compliance Audit Return 2020 | 10 |
| 7.3 Update on Outstanding Actions from Reg 17 Review | 16 |
| 8 Motion of which previous notice has been given | 22 |
| 9 Meeting closed to the public | 22 |
| 9.1 Matters for which the meeting may be closed | 22 |
| 9.2 Public reading of resolutions which may be made public..... | 22 |
| 10 Closure | 22 |

1 Declaration of opening

Cr Brian Oliver opened the meeting at 6.31pm.

Acknowledgement of Country

I am not a Nyungar man, I am a non-Indigenous man. I am honoured to be standing on Whadjuk - Nyungar country on the banks of the Swan River.

Ngany yoowart Noongar yorga, ngany wadjella yorga. Ngany djerapiny Wadjak – Noongar boodja-k yaakiny, nidja bilya bardook.

I acknowledge the traditional custodians of this land and respect past, present and emerging leaders, their continuing cultural heritage, beliefs and relationship with the land, which continues to be important today.

Ngany kaaditj Noongar moort keny kaadak nidja Wadjak Noongar boodja. Ngany kaaditj nidja Noongar birdiya – koora, ye-ye, boorda, baalapiny moorditj Noongar kaaditjin, moort, wer boodja ye-ye.

I thank them for the contribution made to life in the Town of Victoria Park and to this region.

Ngany youngka baalapiny Noongar birdiya wer moort nidja boodja.

2 Attendance

Mayor

Mayor Karen Vernon

Banksia Ward

Cr Wilfred Hendriks

Jarrah Ward

Cr Jesvin Karimi (Deputy Presiding Member)
Cr Brian Oliver (Presiding Member)

Independent Committee Members

Mr Dane Ethridge
Mr Jonathan Carley

**Chief Financial Officer
Manager Governance and Strategy**

Mr Michael Cole
Ms Bana Brajanovic

Secretary

Ms Amy Noon

2.1 Apologies

Chief Executive Officer

Mr Anthony Vuleta

2.2 Approved leave of absence

Nil.

3 Declarations of interest

Declaration of financial interest

Nil.

Declaration of proximity interest

Nil.

Declaration of interest affecting impartiality

Nil.

4 Confirmation of minutes

COMMITTEE RESOLUTION:

Moved: Mayor Karen Vernon

Seconded: Cr Brian Oliver

That the Audit and Risk Committee confirms the minutes of the Audit and Risk Committee meeting held on 30 November 2020.

CARRIED (6 - 0)

For: Cr Brian Oliver, Cr Jesvin Karimi, Cr Wilfred Hendriks, Mr Dane Etheridge, Mayor Karen Vernon, Mr Jonathan Carley

Against: nil

5 Presentations

The Chief Financial Officer, Mr Michael Cole, gave an update on the progress of the Town's Independent Audit Report and Annual Financial Report 2019-2020.

6 Method of dealing with agenda business

COMMITTEE RESOLUTION:

Moved: Cr Brian Oliver

Seconded: Cr Jesvin Karimi

That Audit and Risk Committee in accordance with clause 58 of the *Meeting Procedures Local Law 2019* suspends clause 50 - Speaking twice of the *Meeting Procedures Local Law 2019* for the duration of the meeting.

CARRIED (6 - 0)

For: Cr Brian Oliver, Cr Jesvin Karimi, Cr Wilfred Hendriks, Mr Dane Etheridge, Mayor Karen Vernon, Mr Jonathan Carley

Against: nil

7 Reports

7.1 Audit Committee meeting dates for 2021

| | |
|----------------------------|-----------------|
| Location | Town-wide |
| Reporting officer | Amy Noon |
| Responsible officer | Bana Brajanovic |
| Voting requirement | Simple majority |
| Attachments | Nil |

Recommendation

That the Audit and Risk Committee schedules its future meetings to be held on:

- a) 22 March 2021
- b) 19 April 2021
- c) 22 November 2021

Purpose

To set the future meeting dates for the Audit and Risk Committee.

In brief

- The Audit and Risk Committee, through recommendations, provides guidance and assistance to Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control, risk management and external audit.
- The committee's terms of reference allow the committee to set their meeting schedule.
- The dates recommended have been proposed to allow the Audit and Risk Committee to perform their functions.
- If other matters arise that need to be considered by the Audit and Risk Committee, the Town will liaise with the committee's chair to organise a meeting of the committee.

Background

1. In line with the Local Government (Audit) Regulations 1996, the purpose of the Audit Committee is to:
 - a) Support council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems and external audit functions and ethical accountability.
 - b) Critically examine the audit and management reports from external audits and ensure that the Town appropriately implements any actions.
 - c) Receive and review reports prepared by the Chief Executive Officer in accordance with the Regulations, and present a report back to Council on its findings and recommendations.

2. The role of the committee is to provide guidance and assistance to Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control, risk management and external audit. This guidance is provided through recommendations from the committee to Council.
3. As per the committee's terms of reference, a schedule of meetings is to be developed and agreed to by the committee.

Strategic alignment

| Civic Leadership | |
|--|---|
| Strategic outcome | Intended public value outcome or impact |
| CL08 - Visionary civic leadership with sound and accountable governance that reflects objective decision-making. | Having the meeting dates for the committee set allows for the committee to be aware of when they are expected to be across all items that fall within their terms of reference. |
| CL10 - Legislative responsibilities are resourced and managed appropriately, diligently and equitably. | The setting of meeting dates ensures that Council can meet their obligations under the Act and Regulations. |

Engagement

| Internal engagement | |
|-------------------------|---|
| Stakeholder | Comments |
| Financial Services | Provided items that will need to be considered by the Audit and Risk Committee. |
| Governance and Strategy | Provided items that will need to be considered by the Audit and Risk Committee. |

Legal compliance

[Part 7 – Audit of the Local Government Act 1995](#)

[Local Government \(Audit\) Regulations 1996](#)

Risk management consideration

| Risk impact category | Risk event description | Consequence rating | Likelihood rating | Overall risk level score | Council's risk appetite | Risk treatment option and rationale for actions |
|--|---|--------------------|-------------------|--------------------------|-------------------------|---|
| Financial | Not applicable. | | | | Low | |
| Environmental | Not applicable. | | | | Medium | |
| Health and safety | Not applicable. | | | | Low | |
| Infrastructure/ ICT systems/ utilities | Not applicable. | | | | Medium | |
| Legislative compliance | If meeting dates are not set, the committee may not | Minor | Unlikely | Low | Low | TREAT risk by setting meeting dates. |

| | | |
|------------------|---|--------|
| | fulfil their responsibilities or there may be delays in doing so. | |
| Reputation | Not applicable. | Low |
| Service delivery | Not applicable. | Medium |

Financial implications

| | |
|------------------------------|---|
| Current budget impact | Sufficient funds exist within the annual budget to address this recommendation. |
| Future budget impact | Not applicable. |

Analysis

4. These meeting dates are being recommended to meet deadlines for items that fit the terms of reference of the Audit Committee. Meeting dates, with expected agenda items, are provided below. The timing of agenda items is subject to change if matters out of the Town's control arise.

| Meeting date | Agenda items |
|------------------|---|
| 22 March 2021 | <ul style="list-style-type: none"> Independent Audit Report and Annual Financial Report 2019-2020 Internal audit |
| 19 April 2021 | <ul style="list-style-type: none"> Integrity Leadership & Culture Self Assessment Strategic risk review |
| 22 November 2021 | <ul style="list-style-type: none"> Internal audits Regulation 17 update Interim auditor's report for 2020/21 financial year Strategic risk review |

5. The proposed meeting dates have been scheduled to directly follow Policy Committee meetings to minimise the number of evenings that meetings are held and make better use of elected member and staff time. They will allow for recommendations from the Audit and Risk Committee to flow into the Council meeting schedule in a timely manner, allowing for decisions of Council to be made. They also provide enough time for the Town to deal with items administratively between meetings, ensuring that deadlines for agenda settlement and creation are met.
6. In the case of other matters arising that need to be considered by the Audit and Risk Committee, the Town will liaise with the committee's chair in the first instance to identify suitable scheduling.

Relevant documents

[Audit and Risk Committee terms of reference](#)

COMMITTEE RESOLUTION:

Moved: Cr Jesvin Karimi

Seconded: Mr Jonathan Carley

That the Audit and Risk Committee schedules its future meetings to be held on:

- a) 22 March 2021
- b) 19 April 2021
- c) 22 November 2021

CARRIED (6 - 0)

For: Cr Brian Oliver, Cr Jesvin Karimi, Cr Wilfred Hendriks, Mr Dane Etheridge, Mayor Karen Vernon, Mr Jonathan Carley

Against: nil

7.2 Compliance Audit Return 2020

| | |
|----------------------------|--|
| Location | Victoria Park |
| Reporting officer | Bana Brajanovic |
| Responsible officer | Anthony Vuleta |
| Voting requirement | Simple majority |
| Attachments | <ol style="list-style-type: none">1. 2019 Compliance Audit Return [7.2.1 - 13 pages]2. 1 Commercial Enterprises by LG [7.2.2 - 1 page]3. 2 Delegations [7.2.3 - 2 pages]4. 3 Disclosure of Interest [7.2.4 - 2 pages]5. 4 Disposal of Property [7.2.5 - 1 page]6. 5 Elections [7.2.6 - 1 page]7. 6 Finance [7.2.7 - 2 pages]8. 7 Integrated Planning and Reporting [7.2.8 - 1 page]9. 8 Local Government Employees [7.2.9 - 1 page]10. 9 Official Conduct [7.2.10 - 1 page]11. 10 Optional Questions [7.2.11 - 2 pages]12. 11 Tenders for Providing Goods and Services [7.2.12 - 3 pages] |

Recommendation

That the Audit and Risk Committee recommends that Council:

1. Adopts the Compliance Audit Return for the period of 1 January 2020 to 31 December 2020, as shown in attachment 1.
2. Authorises the Mayor and Chief Executive Officer to jointly certify the Compliance Audit Return and submit it to the Department of Local Government, Sports and Cultural Industries by 31 March 2021.

Purpose

To present the response to the 2020 Compliance Audit Return (CAR) for review by the Audit and Risk Committee and Council endorsement, and to refer the Town's responses to the Department of Local Government, Sport and Cultural Industries.

In brief

- Regulation 14 of the Local Government (Audit) Regulations 1996 (Regulations) requires that a Compliance Audit Return be completed and submitted to the Department of Local Government by 31 March 2021.
- Regulation 15 of the Local Government (Audit) Regulations 1996 (Regulations) requires a joint certification to be completed by the Mayor and Chief Executive Officer and the document to be forwarded to the Department of Local Government, Sport and Cultural Industries through 'SmartHub'.
- The Town remains compliant of the Local Government Compliance Audit for 2020 calendar year.

Background

1. In accordance with Regulation 14 of the Local Government (Audit) Regulations 1996, the Town is required to carry out an annual audit of statutory compliance in the form determined by the Department of Local Government, Sport and Cultural Industries.
2. The 2020 Compliance Audit Return deals with the period 1 January 2020 to 31 December 2020 and focuses on those areas considered high risk in accordance with the *Local Government Act 1995* and associated regulations.
3. The Regulations require that the CAR be presented to Council for adoption following review of its Audit and Risk Committee. Once adopted, the CAR is to be certified by both the Mayor and Chief Executive Officer before it is submitted to the Department of Local Government and Communities by 31 March 2021 through SmartHub.
4. The CAR covers a range of matters that require actions to be completed by local governments in performing their functions to maintain legislative compliance with the Act.
5. The CAR requires that responsible officers respond to the audit questions, whether the Town was compliant of required actions, by answering yes, no or n/a.
6. Local governments are required to provide feedback or comments on areas of non-compliance. This assists the Department in better understanding any problems or issues that have resulted in a local government's inability to achieve full compliance in a particular area.
7. The following table summarises the Town's performance in each of the relevant categories, along with a comparison between the 2019 and 2020 CARs.
8. The Town remains 98% compliant for the 2020 Compliance Audit Return.

| Category | 2019 Audit Questions | Compliance Rating | 2020 Audit Questions | Compliance Rating |
|---|----------------------|-------------------|----------------------|-------------------|
| Commercial Enterprises by Local Governments | 5 | 100% | 5 | 100% |
| Delegation of Power / Duty | 13 | 100% | 13 | 100% |
| Disclosure of Interest | 19 | 100% | 21 | 100% |
| Disposal of Property | 2 | 100% | 2 | 100% |
| Elections | 2 | 100% | 3 | 100% |
| Finance | 14 | 100% | 11 | 82% |
| Integrated Planning & Reporting | 7 | 100% | 3 | 100% |
| Local Government Employees | 5 | 100% | 6 | 100% |

| | | | | |
|--|-----|--------|-----|--------|
| Official Conduct | 6 | 100% | 4 | 100% |
| Tenders for Providing Goods and Services | 27 | 100% | 24 | 100% |
| Optional questions | 4 | 75% | 10 | 100% |
| TOTAL | 104 | 99.03% | 102 | 98.36% |

Table 1 – Town’s performance in each of the relevant categories, with a comparison between the 2019 and 2020 CARs

Strategic alignment

| Civic Leadership | |
|--|---|
| Strategic outcome | Intended public value outcome or impact |
| CL10 - Legislative responsibilities are resourced and managed appropriately, diligently and equitably. | As the completion of a Compliance Audit Return is statutory under the Act, it is important that this review be submitted to the Department of Local Government by 31 March. |

Engagement

| Internal engagement | |
|-------------------------|---|
| Stakeholder | Comments |
| Governance and Strategy | Provided responses under the following sections: commercial enterprises by local governments, delegations, disclosures, election, integrated planning and reporting, official conduct and optional questions. |
| People and Culture | Provided responses under the following sections: integrated planning and reporting and local government employees. |
| Financial Services | Provided responses under the following sections: finance, integrated planning and reporting, tenders and optional questions. |
| Operations | Provided a response under the following section: disposal of property. |
| Business Services | Provided a response under the following section: commercial enterprises by local governments. |
| Property and Leasing | Provided responses under the following sections: commercial enterprises by local governments and disposal of property. |

Legal compliance

Regulations 14 and 15 of the [Local Government \(Audit\) Regulations 1996](#).

Risk management consideration

| Risk impact category | Risk event description | Consequence rating | Likelihood rating | Overall risk level score | Council's risk appetite | Risk treatment option and rationale for actions |
|--|---|--------------------|-------------------|--------------------------|-------------------------|--|
| Financial | N/A | | | | | |
| Environmental | N/A | | | | | |
| Health and safety | N/A | | | | | |
| Infrastructure/ ICT systems/ utilities | N/A | | | | | |
| Legislative compliance | Not completing the Compliance Audit Return will result in non-compliance with the Town's statutory reporting obligations. | Moderate | Likely | High | Low | The submission of the attached Compliance Audit Return to the Department of Local Government by 31 March 2021. |
| Reputation | N/A | | | | | |
| Service delivery | N/A | | | | | |

Financial implications

| | |
|------------------------------|---|
| Current budget impact | Sufficient funds exist within the annual budget to address this recommendation. |
| Future budget impact | Not applicable. |

Analysis

9. The 2020 Compliance Audit Return contains the following compliance categories:

- Commercial Enterprises by Local Governments
- Delegation of Power/Duty
- Disclosure of Interest

- Disposal of Property
- Finance
- Integrated Planning and Reporting
- Local Government Employees
- Official Conduct
- Tenders for Providing Goods and Services; and
- Optional Questions.

10. In completing the CAR, relevant officers were required to provide responses to the questions identified as part of their responsibilities. While the survey presented by the Department does not require inclusion of evidentiary information, the Town has made it a requirement that the responses provided by officers are evidenced by either a comment, or where applicable, citing references to relevant internal and external documents under the 'Comments' section of Attachment 1.
11. The Town has identified two area of non-compliance due to the Town not receiving audit reports from the Office of Auditor General.

| Compliance Area | Compliant | Non-Complaint | Opportunity for Improvement |
|---|------------------|----------------------|--|
| Commercial Enterprises by Local Governments | 5 | | |
| Delegation of Power/Duty | 13 | | |
| Disclosure of Interest | 21 | | |
| Disposal of Property | 2 | | |
| Elections | 3 | | |
| Finance | 9 | 2 | The Town will continue to work closely with Office of the Auditor General. Due to COVID-19 last year some schedules have been moved. |
| Integrated Planning and Reporting | 3 | | |
| Local Government Employees | 6 | | |
| Official Conduct | 4 | | |

| | |
|--|----|
| Tenders for Providing Goods and Services | 24 |
| Optional Questions | 10 |

Table 2 – Town of Victoria Park Compliance Audit Return Result Summary

12. Two non-compliance areas were identified in this year's CAR and are as follows:

- LG Act s7.9(1) - The auditor's report for the financial year ended 30 June 2020 was not received by the Town by 31 December 2020 because the Office of the Auditor General is still completing audit tasks.
- Audit Reg 10(1) - The auditor's report for the financial year ending 30 June has not yet been received by the Town. The auditor's report will be presented within 30 days of completion of the audit once it is received by the Town.

13. The Town responded as Not Applicable (N/A) to questions 6, 7, 8 and 9 under the attachment "Finance" section questions because the final audit report was not available at time of filling in this Compliance Audit Return. The Town will fulfill these requirements when it receives the audit report from the Office of the Audit General.

Relevant documents

Not applicable.

COMMITTEE RESOLUTION:

Moved: Mr Dane Etheridge

Seconded: Mr Jonathan Carley

That the Audit and Risk Committee recommends that Council:

1. Adopts the Compliance Audit Return for the period of 1 January 2020 to 31 December 2020, as shown in attachment 1.
2. Authorises the Mayor and Chief Executive Officer to jointly certify the Compliance Audit Return and submit it to the Department of Local Government, Sports and Cultural Industries by 31 March 2021.

CARRIED (6 - 0)

For: Cr Brian Oliver, Cr Jesvin Karimi, Cr Wilfred Hendriks, Mr Dane Etheridge, Mayor Karen Vernon, Mr Jonathan Carley

Against: nil

7.3 Update on Outstanding Actions from Reg 17 Review

| | |
|----------------------------|--|
| Location | Town-wide |
| Reporting officer | Bana Brajanovic |
| Responsible officer | Anthony Vuleta |
| Voting requirement | Simple majority |
| Attachments | 1. Update on Outstanding Actions from Reg 17 Review [HUP5] [7.3.1 - 6 pages] |

Recommendation

That the Audit and Risk Committee recommends that Council:

1. Receives the update on actions resulting from the Chief Executive Officer's review of systems and procedures relating to legislative compliance, internal controls, and risk management, in accordance with regulation 17 of the Local Government (Audit) Regulations 1996.
2. Requests that the Chief Executive Officer provides a further report to the Audit and Risk Committee on the progress of recommended further actions by December 2021.

Purpose

To present the progress of further actions identified from the Chief Executive Officer (CEO)'s review of systems and procedures relating to legislative compliance, internal controls, and risk management, in accordance with regulation 17 of the Local Government (Audit) Regulations 1996 (the Regulations).

In brief

- Regulation 17 of the Regulations requires the CEO to conduct a review of systems and procedures relating to legislative compliance, risk management and internal controls on a triennial basis.
- To ensure that a thorough review is conducted, each area was reviewed and reported on individually to the Audit Committee in 2019.
- As a result of the reviews conducted, a total of 24 opportunities for improvement were identified across the three areas of review.
- As resolved by Council, an update on the outstanding actions are presented to the Audit and Risk Committee.

Background

1. In 2013, regulation 17 of the Regulations were amended to include a requirement for the CEO to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal controls, and legislative compliance on a biennial basis. In 2018, regulation 17 was amended to change the frequency of the review requirement from biennial to triennial.

2. In accordance with regulation 16 of the Regulations, a local government’s audit committee is responsible for reviewing the CEO’s report, before providing a copy of the report and the results of its review to Council. In 2019, the Audit Committee received three separate reports for their consideration, relating to risk management, internal controls, and legislative compliance.
3. Upon receiving the results of the review, Council resolved, at its meetings held on 16 April 2019, 17 September 2019, and 17 December 2019, to request that the Chief Executive Officer provide updates to the Audit Committee on the progress of the opportunities for improvement actions identified as part of the reviews. Further to this at its meeting held on 20 October 2020 Council resolved to requests that the Chief Executive Officer provides a further report to the Audit and Risk Committee on the progress of recommended further actions by March 2021.
4. As many actions are already underway, the Town has sought to provide an update on all identified actions, rather than presenting a separate report for each individual area of review.

Strategic alignment

| Civic Leadership | |
|--|---|
| Strategic outcome | Intended public value outcome or impact |
| CL08 - Visionary civic leadership with sound and accountable governance that reflects objective decision-making. | The Town has a responsibility to ensure that its systems and processes relating to legislative compliance, internal controls and risk management are appropriate and in line with industry best practice. |

Engagement

| Internal engagement | |
|---------------------|----------------------------------|
| Corporate Services | Supplied response to 1.5 and 3.5 |
| Human Resources | Supplied response to 1.3 and 2.2 |

Legal compliance

[Section 17 of the Local Government \(Audit\) Regulations 1996.](#)

Risk management consideration

| Risk impact category | Risk event description | Consequence rating | Likelihood rating | Overall risk level score | Council's risk appetite | Risk treatment option and rationale for actions |
|--|--|--------------------|-------------------|--------------------------|-------------------------|--|
| Financial | N/A | | | | | |
| Environmental | N/A | | | | | |
| Health and safety | N/A | | | | | |
| Infrastructure/ ICT systems/ utilities | N/A | | | | | |
| Legislative compliance | The Town's current systems relating to internal controls not meeting requirements | Minor | Possible | Medium | Low | Treat risk by proactively improving Processes relating to legislative compliance, Internal controls, and risk management as identified by the review. |
| Reputation | The Town will face Reputational damage if a lack of appropriate internal controls results in a breach of the Local Government Act 1995, and other relevant legislation | Moderate | Possible | Medium | Low | Treat risk by completing the actions as a result of this review. and Ensure that internal controls, as outlined in The Guidelines, meets best practice standard. |
| Service delivery | N/A | | | | | |

Financial implications

| | |
|------------------------------|---|
| Current budget impact | Sufficient funds exist within the annual budget to address this recommendation. |
|------------------------------|---|

Future budget impact

Not applicable.

Analysis

3. There are currently 24 opportunities for improvement identified as a result of the CEO's review of systems and processes relating to legislative compliance, internal controls, and risk management. The status of these actions is summarised below:

| Review area | Total actions | No. not started | No. in progress | No. completed |
|------------------------|---------------|-----------------|-----------------|---------------|
| Legislative Compliance | 11 | 0 | 2 | 9 |
| Internal Controls | 7 | 0 | 1 | 6 |
| Risk Management | 6 | 0 | 0 | 6 |

4. Actions completed or updated since the last report was presented to the Audit and Risk Committee in September 2020 are summarised in the table below:

| Review area | Reference Number | Required Action | Status Change | Summary |
|-------------------|------------------|--|---------------|---|
| Internal Controls | 2.1 | Ensure consistency in the drafting and keeping of procedures and/ management practices using the Town's Record Management System | Complete | The Town has developed a Management Practice which outlines how Management Practices are to be developed, reviewed, and recorded. |
| Internal Controls | 2.4 | Establish a review process for procedures and/or management practices | Complete | See response to 2.1. |
| Internal Controls | 2.5 | Establish and implement a regular internal audit program. | Complete | An Internal Audit Program was developed and presented to the Audit & Risk Committee in June 2020 and adopted by Council at the July 2020 OCM. |
| Risk Management | 3.2 | Review and update operational and strategic risk registers | Complete | The reviewed Strategic Risk Register has been endorsed by Council at its 18 February 2020 meeting. A corporate-wide operational risk has been conducted in |

| | | | | |
|-----------------|-----|--|----------|--|
| | | | | October 2020 with a new operational risk register has been established as an output. |
| Risk Management | 3.4 | Present regular risk reports to the Audit Committee, in line with its Terms of Reference, and the reviewed Risk Management Framework | Complete | The CEO will continue to conduct biannual strategic risk reviews and present them to the Audit and Risk Committee as per Council resolution and in line with Terms of Reference. |
| Risk Management | 3.6 | Implementing an ongoing monitoring and reporting program for both operational and strategic risks, inclusive of risks relating to fraud and misconduct | Complete | An ongoing monitoring and reporting program for both operational and strategic risks has been developed through: Risk Policy; Risk Framework; Risk Management Practice. |

5. Actions to be completed and presented to a future Audit and Risk Committee summarised in the table below:

| Review area | Reference Number | Required Action | Status | Summary |
|------------------------|------------------|---|-------------|---|
| Legislative Compliance | 1.3 | Development of a policy and/or procedure for complaints relating to elected members. | In progress | A policy for the management of complaints relating to Elected Members in matters relating to breaches of the Town's Code of Conduct (Division 3) is being developed. This action should be completed before May 2021. |
| Legislative Compliance | 1.7 | Ensure the internal audit program is appropriately resourced. | In progress | The Town is going to outsource the internal audit service. This action will be completed by April 2021. |
| Internal Controls | 2.3 | Ensure that all 'policy statements' and procedures' are appropriately captured, in line with before the next CEO's review on systems and processes relating to internal controls, which will be due in 2022 | In progress | Several outdated policies have been reviewed and the review program is ongoing and should result in every policy having been individually reviewed by 30 June 2022. |

6. The full report on each action, inclusive of officer comments, are attached to this report as Attachment 1.

Relevant documents

[A Guide to Local Government Auditing Reforms \(DLGSC\)](#)

[Local Government Operational Guidelines No. 9 – Audit in Local Government \(DLGSC\)](#)

COMMITTEE RESOLUTION:

Moved: Mr Jonathan Carley

Seconded: Cr Jesvin Karimi

That the Audit and Risk Committee recommends that Council:

1. Receives the update on actions resulting from the Chief Executive Officer's review of systems and procedures relating to legislative compliance, internal controls, and risk management, in accordance with regulation 17 of the Local Government (Audit) Regulations 1996.
2. Requests that the Chief Executive Officer provides a further report to the Audit and Risk Committee on the progress of recommended further actions by December 2021.

CARRIED (6 - 0)

For: Cr Brian Oliver, Cr Jesvin Karimi, Cr Wilfred Hendriks, Mr Dane Etheridge, Mayor Karen Vernon, Mr Jonathan Carley

Against: nil

8 Motion of which previous notice has been given

Nil.

9 Meeting closed to the public

9.1 Matters for which the meeting may be closed

Nil.

9.2 Public reading of resolutions which may be made public

Nil.

10 Closure

There being no further business, Cr Brian Oliver closed the meeting at 7.03pm.

I confirm these minutes to be true and accurate record of the proceedings of the committee.

Signed:
.....

Dated this: Day of: 2021