



Balranald Shire Council

AUDIT/RISK MANAGEMENT COMMITTEE

Thursday 6th December 2018 (11:00 to 13:00)

AGENDA:

- Item 1 Open and welcome
- Item 2 Conflict of Interest
- Item 3 Draft minutes – 16th August 2018
- Item 4 Actions of Previous Meetings
- Item 5 Annual Financial Statements
 - Outcomes and Reports
 - NSW Audit Office Closing Reports
- Item 6 Update on Performance Improvement Order
- Item 7 Strategic Internal Audit Report
 - Procurement Audit Report
- Item 8 WHS Audit Report
 - Quarterly WHS Management Review
- Item 9 WHS Report
- Item 10 Governance Discussion
- Item 11 Enterprise Risk Management Report
- Item 12 Schedule next meeting dates

Proposed dates:

21st March 2019
2nd May 2019
1st August 2019
12th September 2019
5th December 2019



Balranald Shire Council

Appendix A: Balranald Shire Council Annual Financial Report 2017 – 2018

Appendix B: Performance Improvement Report

Appendix C: Strategic Internal Audit Report

Appendix D: Procurement Audit Report

Appendix E: Credit Card Policy

Appendix F: StateCover WHS Audit Report 2018

Appendix G: Quarterly WHS Management Review

Appendix H: WHS Report

Appendix I Enterprise Risk Management Report

Training Documents:

ATTACHMENT A: Code of Conduct Training Memo

ATTACHMENT B: Code of Conduct Training Staff Schedule

ATTACHMENT C: Fraud and Corruption Attendance Register

ATTACHMENT D: Fraud Detection Course Notes

MINUTES OF THE BALRANALD SHIRE COUNCIL AUDIT AND RISK COMMITTEE MEETING
11am THURSDAY 6th DECEMBER 2018
COUNCIL CHAMBERS, 70 MARKET STREET, BALRANALD.

1. PRESENT:

Members: Rosanne Kava – Chairperson; Cr Alan Purtill; Simon Rule – Wentworth Shire Council, Keith Coates – Internal Auditor

Ex-Officio: Michael Kitzelmann – General Manager, Terri Bilske – Director Corporate and Community Services, Phil Ruddick –HR/Risk/WHS/Governance Officer, Councillor German Ugarte, Kris Kershaw, Finance Manager (via Skype)

Invited guests via teleconference: Dominika Ryan - Director NSW Audit Office (via Skype)

Secretariat: Jennifer Bax Alvarado – Director’s Executive Assistant

Apologies were received from: Sandra Gordon - Murray River Shire and Cr Jeff Mannix.

1. OPEN AND WELCOME:

The Chair welcomed the Committee and opened the meeting at 11.01pm.

2. CONFLICT OF INTEREST:

No conflicts of interest were declared.

3. MINUTES of 16 August 2018

MOVED by: Cr Alan Purtill and SECONDED by: Simon Rule

That the Committee endorse the draft minutes from its meeting on 6TH August 2018.
CARRIED

4. ACTIONS OF LAST MEETING

MOVED by Mayor Purtill and SECONDED by Simon Rule

- 1. That Awareness Training on Fraud Control is completed by all staff with a bi-annual refresher course scheduled.**
- 2. That Councillors’ be scheduled to undertake a separate training session on Fraud control.**

CARRIED.

Mr Kitzelmann updated the Committee on progress of the Action List.
A discussion on Fraud Control training for staff and councillors ensued.

5. ANNUAL FINANCIAL STATEMENTS

MOVED by Simon Rule and SECONDED by Mayor Purtill.

**That the Audit Committee note receipt of the Financial Statement for Year End 2018.
CARRIED.**

Note: The Engagement Closing Report was received just prior to the meeting.

Dominika Ryan joined the meeting at 11:28am via voice conference.

**The Engagement Closing Report and the Verbal report provided by Dominika Ryan of the NSW Audit Office was accepted as a late item to the Agenda.
The committee accepted the Verbal report delivered by Dominika Ryan of the NSW Audit Office.**

Dominika Ryan of the NSW Audit Office provided a verbal report, indicating she was comfortable with the Information provided in the Financial Statements and was waiting for the final set of Financial Reports to be returned so she could finalise her reports and opinions.

The Committee noted that the Financial Statements were not presented by the legislatively required due date despite the best efforts of staff, due to delays from Council's contracted providers, Pitcher Partners. The CEO advised that an extension to the date of lodgement was not requested by Council as to his knowledge the Statements were to be completed on time and the delays by the Provider only became apparent after the cut off for submitting such a request.

Rosanne Kava thanked Michael Kitzelmann, Terri Bilske and Kris Kershaw for all their efforts and work given the issues and deficit from the service provider, Pitcher Partners. The support of Dominika Ryan and the NSW Audit Office in finalising the documents was also acknowledged with thanks.

Rosanne Kava requested the committee members become familiar with the Annual Financial Reports so they can look for any areas of future risk and make subsequent comments.

6. Update on Performance Improvement Order

Reporting Officer: General Manager

Recommendation:

That the Audit Committee,

- 1. Note the Performance Improvement Progress**

Noted

Michael Kitzelmann provided an update on the Performance Improvement Order.

The final report has been presented to the Office of Local Government but no determination is yet forthcoming. Michael Kitzelmann is in regular contact with them.

7. Strategic Internal Audit Reports Procurement Audit Report

Recommendation:

MOVED by Mayor Purtill SECONDED by Cr. Ugarte

That the Audit Committee,

- 1. Note the updates to the 2018-2019 Internal Strategic Audit Plan.**
- 2. Move to endorse the recommendations of the Procurement Audit and submit it to Council for approval with the Management response included.**

CARRIED.

Keith Coates, who is contracted to provide Council's internal audit services, was welcomed and provided his report on the Procurement Audit.

Keith was asked to be rigorous and to make recommendations on Best Practice Cash Handling procedures.

The Chair noted the absence of a management response to the recommendations and asked for the report to be re-issued with the management response included for review at the next Audit Committee and consideration by Council.

Michael Kitzelmann thanked Keith Coates and indicated the report was very thorough and accurate.

8. WHS Audit Report (Environment)

Reporting Officer: HR/Governance Coordinator

MOVED by Simon Rule SECONDED by Councillor Ugarte

That the Audit Committee note the StateCover WHS Audit Report 2018, the Internal Audit Report on Procurement Audit, October 2018, from Keith Coates and the Quarterly WHS Management Report.

That the General Manager develop an Action Plan and provide a management response based on these reports and that this is completed prior to sending all documents to the December Council meeting.

CARRIED

9. WHS Review

That the Committee Note the WHS Review 2018 document.

NOTED

10. GOVERNANCE DISCUSSION

That the Committee Note the Governance Discussion

NOTED

Michael Kitzelmann delivered a verbal report on Governance.

Michael discussed changes to the Organisational Structure including Phil Ruddick appointed as the HR & Governance Officer and Jennifer Bax Alvarado appointed as Secretariat to the Audit and Risk Committee

He also briefly recapped the comments he delivered in the Performance Improvement Order discussion, specifically around Governance & Performance Compliance.

11. ENTERPRISE RISK MANAGEMENT PROGRAM

That the Committee note the receipt of the draft policy, and review the current risk environment and the Letter of Offer from JLT.

NOTED

Michael Kitzelmann discussed policies and the councils risk appetite. He will work in conjunction with JLT to implement an Enterprise Risk Management Program. Michael briefly discussed the Outcomes to be Implemented and the Associated Risk Requirement Systems. The status of implementation will be presented in the June Audit Risk Management Meeting.

NEXT MEETING

Thursday 21st March 2019, to be held at Council Chambers at 12:00 noon.

MEETING CLOSED

Meeting closed at 1.27 pm.

The Chair, Ms Rosanne Kava thanked all for attending.

Action Table

Reference #	Action description	Action owner	Status	Date Action raised
1	Risk Assessment and Risk Framework to be developed.	General Manager	In progress	May 3 2018
2	Fraud Control training needs to be completed with all new employees with the training repeated on a regular basis with all employees.	HR/Risk/WHS & Governance Officer	Scheduled for January 2019	August 16 2018
3	A copy of Fraud Awareness training material is to be provided to the Audit Committee along with the evidence of the course, what it involved and evidence of who has attended	HR/Risk/WHS & Governance Officer	Attached to current agenda	August 16 2018
4	Details of Audit Committee Training to be made available with training to be advised to all Councillors and Executive Staff, not just committee members.	HR/Risk/WHS & Governance Officer	In Progress	August 16 2018
5	Council would send the draft financial statements to Ms Ryan in Audit Office for review.	Director Corporate and Community Service	In progress	August 16 2018
6	WHS Audit report be submitted to the committee on a quarterly basis	HR/Risk/WHS & Governance Officer	Note: We have received State Cover Annual report. Included in December 6th meeting for discussion.	August 16 2018
7	Asset Management plan to be reviewed and submitted to this committee for consideration	General Manager	Moved to May/June 2019 meeting pending recruitment of new DID	August 16 2018
8	Draft External Risk Management Plan is in progress, is to be reviewed and updated by General Manager	General Manager	Moved to December 6th meeting for discussion.	
19	Enterprise Risk Management Program to be implemented in coordination with JLT.	General Manager	A status update to be presented.	June 2019

Standing Items				
Reference #	Action description	Action owner	Status	Meeting date
1	The Financial Statements must be presented to the Audit Committee before being presented to Council.	Director Corporate and Community Service	Ongoing	May 3rd 2018
2	Progress report on Performance Improvement Order items be developed and provided at future meetings.	General Manager	Ongoing	June 1st 2017