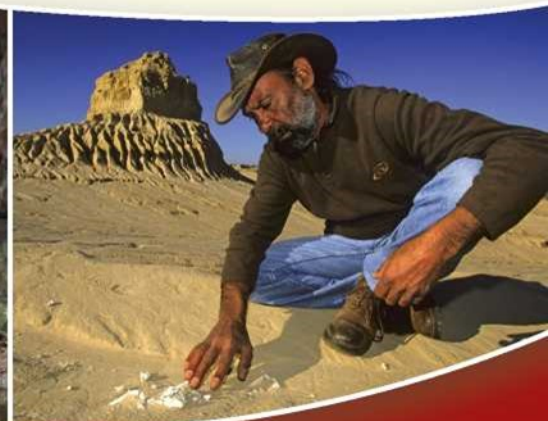




# **AUDIT COMMITTEE**

## **MINUTES**

### **12<sup>th</sup> September 2019**



**MINUTES OF THE BALRANALD SHIREINTERNAL AUDIT & RISK MANAGEMENT COMMITTEE  
MEETING HELD IN COUNCIL CHAMBERS, MARKET STREET, BALRANALD ON THURSDAY 12<sup>TH</sup>  
SEPTEMBER 2019. COMMENCING AT 12NOON**

**1. PRESENT:**

**Members:** Rosanne Kava – Independent Chairperson, Simon Rule Wentworth Shire Council, Cr Alan Purtill Balranald Shire Council, Cr Jeff Mannix Balranald Shire Council, Terri Bilske Director Corporate & Community Services, Michael Kitzelmann General Manager and Mr Phil Ruddick WHS/Risk Management and Governance Officer.

Brett Hanger auditor attended the meeting by Blue Jeans Video conferencing.

**Secretariat:** Carol Holmes – Senior Executive Assistant

**Apologies** were received from: Sandra Gordon – Independent Local Government Specialist (Murray River Council). Keith Coates Internal Audit Service Provider, Kris Kershaw finance Manager and Cr Ugarte

**1. OPEN AND WELCOME:**

The Chair welcomed the Committee and opened the meeting at 12noon.

**2. CONFLICT OF INTEREST:**

No conflicts of interest were declared.

**3. MINUTES OF 26 JUNE 2019**

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

## 4: ACTIONS OF PREVIOUS MEETINGS

**Reporting Officer:** General Manager

**Report:**

That the Audit Committee,

Note the Actions from the Previous Meetings

**Attachments:**

- Action Table
- Standing Items
- Performance Improvement Order Update
- Audit Recommendations (Internal Auditor/ External Auditor)

Cr Alan Purrtill enquired about the training being scheduled for councillors.

Michael advised that the previous training that was being offered free of charge will no longer be the case.

Training will be available for a charge, updating on the Code of Meeting Practice, Code of Conduct, Local Government Act and Audit Committees.

Cr Purrtill asked if Councillors will still be involved in Audit Committees.

Michael Kitzelmann advised he had received an email from Local Government advising that they will still be involved although won't have voting rights. Timing for the training has not been set as yet. Submissions should be made regarding the Audit Committee membership by 31<sup>st</sup> December 2019. Michael advised Council will be submitting a submission.

Asset Management plan (Item 7 of the Action Plan) Ray Davy is liaising with Broken Hill City council to complete as soon as possible.

Policies as listed in the Action Plan will all be reviewed and submitted to Council for adoption within the October and November Council Meetings.

Correction to Item 19 of Action Plan – Caravan Park. Scheduled to appear in Supreme Court on 23<sup>rd</sup> October 2019. A decision should be made within 4-6 weeks of the hearing.

Brett Hangar joined the meeting via Blue Jeans at 12.15pm.

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The committee moved to the Financial Statements for discussion with Brett.

## ITEM 5: FINANCIAL STATEMENTS

**Reporting Officer:** Director of Corporate and Community Services

### Recommendation:

That the Audit Committee,

Note the following Attachments

Attachments:

- ❖ Management Letter Year Ending 2018
- ❖ Financial Reports End Of Year

Brett Hangar advised he will be on site on 9 October 2019.

There are some changes to be made to the draft Financial Statements although nothing major.

Some of the minor changes mentioned were:

Employee Benefits and on-costs, capital expenditure has been subtracted, therefore the difference in actual budget and unaudited budget.

Provisions have changed due to some long term staff leaving

The Chair enquired about the rates revenue being increased significantly. Terri Bilske explained that the Mining rates have now been included. Special Rate Variation would also show an increase.

Council claims the pensioner rebates for rating on an annual basis, eligibility is checked annually.

### MOTION

**It was Moved by Simon Rule and Seconded by Cr Alan Purtill that the Audit Committee note and receive the draft statements with recommendation that the draft statements be submitted to Council for referral to external auditors.**

**CARRIED**

Michael Kitzelmann thanked Brett Hangar for the help and supports himself and the team had given Council.

Brett Hangar left the meeting at 12.50pm.

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The Committee converted back to Item 4: Internal Auditor Actions from previous meeting.

Michael Kitzelmann advised the committee that the recommendations from the internal auditor had been followed through. He specifically mentioned

- Procurement policy and Manual has been submitted to Council and is currently on public exhibition and will be submitted for adoption by council at the next ordinary meeting.
- WHS Actions are progressing and almost completed. Vault system going live as of today.
- 

Cr Alan Purtill enquired about skin cancer testing. Phil Ruddick advised that he had received 2 quotes and was working on having the testing completed for staff.

Audit Recommendations were noted by the committee.

Cash Handling Audit Recommendations;

The committee was advised that Council was implementing a work place surveillance camera in all cash handling places and workplaces with sole workers eg. Library.

Council had enquired with Australia Post for alternative payment methods, which has been rejected.

Simon suggested maybe give the Euston Post Office Practical access for receipting. This will enable council to view what receipts and monies have been taken at Euston. Alternatively seek other venues to do Council receipts. Eg Euston Club which has better security for cash deposits.

Fraud Audit Recommendations were noted.

Legislative Compliance Audit

The General Manager advised that the Legislative Compliance audit recommendations will create a lot of work and be very costly to implement.

The Chair asked that this item be brought back to next Audit Committee for further discussion.

## ITEM 6: DRAFT PROCUREMENT POLICY AND MANAGEMENT PLAN

**Reporting Officer:** Director of Corporate and Community Services

### Recommendation:

That the Audit Committee,

Note the following Attachments

Attachments:

- ❖ Balranald Procurement Policy
- ❖ Procurement Policy and Management Plan

### MOTION

It was moved by Simon Rule and Seconded by Cr Alan Purtill that the Audit Committee had examined the Procurement Policy and Procurement and Management Plan and recommend the adoption by Council.

**CARRIED**

## ITEM 7 : UPDATE ON PERFORMANCE IMPROVEMENT ORDER

**Reporting Officer:** General Manager

### Report:

General Manager

- Verbal update
- Ongoing items listed in the Actions Table

Michael Kitzelmann advised the committee that the Performance Improvement Order recommendations had almost been completed except for the Asset Management Plan which is in progress and will be completed.

The Audit Committee noted that the Performance Improvement Order was almost completed with only one item being left to complete.

## **ITEM 8: STRATEGIC INTERNAL AUDIT PLAN**

**Reporting Officer:** Director of Corporate and Community Services

**Report:**

Director of Corporate and Community Services

- Update

Attachments:

- Strategic Internal Audit Plan

**The Committee noted the Strategic Internal Audit Plan and congratulated the staff working through the items.**

## **ITEM 9: INTERNAL AUDITOR REPORTS**

**Reporting Officer:** General Manager

**Report: Verbal**

Internal Auditor:

- 5 Internal Auditor Reports

**The Committee noted the Internal Auditor Reports.**

## **ITEM 10: Risk Environment**

**Reporting Officer:** HR & GOVERNANCE

### **Report: Verbal**

Review of current Risk Environment including:

- Enterprise Risk Management Status
- Risk Management Registers.

Attachments:

- Draft Risk Management Registers

**The Committee noted the Risk Environment Report.**

## **ITEM 11: WHS Environment**

**Reporting Officer:** HR/Governance Coordinator

### **Recommendation:**

That the Audit Committee

- Note the Quarterly WHS Report (1<sup>st</sup> Quarter for the 2019/20)
- Note Comparison Average Claim Numbers for the years 2002/2020
- Note Comparison Average Claim Numbers by nature for the years 2002/2020
- Note the number of mental health claims in the comparison statistics
- Verbal Update on the WHS system software Vault.

Attachments:

- Quarterly WHS Report
- Comparison average claim numbers.

**The Committee noted the WHS Environment Report.**

Staff were asked to vacate the meeting at 1.50pm



## ITEM 12: Investigation / Referrals

**Reporting Officer:** General Manager

**Report: Verbal**

General Manager

- ICAC - One
- OLG - Public Inquiry
- Complaints

The Committee noted the verbal report of the CEO on the current status of the above items.

## ITEM 13: Legal Matters

**Reporting Officer:** General Manager

**Report: Verbal**

General Manager

Legal Matters

- Supreme Court – Caravan Park

The Committee noted the timing of the hearing of the Caravan Park matter by the Supreme Court was 23 October 2019.

The Committee requested that an agenda item regarding the Waste Depot/Tip be included in next Audit Meeting.

**Next Meeting:** The next meeting will be held on Thursday 5<sup>th</sup> December 2019.

**CLOSURE:** There being no further business the Internal Audit & Risk Management Committee Meeting closed at 2.02pm.