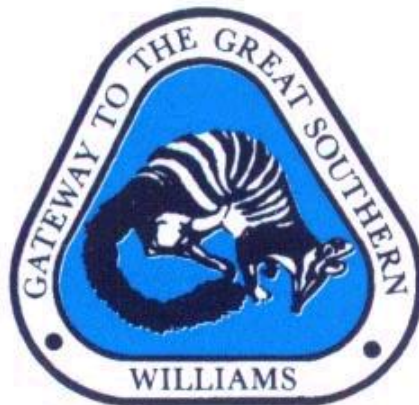


# ***SHIRE OF WILLIAMS***

***MINUTES AUDIT COMMITTEE MEETING HELD  
WEDNESDAY 21ST DECEMBER 2016***



## ***RISK MANAGEMENT REVIEW***



## MINUTES – AUDIT COMMITTEE MEETING HELD 21<sup>ST</sup> DECEMBER 2016

---

### TABLE OF CONTENTS

Item	Subject	Page
	NOTICE OF MEETING.....	2
	DISCLAIMER.....	3
<b>1.0</b>	<b>Declaration of Opening / Announcement of Visitors .....</b>	<b>4</b>
<b>2.0</b>	<b>Record of Attendance / Apologies / Leave of Absence (previously approved) .....</b>	<b>4</b>
<b>3.0</b>	<b>Public Question Time .....</b>	<b>4</b>
<b>4.0</b>	<b>Petitions / Deputations / Presentations.....</b>	<b>4</b>
<b>5.0</b>	<b>Declarations of Interest.....</b>	<b>4</b>
<b>6.0</b>	<b>Audit Committee Meeting held 17<sup>th</sup> October 2016.....</b>	<b>5</b>
<b>6.1</b>	<b>Confirmation of Audit Committee Meeting Held 17<sup>th</sup> October 2016 .....</b>	<b>5</b>
<b>7.0</b>	<b>Announcements by Presiding Member without discussion .....</b>	<b>5</b>
<b>8.0</b>	<b>Reports.....</b>	<b>5</b>
<b>8.1</b>	<b>Manager of Finance Report.....</b>	<b>6</b>
8.1.2	Risk Management Framework & Policy .....	6
<b>8.2</b>	<b>Chief Executive Officers Report .....</b>	<b>9</b>
8.2.1	CEO Risk Management Review .....	9
<b>9.0</b>	<b>New Business of an Urgent Nature introduced by Decision of Meeting.....</b>	<b>10</b>
<b>10.0</b>	<b>Information Session .....</b>	<b>11</b>
<b>11.0</b>	<b>Closure of Meeting .....</b>	<b>11</b>

### **SEPARATE DOCUMENTS**

1. Minutes
2. Appendices



## SHIRE OF WILLIAMS

BROOKING STREET, WILLIAMS, WESTERN AUSTRALIA.

OFFICE HOURS: MONDAY TO FRIDAY: 8.30 a.m. to 5.00 p.m.

TELEPHONE (08) 9885 1005 FACSIMILE (08) 9885 1020 EMAIL [shire@williams.wa.gov.au](mailto:shire@williams.wa.gov.au)

All communications to be addressed to the Chief Executive Officer, P.O. Box 96, Williams, W.A. 6391.

Your Ref:

Our Ref:

### NOTICE OF MEETING

You are respectfully advised that the next Audit Committee meeting will be held in the Council Chambers at 12.00pm on Wednesday 21<sup>st</sup> December 2016.

Yours faithfully

**Geoff McKeown**  
**Chief Executive Officer**



## DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Williams for any act, omission or statement or intimation occurring during Council or Committee meetings. The Shire of Williams disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee meetings. Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee meeting does so at that person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by a member or officer of the Shire of Williams during the course of any meeting is not intended to be and is not to be taken as notice of approval from the Shire of Williams. The Shire of Williams warns that anyone who has any application lodged with the Shire of Williams must obtain and should only rely on written confirmation of the outcome of the application, and any conditions attaching to the decision made by the Shire of Williams in respect of the application.



# AGENDA

## 1.0 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The President declared the meeting open at 12.04pm.

## 2.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

(PREVIOUSLY APPROVED)

Cr John Cowcher      President

Cr Peter Paterson

Geoff McKeown      Chief Executive Officer

Cara Ryan            Manager of Finance

### Apologies

Gilbert Medlen

## 3.0 PUBLIC QUESTION TIME

## 4.0 PETITIONS / DEPUTATIONS / PRESENTATIONS

## 5.0 DECLARATIONS OF INTEREST

DECLARATION OF INTEREST	
Name / Position	
Item No. / Subject	
Type of Interest	



## 6.0 AUDIT COMMITTEE MEETING HELD 17<sup>TH</sup> OCTOBER 2016

### 6.1 CONFIRMATION OF AUDIT COMMITTEE MEETING HELD 17<sup>TH</sup> OCTOBER 2016

#### **Officer's Recommendation**

That the Minutes of the Audit Committee Meeting held on 17<sup>th</sup> October 2016, as previously circulated, be confirmed as a true and accurate record.

#### **Committee Decision**

##### ***Paterson/Cowcher***

That the Minutes of the Audit Committee Meeting held on 17<sup>th</sup> October 2016, as previously circulated, be confirmed as a true and accurate record.

**CARRIED 2/0**

## 7.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

## 8.0 REPORTS



## 8.1 MANAGER OF FINANCE REPORT

### 8.1.2 RISK MANAGEMENT FRAMEWORK & POLICY

<b>File Reference</b>	4.22.00
<b>Statutory Reference</b>	<i>Local Government Act 1995</i> <i>Local Government (Audit) Regulations 1996</i>
<b>Author &amp; Date</b>	Cara Ryan 14 <sup>th</sup> December 2016
<b>Attachments</b>	Appendix 1 – Risk Management Governance Framework

#### **Purpose**

The purpose of this item is to consider the revised Risk Management Framework, encompassing the Risk Management Policy and Risk Management Procedures, and recommend them for adoption by Council.

#### **Background**

An amendment to the *Local Government (Audit) Regulations 1996* was gazetted on 8<sup>th</sup> February 2013, which extended the role of the Audit Committee. The Chief Executive Officer is to review and report on the appropriateness and effectiveness of systems and procedures relating to: Risk Management, Internal Control, and Legislative Compliance. The results of the review of Risk Management are to be presented to the Audit Committee biennially. The initial review of Risk Management occurred on the 17<sup>th</sup> December 2014.

Once again Local Government Insurance Services (LGIS) has assisted the Shire in the process of reviewing the Risk Management Framework. The Framework includes the establishment of a Risk Management Policy, which meets the principles and standards of the AS/NZS ISO 31000:2009 Risk Management.

#### **Statutory Environment**

*Local Government (Audit) Regulations 1996* Regulation 17 states:

#### **17. CEO to review certain systems and procedures**

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
  - (a) risk management; and
  - (b) internal control; and
  - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.
- (3) The CEO is to report to the audit committee the results of that review.



### **Comment**

The Risk Management Policy includes one substantial change and this is under the heading “Roles, Responsibilities and Accountabilities”. This now includes Council’s role to –

- Review and approve the Shire’s Risk Management Policy and Risk Assessment & Acceptance Criteria.
- Appoint / Engage External Auditors to report on financial statements annually.
- Establish and maintain an Audit Committee in terms of the Local Government Act.

There has also been a change to the Risk Themes, which are as follows:

1. Asset Sustainability Practices
2. Business & Community Disruption
3. Failure to Fulfil Compliance Requirements
4. Document Management Processes
5. Employment Practices
6. Engagement Practices
7. Environment Management
8. Errors, Omissions, Delays
9. External Theft & Fraud (incl Cyber Crime)
10. Management of Facilities / Venues / Events
11. IT & Communications Systems and Infrastructure
12. Misconduct
13. Project / Change Management
14. Safety and Security Practices
15. Supplier / Contract Management

In accordance with the requirements for the CEO to review the systems and procedures with risk, control and compliance, it is essential that as part of the biennial review the Risk Management Framework is reassessed to ensure that the policy and procedures remain relevant. This ensures that we continue to have strong corporate governance, compliance with relevant legislation, regulations and internal policies.

### **Consultation**

Local Government Insurance Services (LGIS) and the Chief Executive Officer.

### **Financial Implications**

Nil

### **Voting Requirements**

Simple Majority

### **Officer’s Recommendation**

That the Audit Committee endorses the Risk Management Framework, including the Risk Management Policy, and recommends its adoption by Council.





**Committee Decision**

***Paterson/Cowcher***

That the Audit Committee endorses the Risk Management Framework, including the Risk Management Policy, and recommends its adoption by Council.

***CARRIED 2/0***



## 8.2 CHIEF EXECUTIVE OFFICERS REPORT

### 8.2.1 CEO RISK MANAGEMENT REVIEW

<b>File Reference</b>	4.22.00
<b>Statutory Reference</b>	<i>Local Government Act 1995 and Local Government (Audit) Regulations 1996</i>
<b>Author &amp; Date</b>	Geoff McKeown 15 <sup>th</sup> December 2016
<b>Attachments</b>	Appendix 2 – Shire of Williams Risk Report

#### **Purpose**

To review the CEO's Risk Report on the systems and procedures in relation to Risk Management and endorse the Report for presentation to Council.

#### **Background**

On the 6<sup>th</sup> and 8<sup>th</sup> December 2016 the Chief Executive Officer and Manager of Finance undertook a review of risk, control and compliance utilising the reviewed Risk Management Framework and profiling tools. Once again Local Government Insurance Services (LGIS) assisted with the review. From the review a Risk Report has been developed comprising a dashboard report along with the individual risk profiles. The Risk Report assessed the fifteen themed areas, being:

1. Asset Sustainability practices
2. Business & Community disruption
3. Failure to fulfil Compliance requirements
4. Document Management Processes
5. Employment practices
6. Engagement practices
7. Environment management.
8. Errors, Omissions, Delays
9. External theft & fraud (incl Cyber Crime)
10. Management of Facilities / Venues / Events
11. IT & Communications Systems and Infrastructure
12. Misconduct
13. Project / change Management
14. Safety and Security practices
15. Supplier / Contract Management

#### **Statutory Environment**

*Local Government (Audit) Regulations 1996* Regulation 17 states:

#### **17. CEO to review certain systems and procedures**

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
  - (a) risk management; and
  - (b) internal control; and



- (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.
- (3) The CEO is to report to the audit committee the results of that review.

### Comment

Since the last report in December 2014, the appropriateness and effectiveness of systems and procedures relating to: Risk Management, Internal Controls and Legislative Compliance, and our approach to risk management has matured substantially. The risk profiling and reporting framework now includes a control assurance monitoring schedule, which sets out the control owner and activities. The review of these controls will be monitored and an overall risk review report will be produced six (6) monthly.

The attached Risk Report summaries the review of the fifteen themed areas. A rating is made for Risk and Control. There are no areas that have been assessed in the 'high' or 'extreme' category.

The Risk Report also identifies current issues, actions and treatments. These have been prioritised with a due date and assigned to an Officer.

### Consultation

Local Government Insurance Services (LGIS).

### Financial Implications

Where possible actions will be included within the existing budget and considered in future budget adoption.

### Voting Requirements

Simple Majority

### Officer's Recommendation

That the Audit Committee:

1. Acknowledges the actions undertaken with Regulation 17, of the *Local Government (Audit) Regulations 1996*; and
2. Endorses the Risk Report for presentation to Council.

### Committee Decision

#### Paterson/Cowcher

That the Audit Committee:

1. Acknowledges the actions undertaken with Regulation 17, of the *Local Government (Audit) Regulations 1996*; and
2. Endorses the Risk Report for presentation to Council.

**CARRIED 2/0**



**9.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING.**

**10.0 INFORMATION SESSION**

**11.0 CLOSURE OF MEETING**

The President declared the meeting closed at 12.25pm.