



AGENDA FOR AUDIT COMMITTEE MEETING TO BE HELD IN THE COUNCIL CHAMBERS ON TUESDAY, 13 AUGUST 2019 COMMENCING AT 5.00PM

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| PRESENT: | Members | Cr I F West (Presiding Member) Cr M Leonard Cr B Wyse Cr M T Smith |
| | Staff | Mr S Ivers – Acting Chief Executive Officer Mrs D K Chandler – Governance & Executive Coordinator (Minute Taker) Mrs S Potts – Coordinator Administration (Acting) Mrs Y Robb – Process Improvement Coordinator |
| APOLOGIES: | | Cr S F Gumley |

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS
2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE
3. CONFIRMATION OF MINUTES

3.1. MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 23 APRIL 2019

A copy of the Minutes of the Audit Committee Meeting held on 23 April 2019 has been provided to all Committee Members under separate cover.

COMMITTEE MOTION:

MOVED: Cr _____

SECONDED: Cr _____

That the Minutes of the Audit Committee Meeting, held on 23 April 2019, be confirmed as a true and accurate recording of that meeting.

4. BUSINESS ARISING FROM PREVIOUS MEETINGS
5. DISCUSSION ITEMS

5.1. Review of the Audit Committee Terms of Reference

As a result of the recent Regulation 17 Audit and Financial Management Review conducted by Paxon Group in 2018, it is proposed to update the Terms of Reference for the Audit Committee to clarify the Committee's objectives relating to risk management.

Please refer to Audit Committee – Terms of Reference August 2019 (Rev0 DRAFT) provided as Attachment 5.1.

The following changes were made;

- altered the 'Objectives of the Audit Committee' to include facilitating effective management of risk;
- removed reference to AMAC in Section 4: Meetings; and
- added Section 5: Reporting.

COMMITTEE MOTION:

MOVED: Cr _____

SECONDED: Cr _____

That the Audit Committee adopt the updated Terms of Reference – Audit Committee, August 2019, provided as Attachment 5.1.

5.2. Report – Office of the Auditor General (OAG) – Performance Audit 2017/18

Recent reforms to auditing laws now require local governments to examine an audit report it receives and implement appropriate action in respect to the significant matters raised. Local governments must prepare a report addressing the significant matters identified in the audit report. Moore Stephens did not include this requirement in their 2017/18 Management Letter and the first formal notification received of this requirement was from the Department of Local Government, Sport and Cultural Industries (the Department) received 5 July 2019. Section 7.12A(4) of the Local Government Act 1995 states that a local government must:

prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and

(b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.

Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

As a matter of priority a report has been prepared, ready for review by the Audit Committee before it is presented to Council for adoption at the 27 August 2019 Ordinary Council Meeting. Please refer to *Office of the Auditor General (OAG) Performance Audit 2017/18* report, provided as Attachment 5.2.

COMMITTEE MOTION:

MOVED: Cr _____

SECONDED: Cr _____

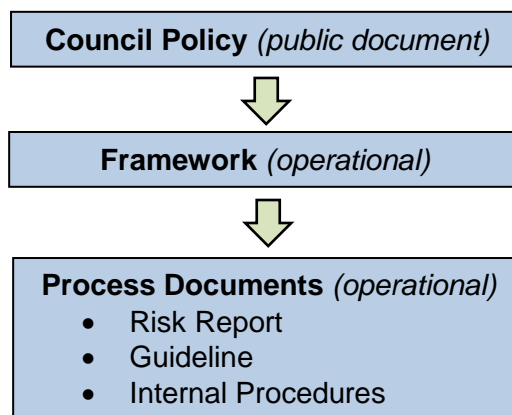
That the Audit Committee endorse the *Office of the Auditor General (OAG) Performance Audit 2017/18 Report*, provided as Attachment 5.2.

5.3. Risk Management Policy and Risk Management Governance Framework 2019 (DRAFT)

At the 30 April 2019 Ordinary Council Meeting, Council adopted, by absolute majority, the following Audit Committee recommendation:

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| AUDIT COMMITTEE RECOMMENDATION & COUNCIL DECISION 100419: | |
| MOVED: Cr Leonard | SECONDED: Cr Gumley |
| That Council, by Absolute Majority and with regards to Business Issues 6 and 7 in the Financial Management Review and Regulation 17 Audit Report – April 2019, consider a 2019/20 budget allocation for outsourcing to consultants the development and implementation of a Risk Management Framework and Risk Reporting tasks, aiming for completion by the end of October 2019. | |
| VOTING DETAILS: | Carried by Absolute Majority 8/0 |

As a result of this Council decision, the development and implementation of a Risk Management Framework and Risk Reporting tasks has been outsourced to Margaret Hemsley of LG People & Culture. Margaret has identified the Shire’s risk management requirements in accordance with the Regulation 17 Audit Report provided by Paxon Group and will be providing and implementing documentation as outlined below:



Margaret has prepared a draft Risk Management Policy and a draft Risk Management Governance Framework, ready for the Audit Committee to review before it is presented to Council for consideration at the 27 August 2019 Ordinary Council Meeting. This will then enable development and implementation of risk reporting, guidelines, internal procedures and subsequent training.

Please refer to Policy CP38 – Risk Management (Draft) and Shire of Irwin Risk Management Governance Framework 2019 (Draft) provided as Attachment 5.3.

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| COMMITTEE MOTION: | |
| MOVED: Cr _____ | SECONDED: Cr _____ |
| That the Audit Committee endorse Policy CP38 – Risk Management (Draft) and Shire of Irwin Risk Management Governance Framework 2019 (Draft) provided as Attachment 5.3. | |

6. GENERAL BUSINESS

7. CLOSURE

There being no further business, the Presiding Member declared the meeting closed at