



AGENDA

**AUDIT AND RISK MANAGEMENT
COMMITTEE MEETING**

MONDAY, 3 JUNE 2019

Notice is given that the next Audit and Risk Management Committee Meeting of Tiwi Islands Regional Council will be held on:

- Monday, 3 June 2019 at
- Tiwi Land Council Boardroom - 116 Reichardt Rd, Winnellie
- Commencing at 10:00 am

Your attendance at the meeting will be appreciated.

Valerie Rowland
Chief Executive Officer

AGENDA

1 WELCOME & APOLOGIES

- 1.1 WELCOME
- 1.2 PRESENT
- 1.3 APOLOGIES
- 1.4 LEAVE OF ABSENCE
- 1.5 DECLARATION OF INTEREST OF MEMBERS OR STAFF

2 CONFIRMATION OF PREVIOUS MINUTES

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3 GENERAL BUSINESS

- 3.1 BUSINESS ARISING FROM PREVIOUS MINUTES 4
- 3.2 RE-TABLING OF ARMC ASSESSMENT SURVEY SUMMARY 5
- 3.3 DRAFT TIRC REGIONAL PLAN AND BUDGET 2019/20 9

4 REPORTS FOR INFORMATION

Nil

5 CONFIDENTIAL ITEMS

5.1 INTERIM AUDIT UPDATE

The report will be dealt with under Section 65(2) (ciii) of the Local Government Act 2008 and Regulation 8 of the Local Government (Administration) Regulations 2008. It contains information that would, if publicly disclosed, be likely to prejudice the interests of council or some other person.

5.2 RISK REGISTER - UPDATE AND RECOMMENDATION

The report will be dealt with under Section 65(2) (ci) of the Local Government Act 2008 and Regulation 8 of the Local Government (Administration) Regulations 2008. It contains information that would, if publicly disclosed, be likely to cause commercial prejudice to, or confer an unfair commercial advantage on any person.

6 NEXT MEETING

Friday, 25 October 2019



**MINUTES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE MEETING HELD IN
THE TIWI LAND COUNCIL BOARDROOM - 116 REICHARDT RD, WINNELLIE ON
FRIDAY, 17 MAY 2019 AT 10:00AM**

1 WELCOME & APOLOGIES

1.1 Welcome

The meeting opened at 10:23 am.

1.2 Present

Chairperson: Brendan Dowd.

Committee Members: Sandra Cannon (2nd Independent member), Deputy Mayor Lynette De Santis and Cr Therese (Wokay) Bourke.

Officers: Valerie Rowland (Acting Chief Executive Officer), Shane Whitten (Chief Financial Officer), Bala Donepudi (Finance Manager) and Maina Brown (Governance & Compliance Manager).

Guest: Nil

Minuter: Maina Brown (Governance & Compliance manager).

1.3 Apologies

RECOMMENDATION

That an apology be noted for the non-attendance of Councillor Tungatulum.

1.4 Leave of Absence

Nil

1.5 Declaration of Interest of Members or Staff

Nil

2 CONFIRMATION OF PREVIOUS MINUTES

Audit and Risk Management Committee - 11 February 2019

1 RESOLUTION

Moved: Lynette DeSantis

Seconded: Therese (Wokay) Bourke

That the minutes of the Audit and Risk Management Committee held on 11 February 2019 as circulated, be confirmed as a true and correct record of that meeting.

CARRIED

3 GENERAL BUSINESS

3.1 BUSINESS ARISING FROM PREVIOUS MINUTES

2 RESOLUTION

Moved: Sandra Cannon

Seconded: Lynette DeSantis

That the ARMC Survey Summary be included in the agenda for the next meeting.

Action:

Item 3.6 Resolution 7.2

CARRIED

3.2 UPDATE ON SECOND INDEPENDENT MEMBER APPOINTMENT

This report provides members with an update in regards to the recent vacant position as a Second Independent Member on the Audit and Risk Management Committee.

3 RESOLUTION

Moved: Lynette DeSantis

Seconded: Therese (Wokay) Bourke

That the Committee notes this report for information and to be moved into confidential.

CARRIED

3.3 RE-TABLING OF RISK MANAGEMENT POLICY AND ARMC TERMS OF REFERENCE

This report provides members with an approved Risk Management Policy and Audit and Risk Management Terms of Reference for information and discussion.

4 RESOLUTION

Moved: Lynette DeSantis

Seconded: Therese (Wokay) Bourke

- 1. That the Committee receive and note this report.**
- 2. That the Committee recommend to Council to put in place a Risk Register and engage an independent external consultant to undertake the work.**
- 3. That the Committee request for Finance to review the current Risk Management Policy and advise of the compliance with said policy. In particular, clause 8 regarding performance reporting.**
- 4. The committee will review and choose one item from the terms of reference specific roles and responsibilities section and discuss at each future meetings.**
- 5. That the committee will simplify the description on the roles specific roles and responsibilities.**

3.4 UPDATE ON THE IMPLEMENTATION OF THE CASH HANDLING & POLICIES AND PROCEDURES - RECEIPT

This report provides members on the progress update in regards to one of the 12 compliance items stated on the Management Letter by Merit Partners that was tabled at the last ARMC meeting held on 11 February 2019.

RECOMMENDATION:

That the Committee receive and note this report.

Action

Chief Financial Officer to complete by 30 June 2019.

3.5 POPULATION OF AUDIT AND RISK MANAGEMENT COMMITTEE WORK PLAN

This report is put before the committee members for discussions.

5 RESOLUTION

Moved: Therese (Wokay) Bourke

Seconded: Sandra Cannon

That the Committee receive and note this report, accepts these discussions and update the Audit and Risk Management Committee Work Plan as required.

CARRIED

4 REPORTS FOR INFORMATION

Nil

5 NEXT MEETING

Monday, 3 June 2019

6 CLOSURE

The meeting closed at 12:11 pm.

These Minutes were confirmed at the ARMC Meeting of the Council held on _____

Signed:

Chairperson

GENERAL BUSINESS

ITEM NUMBER	3.1
TITLE	Business Arising from Previous Minutes
REFERENCE	226283
AUTHOR	Maina Brown, Governance & Compliance Manager



BACKGROUND

This is the section of the meeting where any business arising from previous meetings is dealt with.

Attached are the draft minutes from the Audit & Risk Management Committee Meeting held on 17 May 2019 for committee members to read and provide any comments.

ISSUES/OPTIONS/CONSEQUENCES

Nil

CONSULTATION & TIMING

Nil

RECOMMENDATION:

That the Committee accepts these discussions and report.

ATTACHMENTS:

GENERAL BUSINESS

ITEM NUMBER	3.2
TITLE	Re-tabling of ARMC Assessment Survey Summary
REFERENCE	226100
AUTHOR	Maina Brown, Governance & Compliance Manager



Members have requested for the ARMC Assessment Survey Summary to be re-table at the net meeting.

BACKGROUND

At its meeting held on 11 February 2019, members have requested for the ARMC Assessment Survey Summary to be re-tabled at the last ARMC meeting which held on 17 May 2019. However the report was not included and therefore it is now re-tabled at today's meeting for members information and discussion.

ISSUES/OPTIONS/CONSEQUENCES

Nil

CONSULTATION & TIMING

Nil

RECOMMENDATION:

That the Committee receive and notes this report.

ATTACHMENTS:

- 1 ARMC Committee Survey Report - 4 June 2018.pdf
- 2 Audit and Risk Management Committee Assessment Survey for Period Ending 14 Feb 2018.pdf

Audit and Risk Management Committee

4 June 2018

GENERAL BUSINESS

ITEM NUMBER	3.4
TITLE	Audit and Risk Management Committee Survey Summary
REFERENCE	217695
AUTHOR	Maina Brown, Governance & Compliance Manager



The collated ARMC assessment was prepared by me following receipt of completed survey forms from five (5) ARMC members and executive staff.

BACKGROUND

It is not a requirement to have assessments provided by ARMC members; however, it provides a useful guide to members as to how the ARMC is tracking, areas for improvement and if necessary, remedial action.

ISSUES/OPTIONS/CONSEQUENCES

I believe that a score of less than 75% for any item in the survey requires objective discussion and formulation of plans to rectify that situation and if necessary to consider whether in fact the item itself is relevant to the operation of the TIRC ARMC.

CONSULTATION & TIMING

To be discussed at the next ARMC meeting on 4th June 2018.

RECOMMENDATION:

That the Committee accepts these discussions and report.

ATTACHMENTS:

1 ARMC Assessment Survey for Period Ending 14 Feb 2018.pdf

[View](#)

AUDIT & RISK MANAGEMENT COMMITTEE ASSESSMENT FOR PERIOD ENDING 14 FEBRUARY 2018



Assessment on the performance of the ARMC for period ending 14 February 2018

Statement	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Totals
Operational					
Does the Audit Committee review annually its terms of reference and recommend any necessary changes to the Council?					22/25
Are Committee members independent of the Council's management, and do they exercise their own judgement, voice their own opinions and act freely from any conflicts of interest?					21/25
Does the Audit Committee have sufficient skills, experience, time and resources to undertake its duties?					20/25
Do all Committee members demonstrate the highest level of integrity (including maintaining utmost confidentiality and identifying, disclosing and managing conflicts of interest)?					22/25
Does the Audit Committee have access to appropriate resources provided to it to ensure it functions effectively?					20/25
Is an induction programme provided for new audit committee members (e.g. the committee's role, terms of reference and expected time commitment by members, overview of the Council; and the main operation and financial dynamics and risks)?					19/25
Meetings					
Have Committee Members attended meetings on a regular basis?					24/25
Does the Audit Committee chair run meetings appropriately to ensure that the audit committee's workload is dealt with effectively?					24/25
Does the Audit Committee work constructively as a team and work well with staff and individuals that attend meetings?					22/25
Does the Committee provide effective support to the Council in fulfilling its responsibility and adding value to the Council?					21/25
Does the Committee have, and has it implemented, a Work Program that covers its main responsibilities?					20/25
Do the meeting arrangements enhance the Audit Committee's effectiveness (e.g. frequency, timing, duration, venue and format) and allow sufficient time for the discussion of substantive matters?					23/25
Are meeting agendas and related background information circulated in a timely manner?					23/25
Does the Audit Committee receive whatever information, presentations, or explanations it considers necessary to fulfill its responsibilities?					22/25
Are meeting agendas and supporting papers well structured and well written?					23/25
Does the follow-up process for outstanding actions					19/25

Statement	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Totals
arising from Audit Committee meetings work well?					
Do meetings allow Committee members to raise any issue they believe relevant?					20/25
Does the audit committee report to Council on a timely and accurate basis, and are such communications comprehensive, meaningful and focused?					18/25
Functional					
Does the audit committee have effective mechanisms to understand and gain confidence over the:					
<ul style="list-style-type: none"> Appropriateness of the Council accounting policies, estimates and judgements? 					18/25
<ul style="list-style-type: none"> Clarity and completeness of disclosure in the financial statements? 					18/25
<ul style="list-style-type: none"> Impact on the financial statements of any developments in accounting standards or generally accepted accounting practice? 					18/25
If the audit committee were not satisfied with any aspect of the proposed financial reporting, would it report such views to the Council and seek changes?					21/25
Is the audit committee satisfied that appropriate processes are in place to:					
<ul style="list-style-type: none"> Ensure compliance with applicable regulation and best practice recommendations? 					20/25
<ul style="list-style-type: none"> Identify, evaluate and monitor key risks facing the council (including financial, strategic and operational?) 					19/25
<ul style="list-style-type: none"> Provide it with suitable reports on effectiveness of the systems of internal control? 					18/25
Does management respond to external audit recommendations in a timely and appropriate manner?					20/25
Additional Comments:					

GENERAL BUSINESS

ITEM NUMBER	3.3
TITLE	Draft TIRC Regional Plan and Budget 2019/20
REFERENCE	226285
AUTHOR	Valerie Rowland, Chief Executive Officer

**BACKGROUND**

Attached to this report is the working draft version of the TIRC Regional Council Plan & Budget 2019/20 which is being prepared for the financial year.

TIRC is required to develop a regional plan under the Local Government Act section 23.

The plan has been developed with consultation across TIRC and will be discussed with the Council on 19 June. Elements of the draft copy are still under development.

The final version will be submitted to the Northern Territory Government (NTG) by 31 July as required by the Act.

A copy of the Draft TIRC Plan and Budget will be tabled on the day.

ISSUES/OPTIONS/CONSEQUENCES

This is a legal requirement for all Councils to submit a Plan for the next financial year.

CONSULTATION & TIMING

Reports were tabled at each local authority addressing TIRC Service Deliveries and their priorities for each directorates.

Pirlangimpi Local Authority – will be tabled at the next PLA meeting

Milikapiti Local Authority – 26 March 2019

Wurrumiyanga Local Authority – 29 April 2019

The draft document will be submitted to Council at the 19 June meeting in Milikapiti. Council feedback will be incorporated into the document and the final draft produced.

Council will submit the Regional Plan following the below process with key dates indicated below:

3 June 2019 – review by Audit & Risk Management Committee

19 June 2019 – submitted to Council for approval to advertise

20 June 2019 – advertised for comment (21 days) via website and NT News

24 July 2019 – final version Plan & Budget presented to Council for approval

31 July 2017 – submission to NTG, publish on website and NT News

RECOMMENDATION:

That the Committee notes the status of the Draft 2019/20 TIRC Regional Plan for Information and provide any feedback.

ATTACHMENTS: