

# OPEN SECTION

RMAC10/1

## Risk Management & Audit Committee Meeting – Friday, 26 October 2018

MINUTES OF THE RISK MANAGEMENT & AUDIT COMMITTEE MEETING OF THE TWENTY-SECOND COUNCIL HELD IN MEETING ROOM 1, CIVIC CENTRE, HARRY CHAN AVENUE ON FRIDAY, 26 OCTOBER 2018 COMMENCING AT 9.00 AM.

MEMBERS: Mr Iain Summers (Chair); Mr Craig Spencer; Member J Bouhoris; Member J A Glover.

OFFICERS: Chief Executive Officer, Mr S Waters; Chief Operating Officer, Mr C Potter; Coordinator Risk Audit and Safety, Mr T Simons; Executive Assistant, Ms K Small; Executive Assistant, Ms J Wylie.

OBSERVER: Alderman S Niblock.

APOLOGIES: Mr Craig Spencer

GUESTS: MunLi Chee and Candice Thomson from Merit Partners were in attendance from 10.00 am to 10.40am to brief the Committee on the audit of the Financial Statements for the Year Ended 30 June 2018.

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\*\*\* INDEX \*\*\*

**PAGE**

1.	<b>MEETING DECLARED OPEN.....</b>	<b>3</b>
2.	<b>APOLOGIES AND LEAVE OF ABSENCE .....</b>	<b>3</b>
3.	<b>ELECTRONIC MEETING ATTENDANCE.....</b>	<b>3</b>
4.	<b>DECLARATION OF INTEREST OF MEMBERS AND STAFF .....</b>	<b>4</b>
5.	<b>CONFIRMATION OF MINUTES OF PREVIOUS MEETING/S</b>	
5.1	Risk Management & Audit Committee 31/08/2018 .....	4
5.2	Business Arising.....	5
6.	<b>DEPUTATIONS AND BRIEFINGS</b>	
6.1	Merit Partners.....	5



# OPEN SECTION

RMAC10/2

## Risk Management & Audit Committee Meeting – Friday, 26 October 2018

<b>7.</b>	<b>OUTSTANDING AUDIT REGISTER .....</b>	<b>5</b>
<b>8.1</b>	<b>OFFICERS REPORTS</b>	
8.1.1	Audited Financial Statements for the Year Ended 30 June 2017/18 .....	6
8.1.2	Draft Annual Report 2017/18 (Will be provided under separate cover) .....	7
8.1.3	Asset Management Plans .....	7
8.1.4	Audit of Major Facilities Hazards.....	8
<b>9.</b>	<b>INFORMATION ITEMS AND CORRESPONDENCE RECEIVED .....</b>	<b>8</b>
<b>10.</b>	<b>GENERAL BUSINESS .....</b>	<b>8</b>
<b>11.</b>	<b>CLOSURE OF MEETING .....</b>	<b>8</b>



# OPEN SECTION

RMAC10/3

## Risk Management & Audit Committee Meeting – Friday, 26 October 2018

### 1. MEETING DECLARED OPEN

The Chair declared the meeting open at 9.01 am.

Alderman S Niblock joined as an observer until 11.26 am.

The Lord Mayor joined the meeting from 10.21am to 11.00am.

Manager Strategy & Outcomes Vanessa Green joined the meeting from 11.50am to 12 noon.

### 2. APOLOGIES AND LEAVE OF ABSENCE

Common No. 2695036

#### 2.1 Apologies

(Glover/Bouhoris)

THAT the apology from Member Craig Spencer be received.

(26/10/18)

Carried

#### 2.2 Leave of Absence Granted

Nil.

### 3. ELECTRONIC MEETING ATTENDANCE

Common No. 2221528

#### 3.1 Electronic Meeting Attendance Granted

Nil.



# OPEN SECTION

RMAC10/4

## Risk Management & Audit Committee Meeting – Friday, 26 October 2018

### **4. DECLARATION OF INTEREST OF MEMBERS AND STAFF**

Common No. 2752228

#### **4.1 Declaration of Interest by Members**

(Glover/Summers)

THAT Council note that pursuant to Section 73 & 74 of the Local Government Act, Alderman Bouhoris declared a Conflict of Interest in Item 8.1.1.

The committee identified that this would unlikely cause any conflict of interest for the financial statement.

(26/10/18)

Carried

#### **4.2 Declaration of Interest by Staff**

Nil.

### **5. CONFIRMATION OF MINUTES OF PREVIOUS MEETING/S**

Common No. 1955119

#### **5.1 Confirmation of the Previous Risk Management & Audit Committee Meeting Minutes**

*Tony Simons advised that item 10.1 required correction to record that it was the Major Hazards Facilities internal audit report that was withdrawn, not the Contractor Management and WHS Management System report.*

(Bouhoris/Glover)

THAT the Committee resolve that, subject to that correction, the minutes of the previous Risk Management & Audit Committee Meeting held on Friday, 31 August 2018, tabled by the Chair, be received and confirmed as a true and correct record of the proceedings of that meeting.

The Committee noted that the Open Executive Summary of this meeting has yet to be included in Council meeting papers.

(26/10/18)

Carried

(Glover/Bouhoris)

THAT the committee recommended that the minutes and the executive summary be provided for the pre-Council briefing and the subsequent Council meeting, no later than one month after preparing the Committee meeting minutes.

(26/10/18)

Carried



# OPEN SECTION

RMAC10/5

## Risk Management & Audit Committee Meeting – Friday, 26 October 2018

### **5.2 Business Arising**

Nil

### **6. DEPUTATIONS AND BRIEFINGS**

#### **6.1 Merit Partners – Audited Financial Statements 2017/18**

Common No. 2251082

(Bouhoris/Glover)

MunLi Chee and Candice Thomson from Merit Partners attended from 10:00 am to brief the Committee on 2017/2018 Audited Financial Statements, and to present their draft Audit Closing Report which sets out the key aspects of their work, and their findings. The Committee noted that usually this Audit Closing Report is pre-circulated to the Committee with the Agenda papers, but that had not occurred this year.

(26/10/18)

Carried

### **7. OUTSTANDING AUDIT REGISTER**

#### **7.1 Outstanding Audit Issues Register**

(26/10/18) Common No. 422690

(Glover/Bouhoris)

THAT the Outstanding Audit Issues Register, as amended, be received and noted.

(26/10/18)

Carried



# OPEN SECTION

RMAC10/6

## Risk Management & Audit Committee Meeting – Friday, 26 October 2018

### 8.1 OFFICERS REPORTS

#### 8.1.1 Audited Financial Statements for the Year Ended 30 June 2018

Report No. 18CP0119 RH:ks (26/10/18) Common No. 2251082

(Glover/Bouhoris)

THAT it be a recommendation to Council:-

- A. THAT Report Number 18CP0119 RH:ks entitled Audited Financial Statements For The Year Ended 30 June 2018, be received and noted.
- B. THAT the presentation from MunLi Chee, Merit Partners, in relation to the 2017/2018 Audit Closing Report for the year ended 30 June 2018, be received and that it be noted that there were no matters arising from the audit that needed to be brought to the attention of the Council.
- C. THAT based on the Committee's enquiry of management and the external auditors, the draft Financial Statements for the year ended 30 June 2018, while subject to minor adjustments, are suitable for certification by the Chief Executive Officer for inclusion in the Annual Report, and presented to Council.
- D. THAT management responses to the Audit Closing Report be presented to the 5 December 2018 Risk Management and Audit Committee meeting.
- E. THAT the draft Finance Overview on the Financial Statements, subject to consideration of the committee's feedback, and in particular, the key role of the net movements in internal Reserves as an indicator of the financial trend of the Council, be endorsed for inclusion in the 2017/2018 Annual Report.

(26/10/18)

Carried

ACTION: FINANCE MANAGER  
NOTE: COO



# OPEN SECTION

RMAC10/7

## Risk Management & Audit Committee Meeting – Friday, 26 October 2018

### **8.1.2 Draft City of Darwin Annual Report 2017/18**

Report No. 18CP0120 VG:ks (26/10/18) Common No. 3141841

(Glover/Bouhoris)

THAT it be a recommendation to Council:-

THAT, after discussion with management about the processes used to compile the KPI reporting, Report Number 18CP0120 VG:ks entitled Draft City Of Darwin Annual Report 2017/18, be received and noted. The Committee was satisfied that suitable attention had been given to the accuracy and integrity of the KPI information, while encouraging further development of the measurement processes.

(26/10/18)

Carried

ACTION: MGR STRATEGY & OUTCOMES  
NOTE: CEO

### **8.1.3 Asset Management Plans**

Report No. 18CP0118 AR:ks (26/10/18) Common No. 1713107

(Bouhoris/Glover)

THAT it be a recommendation to Council:-

- A. THAT Report Number 18CP0118 AR:ks entitled Asset Management Plans , be received and noted.
- B. THAT Risk Management and Audit Committee recommend to Council to rescind the Assets Policies listed in **Table 1** above and recommend to Council to adopt the new Asset Management Policy No. 55 at **Attachment A**.
- C. THAT Risk Management and Audit Committee receive and note the completion of the Buildings and Structures Asset Management Plan as presented in this report (**Attachment B**). The committee suggested including a clearer statement to identify the specific officer responsible for individual asset management plans.
- D. THAT Risk Management and Audit Committee is pleased to recognise that this report substantively commences addressing the issues raised in the Outstanding Audit Issues Register Item No. 145.

(26/10/18)

Carried

ACTION: COMMITTEE SECRETARY  
NOTE: COO

*The Chief Operating Officer acknowledged the work carried out, to date, by Andrew Roach and "Asset War Room" Team.*



# OPEN SECTION

RMAC10/8

## Risk Management & Audit Committee Meeting – Friday, 26 October 2018

### **8.1.4 Audit of Major Facilities Hazards**

Report No. 18CP0085 (26/10/18) Common No. 3847836

(Bouhoris/Glover)

THAT it be a recommendation to the Risk Management & Audit Committee:-

- A. THAT Report Number 18CP0085 TS:ks entitled Audit Report On Major Facilities Hazards be received and noted.
- B. THAT RMAC note that recommendations arising from the audit are all of medium to low risk and will be addressed through management action.
- C. THAT the report be presented to Council at 1<sup>st</sup> Ordinary in November 2018.

(26/10/18)

Carried

ACTION: COORD RISK AUDIT AND SAFETY  
NOTE: COO

## **9. INFORMATION ITEMS**

Nil.

## **10. GENERAL BUSINESS**

Nil.

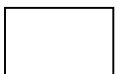
## **11. CLOSURE OF MEETING**

Common No. 2695131

(Bouhoris/Glover)

The meeting closed at 11.56am.

Carried





# OPEN SECTION

RMAC10/9

Risk Management & Audit Committee Meeting – Friday, 26 October 2018

**MR IAIN SUMMERS (CHAIR) – RISK  
MANAGEMENT & AUDIT  
COMMITTEE MEETING – FRIDAY,  
26 OCTOBER 2018**

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**Confirmed On:** **Wednesday, 5 December 2018**

**Chair:** \_\_\_\_\_

