

OPEN SECTION

RMAC 08/1

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, 31 AUGUST 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; Acting General Manager City Performance, Ms M Reiter; Finance Manager, Mr R Holden; Management Accountant, Ms I Frazis; Manager Strategy and Outcomes, Ms Vanessa Green; Team Coordinator Risk, Audit and Safety, Mr T Simons; Executive Assistant, Ms K Small.

APOLOGY: Acting General Manager City Performance, Ms M Reiter.

GUESTS: Nil.

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11. GENERAL BUSINESS

12. CLOSURE OF MEETING



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Risk Management & Audit Committee Meeting – Friday, 31 August 2018

1. MEETING DECLARED OPEN

The Chair declared the meeting open at 9.04 am.

The Chair formally welcomed the Chief Executive Officer, Mr Scott Waters, and the Finance Manager, Mr Russel Holden, to their first meeting of the Committee.

2. APOLOGIES AND LEAVE OF ABSENCE

Common No. 2695036

2.1 Apologies

Acting General Manager City Performance, Ms M Reiter.

2.2 Leave of Absence Granted

Nil.

3. ELECTRONIC MEETING ATTENDANCE

Common No. 2221528

3.1 Electronic Meeting Attendance Granted

Nil.

4. DECLARATION OF INTEREST OF MEMBERS AND STAFF

Common No. 2752228

4.1 Declaration of Interest by Members

(Glover/Spencer)

THAT Council note that pursuant to Section 73 & 74 of the Local Government Act, Alderman J Bouhoris declared a Conflict of Interest in Item 8.1.3 Street Lighting Valuation.

Alderman Bouhoris is employed by the organisation (Power Water Corporation) that transferred the Street Lights to City of Darwin.

Carried



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Risk Management & Audit Committee Meeting – Friday, 31 August 2018

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

(Glover/Spencer)

THAT the Committee resolve that the minutes of the previous Risk Management & Audit Committee Meeting held on Friday, 23 March 2018, tabled by the Chair, be received and confirmed as a true and correct record of the proceedings of that meeting.

Carried

5.2 Business Arising

(Bouhoris/Glover)

THAT the Committee is updated on business arising from previous meetings, as requested:

Meeting: 23 March 2018
Agenda Item: 5.2
Subject: Business Arising

THAT the Waste Management Note 7a within the financial management statements be addressed at the October 2018 meeting.

ACTION : MANAGER FINANCE

Meeting: 23 March 2018
Agenda Item: 9.1.2
Subject: Outstanding Audit Issue No. 145 – Asset Management Plans
Common No. : 1713107

The Chief Executive Officer, Mr S Waters thanked the Committee for their patience on this outstanding audit issue and advised that the Asset Management Plans will be presented at the October 2018 meeting.

ACTION : A/CHIEF OPERATING OFFICER



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Risk Management & Audit Committee Meeting – Friday, 31 August 2018

6. DEPUTATIONS AND BRIEFINGS

Nil.

7. **OUTSTANDING AUDIT ISSUES REGISTER**

(31/08/18) Common No. 422690

(Glover/Bouhoris)

THAT the Outstanding Audit Issues Register be received and the following updates noted:

- Action Audit Item 145 Asset Management Plans status be updated and reported to the October 2018 meeting.
- Action Audit item 146 – Investments Audit – to be kept on the register and evidence of the review is to be provided once completed.
- Action Audit Item 147 (1 & 2) Trust Accounts Audit – to be kept on the register and evidence of the review is to be provided once completed.
- Action Audit Item 149 IT Security Internal Audit status to be updated and reported to the October 2018 meeting.

THAT all Outstanding Audit Items noted as completed and recommended for removal from the outstanding audit register must be reported to the Committee and supported by evidence.

Carried

8.1 OFFICERS REPORTS (ACTION REQUIRED)

8.1.1 Waste Remediation Accounts

Report No. 18CP0080 IF:ks (31/08/18) Common No. 3598167

(Bouhoris/Glover)

THAT it be a recommendation to Council:-

THAT Report Number 18CP0080 IF:ks entitled Waste Remediation Accounts , be received and noted and the Acting Manager Finance was congratulated on the quality of the report.



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THAT the narrative analysis of the 2017/18 financial statements include appropriate comments about the impact of the waste remediation accounting.

Carried

ACTION: MANAGER FINANCE

8.1.2 Land Under Roads - Valuation

Report No. 18CP0082 IF:ks (31/08/18) Common No. 3865923

(Glover/Bouhoris)

THAT it be a recommendation to Council:-

THAT Report Number 18CP0082 IF:ks entitled Land Under Roads - Valuation, be received and noted.

Recommended note disclosure in the annual financial statement to provide more detail about the dimensions of the land under roads that is being valued.

Carried

ACTION: MGR FINANCE

8.1.3 Street Lighting Valuation

Report No. 18CP0081 IF:ks (31/08/18) Common No. 3865896

Alderman Bouhoris left the meeting at 10.24 am.

(Spencer/Glover)

THAT it be a recommendation to Council:-

THAT Report Number 18CP0081 IF:ks entitled Street Lighting Valuation, be received and noted, and in particular that the Asset Management Plans have not yet been received from Power Water Corporation.

THAT a narrative analysis of the annual financial statements (October 2018 meeting) should highlight work still to be done in forecasting costs and funding implications for Street Lighting into the Long Term Financial Plan.

Alderman Bouhoris returned to the meeting at 10.51 am.

Carried

ACTION: MGR FINANCE & A/CHIEF OPERATING OFFICER



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Risk Management & Audit Committee Meeting – Friday, 31 August 2018

8.1.4 Statement of Significant Accounting Policy No. 22

Report No. 18CP0100 IF:ks (31/08/18) Common No. 2078949

(Spencer/Glover)

THAT it be a recommendation to Council:-

- A. THAT Report Number 18CP0100 IF:ks entitled Statement Of Significant Accounting Policy No. 22, be received and noted.
- B. THAT Council rescind the current Statement of Significant Accounting Policy No. 22 (With tracked changes August 2018) at **ATTACHMENT A** to Report 18CP0100 IF:ks entitled Statement of Significant Accounting Policy No. 22.
- C. THAT Council adopt Statement of Significant Accounting Policy No. 22 (Amended August 2018) at **ATTACHMENT B** to Report 18CP0100 IF:ks entitled Statement of Significant Accounting Policy No. 22.

Carried

ACTION: MGR FINANCE

8.1.5 Review of Borrowing Policy No. 23

Report No. 18CP0099 IF:ks (31/08/18) Common No. 2832845

(Glover/Bouhoris)

THAT it be a recommendation to Council:-

- A. THAT Report Number 18CP0099 IF:ks entitled Review of Borrowing Policy No. 23, be received and noted.
- B. THAT Council rescind the current Policy No. 23 – Borrowing Policy (With tracked changes August 2018) at **ATTACHMENT A** to Report 18CP0099 IF:ks entitled Review of Borrowing Policy No. 23.
- C. THAT Council adopt Policy No. 23 – Review of Borrowing (Amended August 2018) at **ATTACHMENT B** to Report 18CP0099 IF:ks entitled Review of Borrowing Policy No. 23.

Carried

ACTION: MGR FINANCE



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Risk Management & Audit Committee Meeting – Friday, 31 August 2018

8.1.6 Review of Investment Policy No. 24

Report No. 18CP0098 IF:ks (31/08/18) Common No. 3226493

(Bouhoris/Glover)

THAT it be a recommendation to Council:-

- A. THAT Report Number 18CP0098 IF:ks entitled Review Of Investment Policy No. 24, be received and noted.
- B. THAT Council rescind the current Review of Investment Policy No. 024 (With tracked changes August 2018) at **ATTACHMENT A** to Report 18CP0098 IF:ks entitled Review Of Investment Policy No. 24.
- C. THAT Council adopt New Investment Policy No. 024 (Amended August 2018) at **ATTACHMENT B** to Report 18CP0098 IF:ks entitled Review Of Investment Policy No. 24.

Carried

ACTION: MGR FINANCE

8.1.7 Review of Allocation of Surplus Funds – Policy No. 66

Report No. 18CP0097 IF:ks (31/08/18) Common No. 2292547

(Glover/Bouhoris)

THAT it be a recommendation to Council:-

- A. THAT Report Number 18CP0097 IF:ks entitled Review of Allocation of Surplus Funds – Policy No. 66, be received and noted.
- B. THAT Council rescind the current Allocation of Surplus Funds Policy No. 066 (With tracked changes August 2018) at **ATTACHMENT A** to Report Number 18CP0097 IF:ks entitled Review of Allocation of Surplus Funds – Policy No. 66.
- C. THAT Council adopt Allocation of Surplus Funds Policy No. 066 (Amended August 2018) at **ATTACHMENT B** to Report Number 18CP0097 IF:ks entitled Review of Allocation of Surplus Funds – Policy No. 66.

Carried

ACTION: MGR FINANCE



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Risk Management & Audit Committee Meeting – Friday, 31 August 2018

8.1.8 Interim Audit and Audit Plan for Year ended 30 June 2018

Report No. 18CP0102 IF:ks (31/08/18) Common No. 2251082

(Glover/Bouhoris)

THAT it be a recommendation to Council:-

- A. THAT Report Number 18CP0102 IF:ks entitled Interim Audit and Audit Plan as provided by the external auditors for Year ended 30 June 2018, be received and noted.
- B. THAT pursuant to Section 65(2) of the Local Government Act and Regulation 8 (c)(iv) information that would, if publicly disclosed, be likely to prejudice the interests of the council or some other person, **ATTACHMENT A** to report entitled Interim Audit and Audit Plan be made confidential as it is treated as commercial-in-confidence.

Carried

ACTION : MGR FINANCE

8.2 OFFICERS REPORTS (RECEIVE & NOTE)

8.2.1 Annual WHS Performance Report

Report No. 18CP0083 TS:ks (31/08/18) Common No. 3302396

(Bouhoris/Glover)

THAT Report Number 18CP0083 TS:ks entitled Annual Work Health & Safety Performance Report, be received and noted.

THAT the Annual Work Health & Safety Performance Report in future be focussed to align with the KPI reporting in the Municipal Plan and Annual Report.

THAT The Committee congratulate the Team Coordinator Risk, Audit & Safety for the detail of the report and the performance that has been demonstrated.

Carried

ACTION: TEAM COORDINATOR RISK AUDIT & SAFETY



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Risk Management & Audit Committee Meeting – Friday, 31 August 2018

8.2.2 Internal Audit Plan 2018/19

Report No. 18CP0084 TS:ks (31/08/18) Common No. 1536877

(Glover/Bouhoris)

- A. THAT Report Number 18A0084 TS:ks entitled Internal Audit Plan 2018/19 be received and noted, and in particular that the audit of Tenders and Contract Administration had been included again.
- B. THAT RMAC receive and note the status of the 2018/19 Internal Audit Plan.
- C. THAT a status report on the Pool Hazards and Risk Assessment review be provided to the October 2018 meeting.

Carried

ACTION: RISK MANAGEMENT & SAFETY COORD

9. INFORMATION ITEMS

9.1 Merit Partners – Audit Closing Report Year Ended 30 June 2017 - Management Responses (31/08/18)

*The Audit Closing Report Year Ended 30 June 2017 - Management Responses is **ATTACHMENT B**.*

(Bouhoris/Glover)

THAT the Audit Closing Report Year Ended 30 June 2017 – Management Responses from Merit Partners, be received and noted.

Carried



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Risk Management & Audit Committee Meeting – Friday, 31 August 2018

10. GENERAL BUSINESS

10.1 Status of the Internal Audit Report on Contractor WHS Management and WHS Management System (Transition to ISO 45001)

Team Coordinator Risk, Audit and Safety, Mr T Simons advised that the Audit Report on Contractor WHS Management and WHS Management System (Transition to ISO 45001) were withdrawn on the advice of the Acting Chief Operating Officer. Both reports to be presented to the October 2018 meeting.

ACTION: TEAM COORDINATOR RISK AUDIT & SAFETY

10.2 Status of the Project Management Internal Audit

Team Coordinator Risk, Audit and Safety, Mr T Simons advised that the management responses on the 2017/18 Project Management Internal Audit are being collated and this matter will be presented at the October 2018 meeting.

ACTION: TEAM COORDINATOR RISK AUDIT & SAFETY

10.3 Swimming Pool Hazard and Risk Assessment

Chief Executive Officer, Mr S Waters advised the Committee that the Swimming Pool Hazard and Risk Assessment undertaken at all three (3) of Council's pools, that was included in the 2017/18 Internal Audit Plan, will be circulated to the Committee at the October meeting

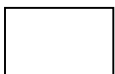
The Chair highlighted that all items included on Internal Audit Plans should be reported to the Committee when completed, or when circumstances occur which effect their completion.

ACTION: CHIEF EXECUTIVE OFFICER

10.4 Merit Partners External Auditor Appointment

The Chair requested clarification about the process for the extension to the Merit Partners appointment as discussed at the March 2018 Committee meeting, and in particular, about the terms of the extension to the appointment, and its approval. The Committee was advised that the appointment was made by the Council for the minimum two (2) years allowed under the *Local Government Act*. A/Manager Finance, Ms I Frazis advised that details would be made available to the Committee via a flying minute.

ACTION: MGR FINANCE



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Risk Management & Audit Committee Meeting – Friday, 31 August 2018

10.5 Scheduled December 2018 RMAC Meeting

The Committee noted that as the May 2018 meeting was cancelled, it would not be able to fulfil its Terms of Reference to hold four (4) meetings per annum. Further, as the October Meeting is designated to review the Financial Statements and Annual Report it is likely that many items would be deferred. The Committee requested that a meeting be scheduled for December 2018 to address any outstanding issues for the current year.

ACTION: RISK MANAGEMENT & AUDIT COMMITTEE SECRETARY

11. CLOSURE OF MEETING

Common No. 2695131

(Bouhoris/Glover)

The meeting closed at 12.13 pm.

Carried

**MR IAIN SUMMERS (CHAIR) –
RISK MANAGEMENT & AUDIT
COMMITTEE MEETING –
FRIDAY, 31 AUGUST 2018**

Confirmed On: Friday, 26 October 2018

Chair: _____

