

SHIRE OF LEONORA



AUDIT AND RISK COMMITTEE MEETING

MINUTES OF MEETING HELD 20TH DECEMBER 2016, AT 12:31PM.

JG EPIS
CHIEF EXECUTIVE OFFICER

1.0 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS / FINANCIAL INTEREST DISCLOSURE

Chairperson, Cr PJ Craig, declared the meeting open at 12:31pm.

2.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

2.1 Present	
President	PJ Craig
Councillors	RM Cotterill
	RA Norrie
	AE Taylor
	LR Petersen
Acting Chief Executive Officer	TM Browning
2.2 Apologies	
Councillor	GW Baker
Chief Executive Officer	JG Epis

3.0 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

Draft motion: That the Minutes of the Ordinary Meeting held on 20th September, 2016 be confirmed as a true and accurate record.

Moved Cr MWV Taylor, Seconded Cr RA Norrie that the minutes of the Audit and Risk Committee Meeting held on the 20th September, 2016 be confirmed as a true and accurate record.

CARRIED (6 VOTES TO 0)

4.0 REPORTS OF OFFICERS

4.1 CHIEF EXECUTIVE OFFICER

4.1.1 RISK EXECUTIVE REPORT

SUBMISSION TO: Meeting of Audit Committee
Meeting Date: 20th December 2016

AGENDA REFERENCE:

SUBJECT: Risk Executive Report

LOCATION / ADDRESS: Nil

NAME OF APPLICANT: Nil

FILE REFERENCE: Nil

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: Jim Epis

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 13th December, 2016

BACKGROUND

The Shire has undertaken a review of its risk profile and established a set of strategic and operational risks which are regularly reported to the Audit Committee. At the last meeting of the Audit & Risk Committee held on 20th September 2016, the committee requested for any new risks identified as part of the ongoing review process to be presented at the next Audit Committee meeting.

The attached reports detail all high category strategic risks and operational risks that were identified when this framework was developed approximately two years ago. Each risk has been reviewed and progress comments have been updated by responsible personnel. The outcome from ongoing system and process reviews have identified two new high category strategic risks for consideration.

The reports communicate the current action status. A number of risks have been actioned and closed out as complete and the remaining risks are in progress. Details communicating the commitment to risk level management are contained within the risk report. All risks will remain under review until the end of the 2016/2017 reporting period to ensure effective controls are in place.

The attached reports form the risk actions for 2016/17 for the committee's consideration.

Both areas of risk are subject to change and modification during the year on the authorisation of the Chief Executive Officer and Audit & Risk Committee.

DETAILS

Specific attention has been made to analyse the alignment between the internal operating protocols and the Integrated Strategic Plans and Practices recently adopted by council. To date, additional strategic risks identified for consideration include regulatory obligation and effective information systems. These core level strategic risks have the potential to impact on the successful and effective delivery of the updated Integrated Strategic Plans. Solutions for managing these additional risks have been identified within the reports for consideration. A Shire operated electronic risk management platform is an option to support a high level of risk information communication on regulatory changes, reporting, data storage and improvement options. An electronic system will enable the Shire to improve on the response time to unplanned risk events and generate more accurate risk profiling reports for future funding applications.

As identified within the last reporting period, personnel independent of operations and processes have undertaken reviews of current operating protocols and adherence to statutory compliance requirements. This

process, as outlined within regulation 17, is ongoing and is preparing for the revision and updating of the overall risk management framework. A revised framework is critical for ensure the community service delivery objectives are achieved according to the acceptable risk appetite outlined within the Strategic Community Plan.

Risks identified as part of the 2015 review will remain in the reports. Each risk attracts a risk level relevant to the impact on service delivery. All risks will be included in the ongoing monitoring process regardless of action status. New risks will continue to be identified and reported on for the committee's consideration.

The attached strategic and operational risk reports detail the action progress of each risk for 2016/17 and are presented for the committee's consideration.

STATUTORY IMPLICATIONS

Areas of risk are subject to change and modification during the year on the authorisation of the Chief Executive Officer and Audit Committee, whom as per section regulation 17.1 of the Local Government (Audit) Regulations 1996 will continue to monitor the Appropriateness and Effectiveness of the Councils Systems and Procedures.

POLICY IMPLICATIONS

The Risk Management Policy outlines the Shire's commitment and approach to managing risks that may impact on its day-to-day operations and threaten the delivery of strategic objectives.

FINANCIAL IMPLICATIONS

The improvement of risk profiling and reporting may increase opportunity for funding towards key service delivery objectives.

STRATEGIC IMPLICATIONS

The Chief Executive Officer plays a key role in the establishment and development of an effective risk management framework. To ensure the successful delivery of the Strategic Planning objectives, the framework requires ongoing monitoring and revision for Strategic Planning alignment.

The role of the audit committee is to monitor identified strategic high risks and their treatment solutions to ensure the community receives the services delivered effectively as outlined within the Strategic Plans.

Monitoring and reviewing activities will continue to provide evidence of the appropriateness and effectiveness of systems and procedures in regard to risk management, internal control and legislative compliance, as required by the Local Government (Audit) Regulations 1996.

RECOMMENDATIONS

That the Audit Committee:

- 1. Notes the reviewed Strategic Risk – December 2016 High Risk Report*
- 2. Notes the reviewed Operational Risk – December 2016 High Risk Report*
- 3. Endorse the risks and actions within the above reports for reporting purposes to the Audit & Risk Committee during 2016/2017*
- 4. Review for consideration an electronic risk management platform.*

VOTING REQUIREMENT

Simple Majority

COMMITTEE DECISION

Moved Cr RM Cotterill, Seconded Cr AE Taylor that the Audit Committee:

- 1. Notes the reviewed Strategic Risk – December 2016 High Risk Report*
- 2. Notes the reviewed Operational Risk – December 2016 High Risk Report*
- 3. Endorse the risks and actions within the above reports for reporting purposes to the Audit & Risk Committee during 2016/2017*
- 4. Review for consideration an electronic risk management platform.*

CARRIED (6 VOTES TO 0)

5.0 NEXT MEETING

20th March 2017, following the conclusion of the Ordinary meeting of Council commencing at 9:30am.

6.0 CLOSURE OF MEETING

There being no further business, Chairperson Cr PJ Craig declared the meeting closed at 1:15pm.