



MANSFIELD SHIRE COUNCIL

Audit and Risk Advisory Committee

MONDAY, 16 MARCH 2020

MANSFIELD SHIRE OFFICE

33 Highett Street, Mansfield

UNCONFIRMED

4.30pm meeting for Committee.

Council Officers will be attending from 5.00pm

Minutes

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Unconfirmed MINUTES

MONDAY, 16 MARCH 2019
MANSFIELD SHIRE OFFICE
33 Highett Street, Mansfield
4.30PM

4.30pm meeting of the Committee.
Council Officers will be attending from 5.00pm

1. OPENING OF THE MEETING

Bruce Potgieter, Chairperson, opened the meeting at 4.54 pm.

PRESENT

| | |
|---|--|
| External Members via teleconference: | Mr Peter Johnston Katie Lockey Bruce Potgieter |
| Councillors: | Cr Marg Attley Cr Harry Westendorp (via teleconference) |

IN ATTENDANCE

| | |
|--|----------------------------------|
| Chief Executive Officer: | Kaylene Conrick |
| Finance Manager: | Mandy Kynnersley |
| Corporate and Organisational Development Manager: | Sharon Scott |
| AFS and Associates – Internal Auditor | Bradley Ead (via teleconference) |

2. APOLOGIES

Nil

3. CONFIRMATION OF MINUTES

That the Minutes of the Audit and Risk Advisory Committee Meeting held on 25 November 2019 be confirmed as an accurate record.

Carried

4. DISCLOSURE OF CONFLICTS OF INTEREST

Nil

5. OUTSTANDING ACTIONS

That the Outstanding Actions report be noted.

Carried

6. REVIEW OF GOVERNANCE SCHEDULE

6.1 Audit and Risk Advisory Committee Annual Governance Schedule 2019-20

That the Audit and Risk Advisory Committee Annual Governance Schedule be noted.

Carried

7. FINANCIAL AND PERFORMANCE REPORTS

Duties and responsibilities of the Committee:

- To review the draft annual financial report with management and external auditors prior to the approval by Council, focusing on:
 - Significant changes in accounting policies and practices
 - Significant audit adjustments
 - Compliance with accounting standards and other reporting requirements
 - Significant variances from previous years
- Discuss with the external auditor issues arising from the audit, including any management letter issued by the auditor.
- To review the draft annual performance statement prior to presentation to Council and recommendation for adoption
- Review the information included in Council's annual report to ensure it is consistent with the signed financial statements.

7.1 Finance Report: 1 July 2019 to 31 January 2020

THAT the Audit and Risk Advisory Committee receive the Year to Date Finance Report for the period 1 July 2019 to 31 January 2020.

Carried

Action: Chair requested high level dashboard/snapshot. FM to investigate.

Action: Chair requested the forecast to be included in the next quarterly finance update.

7.2 Council Plan Performance Reporting Q2 2020

That the Audit and Risk Advisory Committee receive and note the Council Plan Performance Report as at 31 December 2019.

Carried

Action: Year end, highlight the most relevant items that Council is trying to achieve.



8. RISK MANAGEMENT

Duties and responsibilities of the Committee:

- Review the operations and implementation of the identification and assessment of risks, management of the identified risks, monitoring of the risk management process and referring risk matters to the Council as appropriate.
- Review key policies impacting on Council's governance framework, such as Code of Ethics, Fraud Policy, Protected Disclosure Policy, Procurement Policy, Investment Policy.
- Monitor processes and practices of Council to ensure effective business continuity, including a disaster recovery plan which is periodically tested.
- Note the progress of any major litigation, including potential VCAT cases.
- Note any investigation of any suspected cases of fraud.

8.1 Mansfield Shire Council Investment Schedule

THAT the Audit and Risk Advisory Committee receive and note the Investment Portfolio Report 29 February 2020.

Carried

Action: FM to check Bank of Queensland rates.

8.2 Occupational Health and Safety

THAT the Audit and Risk Advisory Committee receive this report.

Carried

8.3 Risk Management Report

THAT the Audit and Risk Advisory Committee receive and note the Risk Management Report and the Risk Register as at 27 February 2020.

Carried

Action: FM to follow up with Committee to advise where we are up to with the Business Continuity Plan and other risk management issues.

Action: FM to share Pandemic Plan and Business Continuity Plan once finalised.



8.4 Policy Register Status Update

That the Audit and Risk Advisory Committee receive and note the Policy Register as at 24 February 2020.

Carried

Action: FM to review the accuracy of the 'frequency of review column on the Policy Register.

8.5 Mansfield Shire Council Gifts, Benefits and Hospitality Annual Report

That the Mansfield Shire Audit and Risk Advisory Committee received and note the Gifts, Benefits and Hospitality Annual Report 2019.

Carried

8.6 Codes of Conduct

That the Audit and Risk Advisory Committee receive and note the Councillor Code of Conduct 2017 and the Employee Code of Conduct.

Carried

8.7 Public Interest Disclosure Act 2012 – Amendment of the Mansfield Shire Council Protected Disclosure Policy and Procedure 2019

That the Committee receive the updated Public Information Disclosure Policy 2020.

Carried

8.8 Information Technology – Disaster Recovery Plan Test Outcomes

That the Committee receive the results of the Disaster Recovery Plan Test outcomes as outlined in the Disaster Recovery Plan Procedure.

Carried



9. INTERNAL AUDIT AND CONTROL

Duties and responsibilities of the Committee:

- Review the scope of the internal audit plan and program and the effectiveness of this function taking into consideration whether the program systematically addresses:
 - internal controls over significant areas of risk, including non-financial management control systems;
 - internal controls over revenue, expenditure, assets and liability processes,
 - the efficiency, effectiveness and economy of significant Council programs; and
 - Compliance with regulations, policies, best practice guidelines, and contractual arrangements.
- Review the appropriateness of special internal audit assignments.
- Review the level of resources allocated to internal audit and the scope of its authority, including the independence of Internal Audit function.
- Review reports of internal audit, the response of Council and management to matters raised, and monitor the implementation of recommendation made by internal audit.
- Critically analyse and follow up any internal or external audit report recommendation which raises significant issues relating to risk management, internal control, financial reporting and other accountability or governance issues.

9.1 Internal Audit

Action: Internal Auditor to issue OH&S audit scope to FM for distribution to Committee.

9.2 Audit Actions Performance Report

THAT the Audit and Risk Advisory Committee receive and note the Audit Actions Performance Report for Q3 as at 28 February 2020.

Carried

Action: FM to work out formatting to add 'Risk Rating' into the Audit Action Performance Report.

9.3 Procedural Exceptions

THAT the Audit and Risk Advisory Committee note the Procedural Exceptions Memorandum/s authorised by the Chief Executive Officer between 15 November 2019 and 28 February 2020.

Carried

Action: FM to report the volume of purchase orders to provide better context and enable assessment of the percentage of the procedural exceptions.



10. QUARTERLY INDUSTRY UPDATE - RECENT REPORTS AND PUBLICATIONS OF INTEREST TO COUNCILS

Action: FM to undertake a self-assessment against Yarriambiack Shire Council Report.

Action: FM to monitor 'defined benefit' calls.

11. OTHER BUSINESS

11.1 Upcoming Committee Vacancies

Action: FM to advertise in July for Committee vacancy in preparation for position appointment for endorsement at September Council Meeting.

12. NEXT MEETING

The next meeting of the Audit and Risk Advisory Committee is scheduled for 18 May 2020.

August Council meeting proposed for 31 August to accommodate Audit which is scheduled from 10-15 August.

Action: FM to confirm with VAGO.

13. CLOSURE OF MEETING

There being no further business the meeting concluded at 6.14 pm.

CONFIRMED this **Eighteenth** day of May 2020.

_____ Chair