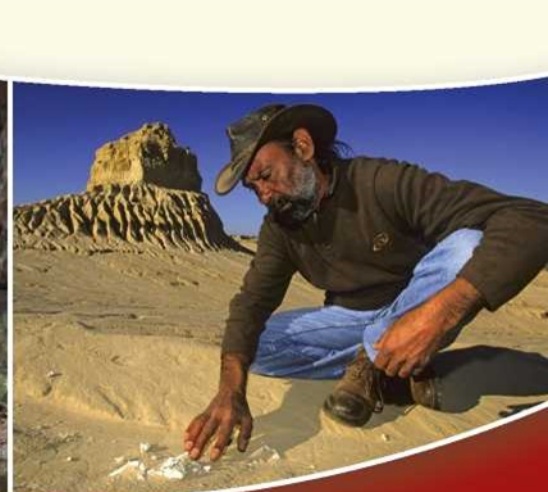




AUDIT COMMITTEE

MINUTES

12th December 2019



MINUTES OF THE BALRANALD SHIRE INTERNAL AUDIT & RISK MANAGEMENT COMMITTEE
MEETING HELD IN COUNCIL CHAMBERS, MARKET STREET, BALRANALD ON THURSDAY 12TH
DECEMBER 2019. COMMENCING AT 1.05PM

1. PRESENT:

Members: Rosanne Kava – Independent Chairperson, Cr Alan Purtill – Balranald Shire Council, Cr Jeff Mannix Balranald Shire Council, Sandra Gordon Murray River Council, Kris Kershaw Acting Director Corporate & Community Services, Michael Kitzelmann General Manager, Ray Davy – Director Infrastructure & Development and Mr Phil Ruddick WHS/Risk Management and Governance Officer.
Keith Coates – Internal Auditor Service Provider attended the meeting by Blue Jeans Video conferencing.

Secretariat: Carol Holmes – Senior Executive Assistant

Apologies were received from: Cr Ugarte – Balranald Shire Council, Terri Bilske – Director Corporate & Community Services and Simon Rule – Wentworth Shire Council.

1. OPEN AND WELCOME:

The Chair welcomed the Committee and opened the meeting at 1.05pm

2. CONFLICT OF INTEREST:

No conflicts of interest were declared.

3. MINUTES OF 26 JUNE 2019

MOVED by: Cr Alan Purtill and SECONDED by Cr Jeff Mannix

4: ACTIONS OF PREVIOUS MEETINGS

ITEM 4 : Actions of Previous Meetings

Reporting Officer: General Manager

Report:

That the Audit Committee,

1. Note the Actions from the Previous Meetings

Attachments:

- Action Table
- Standing Items
- Performance Improvement Order Update
- Audit Recommendations (Internal Auditor/ External Auditor)

Procurement Policy - Michael Kitzelmann advised the committee that the Procurement Policy had been adopted by Council at the ordinary meeting in October 2019.

**MINUTES OF THE BALRANALD SHIRE INTERNAL AUDIT & RISK MANAGEMENT COMMITTEE
MEETING HELD IN COUNCIL CHAMBERS, MARKET STREET, BALRANALD ON THURSDAY 12TH
DECEMBER 2019. COMMENCING AT 1.05PM**

Training – Michael Kitzelmann advised that the Audit Committee training has been deferred to be reviewed in March 2020. He advised that the training could be a bit over the top for Committee members with very high costs for councils.

Submissions regarding the Audit Committee membership are due by 31st December and Balranald Shire Council will be submitting a combined submission with FWJO. All General Managers in FWJO have discussed their concerns, Mark Forbes together with James Roncon will be forwarding the submission prior to 31st December.

Chairperson – Rosanne Kava asked if the submission would be reviewed by Audit Committee, Michael advised that it was not intended to be reviewed by Audit Committee. He advised that a copy of the submission can be provided to all members when finalised.

Asset Management Plan – Ray Davy advised the committee that an EA has now been appointed, therefore he would be able to focus on tasks including the Asset Management Plan.

Policies – Council currently has no structured plan for the reviewing of policies, each Director views their own departmental policies.

Sandra Gordon suggested that 58% of Councils would have policies not current. Murray Shire are in the process of reviewing their policies. It was discussed and suggested that Governance Role should reviewing all policies.

Ray Davy suggested that Council should seek assistance from an external consultant to assist Council with the reviewing of all policies, sharing with other Councils.

Michael Kitzelmann advised that LGNSW should present a standard policy template.

Sandra Gordon advised that Murray River Council Operational Policies do not get submitted to Council.

Michael Kitzelmann advised the committee that the Executive Assistant to Director Infrastructure & Development has commenced and will be reviewing the tendering processes.

Phil Ruddick advised that the VOLT system has been fully implemented, staff users have been trained and data is being transferred.

FUEL CARDS

Cr Alan Purtill enquired about fuel cards within Balranald, Caltex Service Station being more expensive than other fuel places. Michael advised that a self-funded fuel tanker, diesel only, will be located at the depot for Shire vehicles. Caltex cards would then only be used if the vehicle is out of Balranald.

**MINUTES OF THE BALRANALD SHIRE INTERNAL AUDIT & RISK MANAGEMENT COMMITTEE
MEETING HELD IN COUNCIL CHAMBERS, MARKET STREET, BALRANALD ON THURSDAY 12TH
DECEMBER 2019. COMMENCING AT 1.05PM**

Kris Kershaw advised that he is currently looking at a prepaid debit card for staff whilst away doing training. Staff will need to keep receipts and acquit funds on return.

Euston Cash

Alternate arrangements are currently under review.

Fraud

Kris advised the committee that in the PRACTICAL system, there is no requirement for staff to change passwords, nor is there any system in place to prompt automation.

MOTION

It was moved by Sandra Gordon and Seconded by Cr Alan Purtill that the current status of internal Auditors reports.

ITEM 5 : 2018-19 Financial Statements

Reporting Officer: Director of Corporate Services

Report:

That the Audit Committee,

1. Receive and note the audited 2018-19 financial statements.

Michael advised the committee that the audit went very well and Statements were lodged on time.

He also advised the Committee, if they wish to view financial statements prior to being submitted, we will need to look at the future meeting dates.

Ray Davy advised that he plans to have 1200klms of roads within Balranald Shire to be of a functional standard.

MOTION

It was moved by Cr Alan Purtill and Seconded by Sandra Gordon that the Audit Committee notes the successful completion of Financial Statements and congratulate the staff involved.

ITEM 6 : Balranald Landfill/Waste Depot

Reporting Officer: General Manager

Report:

That the Audit Committee,

1. Receive for following attachments

Attachments:

- ❖ Late report to be tabled.

**MINUTES OF THE BALRANALD SHIRE INTERNAL AUDIT & RISK MANAGEMENT COMMITTEE
MEETING HELD IN COUNCIL CHAMBERS, MARKET STREET, BALRANALD ON THURSDAY 12TH
DECEMBER 2019. COMMENCING AT 1.05PM**

Ray Davy advised the committee the following;

- * Solar Farms packing materials have now ceased.
- * Arrangements in January 2020 for stocktaking of volumes brought in, accrued revenue and costs involved.
- * Landfill to go out to tender for the Landfill Managements position.
- * there was one solar farm that had some difficulty in separation of the waste products.
- * There would be 50 years of landfill area available.
- * The works that was to be achieved have been achieved.
- * Advised the committee that council does have a waste reserve.
- * Outsourcing a contractor would be an option.

MOTION

It was moved by Cr Alan Purtill and Seconded by Sandra Gordon that the Audit Committee note the Balranald Landfill and Waste Depot report.

ITEM 7 : Conduct Review Panel (FWJO Joint Panel)

Reporting Officer: General Manager

Report:

General Manager

- Note the Report

- Report Attached

MOTION

It was moved by Cr Alan Purtill and Seconded by Sandra Gordon that the Audit Committee note the Conduct Review Panel report.

ITEM 8: Strategic Internal Audit Plan

Reporting Officer: Director of Corporate and Community Services

Report:

Director of Corporate and Community Services

- Update

Attachments:

- Strategic Internal Audit Plan

MOTION

It was moved by Moved by Sandra Gordon and Seconded by Cr Jeff Mannix that the Audit Committee note the Strategic Internal Audit Plan and the following amendments be made;

- 1. Crown Lands Management be deferred until 2020/2021; and**
- 2. Project Management move forward to 2019/2020.**

ITEM 9 : Internal Auditor Reports

Reporting Officer: General Manager

Report:

Internal Auditor

- 2 Internal Auditor Reports

Attachments:

- Human Resources Report

-

Business Continuity Plan Review

Keith Coates advised the committee that he has concerns with the Human Resources Review.

It was advised that Council is planning to employ juniors into the organisation on a traineeship program.

It was suggested that Council consider looking at options of jointly sharing a Governance Officer with neighbouring councils.

A recommendation was put to the Joint Organisation earlier in the year and was refused.

MOTION

It was moved by Moved by Cr Alan Purtill and Seconded by Sandra Gordon that the Audit Committee recommend a review of the current organisational structure and it be considered for a dedicated Governance Officer be included.

The Business Continuity Plan

* To be reviewed by June 2019

Cr Alan Purtill left the meeting at 2.46pm

Cr Alan Purtill re-joined the meeting at 2.50pm

Recommendation that the Audit Committee note the Internal Auditors Report and encourage the implementation of the plans.

ITEM 10: Risk Environment

Reporting Officer: HR & GOVERNANCE

Report: Verbal

Review of current Risk Environment including:

- Regional Risk (West Group) Meeting Minutes
- Risk Management Registers Update

MINUTES OF THE BALRANALD SHIRE INTERNAL AUDIT & RISK MANAGEMENT COMMITTEE
MEETING HELD IN COUNCIL CHAMBERS, MARKET STREET, BALRANALD ON THURSDAY 12TH
DECEMBER 2019. COMMENCING AT 1.05PM

Attachments:

- Regional Risk (West Group) Meeting Minutes and Presentation.

Recommendation that the Audit Committee note the Risk Environment Report.

ITEM 11: WHS Environment

Reporting Officer: HR/Governance Coordinator

Recommendation :

That the Audit Committee

- Note The StateCover WHS Update Report

Attachments:

- StateCover WHS Update Report .

Recommendation that the Audit Committee note the WHS Environment Report.

ITEM 12: Investigation / Referrals

Reporting Officer: General Manager

Report: Verbal

General Manager

- ICAC – One.(Ongoing)
- OLG - Public Inquiry.
- Complaints – Two, ongoing
- Public Interest Disclosure – One (attached)

Michael advised the committee that Council is still waiting for a response from Crown Lands regarding fair market rental for mining rates.

Michael also advised the committee that it has now been 4 months since the public inquiry and Council has still not received an outcome.

Cr Jeff Mannix declared an interest in this item due to being the secretary of the Balranald Football Club.

MOTION

It was moved by Moved by Sandra Gordon and Seconded by Cr Alan Purtill that the Audit Committee note and receive the report and note that Cr Jeff Mannix having an interest.

ITEM 13: Legal Matters

Reporting Officer: General Manager

Report: Verbal

General Manager

Legal Matters

- Supreme Court – Caravan Park

- Attachment:

- ❖ NSW Supreme Court – Consent Orders

Michael Kitzelmann advised the Audit Committee of the outcome of the Caravan Park;

- * 23rd October 2019 – Consent Orders were issued by Supreme Court
- * Matt and Dee Jess did not completely comply with the conditions of the orders.
- * Caravan Park takings could be slightly up.
- * Costs Lawyers and Supreme Court indemnify 50% of costs by JLT.

Recommendation

The Audit Committee note the decision of the Supreme Court regarding the Balranald Caravan Park.

Sandra Gordon advised the committee that this will be the Internal Audit and Risk Management Committee meeting she will be attending as her position has changed and she will no longer be able to attend. She also advised that she has seen a vast improvement with the organisation and staff should be very proud of themselves of the outcome.

Next Meeting: The next meeting will be held on Thursday 27th February 2020. Rosanne Kava wished everyone a Merry Christmas and Happy New Year and congratulated the staff on working so hard.

Michael Kitzelmann thanked Sandra Gordon for the dedication and time she has contributed to the committee and wished her well with the new position.

MOTION

It was moved by Moved by Cr Jeff Mannix and Seconded by Cr Alan Purtill that Council write to Sandra Gordon thanking her for her contribution and time spent with the Internal Audit and Risk Management Committee.

CLOSURE: There being no further business the Internal Audit & Risk Management Committee Meeting closed at 3.05pm.