



# CLARE & GILBERT VALLEYS COUNCIL

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## NOTICE OF MEETING AUDIT COMMITTEE

Notice is hereby given pursuant to the provisions of Section 83(3) of the Local Government Act 1999 that a Meeting of the **Clare & Gilbert Valleys Council Audit Committee** will be held in the Council Boardroom, 4 Gleeson Street, Clare on **Monday 11 February 2019** commencing at **4.00pm**.

A copy of the Agenda for the above meeting is supplied as prescribed by Section 83(3) of the said Act.

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Dr Helen Macdonald  
Chief Executive Officer

7 February 2019

**Clare & Gilbert Valleys Council****AGENDA  
AUDIT COMMITTEE MEETING**

**Monday 11 February 2019  
To be held in the Council Boardroom, 4 Gleeson Street, Clare  
Commencing at 4.00pm**

**Opening and Welcome:**

Chief Executive Officer Dr Helen Macdonald, will open the first meeting of the new Audit Committee and welcome and introduce the new Presiding Member Mr Mark Jeffreson.

**Acknowledgement of Statement:**

Mark Jeffreson, Presiding Member, will provide an Acknowledgement of Country through the following statement:

“We acknowledge and respect the traditional custodians whose ancestral lands we are meeting upon here today”.

**Apologies:****1. Declaration of Conflict of Interest**

A conflict of interest arises when an affected person or close associate will enjoy or have reasonable expectation of enjoying a benefit or will suffer or have a reasonable expectation of suffering a detriment if a matter were to be decided in a particular manner.

If an affected person remains unsure about whether or not a conflict exists after considering all the issues, it is recommended that the interest be disclosed and necessary action taken.

**2. Confirmation of Minutes**

**Attachment 1 Page 8**

**Recommendation**

That the minutes of the Clare & Gilbert Valleys Council Audit Committee meeting held on Monday 5 November 2018 be confirmed.

**3. Reports for Decision****3.1. Audit Committee – 2019 Meeting Calendar & Meeting Location**

Council, at its first meeting for the new four year term, adopted a Business Calendar for 2019, which included the Audit Committee meetings scheduled for:

- 11 February 2019
- 13 May 2019
- 12 August 2019
- 11 November 2019

The Terms of Reference was also adopted by Council at the same meeting, this Terms of Reference states that the Audit Committee:

*“Shall meet at least three times a year at appropriate times in the reporting and auditing cycle.”*

The dates above incorporate the current reporting and auditing cycle.

It would be appropriate for the Audit Committee to approve the meetings dates, location and timing.

#### **Recommendation**

That the Audit Committee notes the 2019 meeting schedule as adopted by Council: 11 February 2019, 13 May 2019, 12 August 2019 and 11 November 2019, with the meetings being held in the Council Boardroom, 4 Gleeson Street, Clare and commencing at 4.00pm.

### **3.2. Audit Committee Self-Assessment Results 2018**

**Attachment 2 Page 13**

In accordance with the Audit Committee Terms of Reference the Audit Committee must, at least annually, review its own performance and Terms of Reference to ensure it is operating at maximum effectiveness.

Due to the Audit Committee Self-Assessment 2018 being conducted over the Council election period, only the independent members participated, therefore the scoring had been changed to reflect this.

The results of the self-assessment survey are attached for the Audit Committee's information.

#### **Recommendation**

That the Audit Committee Self-Assessment Survey results for June 2018 be noted.

### **3.3. Audit Committee – Independent Members**

The remaining two independent members of the Audit Committee both have their membership concluding in 2019, Mr Ian Swan, Independent Membership expiry – April 2019 and Mrs Patricia Flood, Independent Membership expiry August 2019.

If the call for new members was to be undertaken as they are listed, this could result in five new Audit Committee members in 10 months.

Initial discussions have been held with Mr Swan and Mrs Flood and both have in principal, accepted an extension of 12 months on their current expiry dates to enable some continuity in membership.

This extension of time must be authorised by Council.

#### **Recommendation**

That the Audit Committee recommends to Council that the two independent members of Council's Audit Committee have their membership extended for a period of 12 months as listed:

- Mr Ian Swan – April 2019 to April 2020
- Mrs Patricia Flood – August 2019 to August 2020

### 3.4. Audit Committee Works Program 2018/19

**Attachment 3 – Page 16**

Program attached.

#### **Recommendation**

That the Audit Committee Works Program be noted.

## 4. Reports for Information

### 4.1. Asset Management Plan

A Council workshop has been scheduled for Monday 4 March 2019 to brief Council Members on the review of the complete Asset Management Plan. The intention is to provide a final document to Council at its meeting on 18 March 2019 for adoption for public consultation purposes.

The review of the plan has been based on the improvement items listed in the previous document. The following summarises how each component of the plan is being reviewed.

Stormwater – Updated to incorporate 1 July 2017 revaluation and revised annual spends. Still to finalise outcomes of the stormwater management plans and likely future priorities.

CWMS – Updated to incorporate 1 July 2017 revaluation and minor revisions to annual replacement/upgrade requirements.

Transport – Updated to incorporate 30 June 2018 revaluation and extensive condition reviews with comprehensive annual replacement program information.

Buildings and Other Structures – Updated to incorporate 1 July 2016 desktop valuation, which was not available when the previous version was completed. Condition data and comprehensive valuation will be undertaken in the next version.

#### **Recommendation**

That the Asset Management Plan report be noted by the Audit Committee.

### 4.2. Information Technology

**Attachment 4 – Page 19**

The ITC Strategic Consultant engaged by Council, John Di Ubaldo, has finalised the Implementation Plan for 2018/2022 (attached) and together with Council Administration has commenced the development of a tender for the first round of hardware solutions for Council's IT infrastructure.

Tenders will be advertised on SA Tenders & Contracts, with Mr Di Ubaldo managing the tender process and taking questions, tenders close on 1 March 2019.

#### **Recommendation**

That the Information Technology report be noted by the Audit Committee.

**4.3. Risk Management - Quarterly Report**

**Attachment 5– Page 25**

Council at its meeting on 16 July 2018 adopted the reviewed Risk Management Policy and Framework and were provided the Risk Register for information. This suite of documents was then provided to the Audit Committee meeting on 7 August 2018 for ratification.

With this documentation in place and in accordance with the adopted Risk Management Framework it is now appropriate to provide to all future Audit Committee meetings a quarterly risk management report identifying the following:

- Risk Management activities being undertaken in Council
- Risk Management reporting required and timeframe
- Risks rated as High or Extreme after the consideration or implementation of treatment options

<b>Risk Description</b>	<b>Existing Controls</b>	<b>Inherent Risk</b>	<b>Additional Controls</b>	<b>Residual Risk</b>	<b>Action</b>
Flood Damage – stormwater infrastructure damage and impact to council buildings, private property and businesses.	Emergency response teams, SES, CFS, Council participation in Y & MN Zone Emergency Mgmt Com. Inspection and maintenance program for storm water infrastructure.	Extreme	Decision re Strategy to be developed for Clare Stormwater Plans. Development and execution of implementation plan. AMP and LTFP reviewed.	High	Asset Management Plan review being undertaken.
Stormwater Failure to maintain infrastructure to an appropriate standard leading to flooding in seven townships.	Draft Seven Towns Stormwater Plans, Stormwater Infrastructure inspections and maintenance cycle, condition assessments, AMP, Climate Change Adaption Report.	High	Clare Stormwater Plans development. Implementation plan being developed. AMP and LTFP reviewed.	High	Asset Management Plan review being undertaken.
Failure to meet mandatory building inspection requirements, leading to non-compliant buildings built.	Inspections carried out in accordance with Development Regs, employment qualified staff, delegations and sub delegations, seek external advice, code of conduct.	High	Develop schedule to ensure inspections meet the control measure, ensure communication with builders of their obligations.	High	

<b>Risk Description</b>	<b>Existing Controls</b>	<b>Inherent Risk</b>	<b>Additional Controls</b>	<b>Residual Risk</b>	<b>Action</b>
A BCP failure resulting in the inability to implement formal arrangements, or coordination resulting in inability to maintain and restore critical functions.	CGVC BCP. Participation in Y&MN Zone Emergency Committee and CGVC Bushfire Prevention Committee	High	Review and update BCP, annual BCP exercises, establishment of alternate site for continuity of council critical functions, testing of IT recovery. Undertaking Policy & Procedure review and update.	High	BCP Updated Dec 2018
Failure of IT systems – loss of essential services and information. Sole Owner operator service provider puts operations at risk – undertaken Strategic ITC Review & developed implementation plan.	Onsite and Offsite daily system backups, UPS to key services and parallel online storage.	High	IT disaster recovery plan, annual testing of plan.	High	Implementation Plan provided to Council and Audit Committee.
Delays in projects due to Native Veg Requirements.	Project planning for new projects.	High	Audit of native vegetation.	High	Roadside Native Vegetation Plan included in 19/20 Budget
Pandemic event affecting the Council area.	Department of Health advice.	High		High	

Council has recently participated in a biannual Risk Evaluation conducted by Local Government Risk Services, the outcome of that evaluation is provided for the Audit Committee's information.

Management is also in the process of arranging Risk Management training in both areas of operational risk and strategic risk to be rolled out to Council Members, management team and all employees.

#### **Recommendation**

That the Risk Management Quarterly Report as provided be noted by the Audit Committee.

#### **4.4. Internal Financial Controls**

##### **Attachment 6– Page 43**

Following the appointment of the Manager Finance, a review of the internal financial controls has been completed. This follows the better practice model released by the Local Government Association. This is a two year program and attached is the first year's schedule.

**Recommendation**

That the Internal Financial Controls report be noted by the Audit Committee.

**4.5. Finance Reports**

Provided for the information of the Audit Committee is a list of financial reports that have been presented to Council since the last meeting on 5 November 2018.

<b>Council Meeting</b>	<b>Report Title</b>
26 November 2018	Finance Report – October 2018
26 November 2018	Certification of Financial Statements, Annual Report including audited financial statements
10 December 2018	Budget Review 1
10 December 2018	Review of Council's Investments
10 December 2018	Report of Financial Results 17/18 Financial Year
30 January 2019	Quarterly Finance Report December 2018

**Recommendation**

That the Finance Reports be noted by the Audit Committee.

**5. Matters raised by Committee Members****5.1. Questions on Notice**

Nil

**5.2. Questions without Notice****5.3. Notice of Motion**

Nil

**5.4. Motions without Notice****6. Next Meetings**

Monday 13 May 2019

Monday 12 August 2019

Monday 11 November 2019

**7. Closure**