



AUDIT AND RISK MANAGEMENT COMMITTEE MEETING

Date: 10th November 2022

Time: 9:00 am (Darwin Time)

Notice of Meeting

To: Ian Swan (Independent Chairperson)
Natasha Chapman (Independent Member)
Rex Edmunds (Elected President)
Lenard Sing (Elected Councillor)
Lawrence Autencio (External Auditor)

Adherent to Section 97(3) of the Local Government Act 2019, you are invited to attend the Audit and Risk Management Committee Meeting to be held at Belyuen Council Office, Belyuen on 10th November 2022 commencing at 9:00am (Darwin Time). Any member(s) who cannot be physically present, is (are) invited to join the meeting via Teams.

Please declare any conflict of interest(s) relating to the items of discussion of the Audit and Risk Management Committee meeting on 10th November 2022

This meeting is open to Public

Dave Ferguson

Chief Executive Officer

Belyuen Community Government Council

Date: 8th November 2022

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1. Opening of Meeting

The meeting will be declared open at 9:00am

2. Attendees/People Present

Members:

IAN SWAN (Independent Chairperson)	Present Virtually via Teams
NATASHA CHAPMAN (Independent Member)	Present Virtually via Teams
REX EDMUNDS (Elected President)	
LENARD SING (Elected Councillor)	

Staff:

DAVE FERGUSON (Chief Executive Officer)
JASMINE BRAR (Senior Finance/Administration Officer)

Other Attendees:

LAWRENCE AUTENCIO (Associate Director – Merit Partners)	Present Virtually via Teams
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3. Apologies and Leave of Absence

REPORT NUMBER	3.1.11.10
AUTHOR	JASMINE BRAR – SENIOR FINANCE/ADMINISTRATION OFFICER
ATTACHMENTS	NIL

Summary

This report is to table, for Council's record, any apologies and requests for leave of absence received from Members of the Audit and Risk Management Committee for meeting held on 10th November 2022.

Comment

Committee can choose to accept the apologies or requests for leave of absence as presented, or not accept them. Apologies or requests for leave of absence that are not accepted by Committee will be recorded as absence without notice.

The acceptance of members' apologies or the approval for a member to be absent from a meeting is a decision of the council. The decision must meet all the legislative requirements of any decision of committee, including the need for the decision to be clearly recorded in the public minutes of the committee meeting.

Statutory Environment

As per Section 98 of the Local Government Act 2019

Financial Implications

Not applicable.

Recommendation:

The Committee accepts the apology/leave without apology of _____ for Audit and Risk Management Committee Meeting of Belyuen Community Government Council held on 10th November 2022

Moved:

4. Declaration of Interests

REPORT NUMBER

4.1.11.10

AUTHOR

JASMINE BRAR – SENIOR FINANCE/ADMINISTRATION OFFICER

ATTACHMENTS

NIL

Summary

Members, staff and other attendees are required to declare any conflicts of interest arising from the matters contained in this agenda.

Background

Members are required to disclose an interest in a matter under consideration by Committee at a meeting:

- 1) In the case of a matter featured in an officer's report or written agenda item by disclosing the interest to the Council by disclosure as soon as possible after the matter is raised.
- 2) In the case of a matter raised in general debate or by any means other than the printed agenda of the Council by disclosure as soon as possible after the matter is raised.

The Committee may elect to allow the Member to provide further and better particulars of the interest prior to requesting them to leave the Chambers.

Staff Members of the Council are required to disclose an interest in a matter at any time at which they are required to act or exercise their delegate authority in relation to the matter. Upon disclosure the Staff Member is not to act or exercise his or her delegated authority unless the CEO or Acting CEO expressly directs him or her to do so.

Comment

NIL

Statutory Environment

NIL

Policy Implications

EM04 - Conflict of Interest – Code of Conduct

Financial Implications

Not applicable.

Recommendation:

The Committee receives and notes the Declaration of Interests for Audit and Risk Management Committee Meeting of Belyuen Community Government Council held on 10th November 2022

Moved:

Seconded:

5. Confirmation of Previous Minutes

REPORT NUMBER

5.1.11.10

AUTHOR

JASMINE BRAR – SENIOR FINANCE/ADMINISTRATION OFFICER

ATTACHMENTS

NIL

Summary

No Minutes of the Internal Audit Committee Meeting were submitted for consideration as this is the first meeting

Statutory Environment

The Minutes as submitted must comply with Section 101(1) of the *Local Government Act 2019* and be confirmed at the Next Meeting as per Section 101(3) of the *Local Government Act 2019*

Policy Implications

Not applicable

Financial Implications

Not applicable

Recommendation:

NIL

Moved:

Seconded:

6. Confidential Items

Recommendation:

Adherent to Regulation 51 of the Local Government (General) Regulations 2021, the following information is prescribed as confidential:

- (a) information about the employment of a particular individual as a member of staff or possible member of the staff of the Council that could, if publicly disclosed, cause prejudice to the individual;
- (b) information about the personal circumstances of a resident or ratepayer;
- (c) information that would, if publicly disclosed, be likely to:
 - (i) cause commercial prejudice to, or confer an unfair commercial advantage on, any person; or
 - (ii) prejudice the maintenance or administration of the law; or
 - (iii) prejudice the security of the council, its members or staff; or
 - (iv) subject to subregulation (3) – prejudice the interests of the council or some other person;
- (d) information subject to an obligation of confidentiality at law, or in equity;
- (e) subject to subregulation (3) – information provided to the council on condition that it be kept confidential and would, if publicly disclosed, be likely to be contrary to the public interest;
- (f) subject to subregulation (2) – information in relation to a complaint of a contravention of the code of conduct.

Moved:

Seconded:

6.1 Draft Audited Financial Statements for 2021-22

7. Re-Opening of the Meeting

Recommendation:

The Committee reopens the meeting to the general public in accordance with Regulation 51 of the Local Government (General) Regulations 2021

Moved:

Seconded:

8. Reports requiring Recommendations from the Audit and Risk Management Committee

8.1 Reviewing the Terms of Reference

Type	Terms of Reference	Version	2.1
Approval Date	10 th November 2022	Resolution	8.1.11.10
Review Date	Annually	Doc ID	NA

Establishment

The Audit and Risk Management Committee (the Committee) is established as an advisory committee to the Council in accordance with the Section 86 of the *Local Government Act 2019*.

Objective

The Committee is to provide independent assurance and assistance to the Belyuen Community Government Council (the Council) and the Chief Executive Officer (CEO) on:

- The Council's risk, control and compliance frameworks
- The Council's external accountability responsibilities as prescribed in the Local Government Act and Accounting Regulations

Key Responsibilities

The Audit and Risk Management committee has no authority to act independently of council. The Audit and Risk Management Committee is responsible for acting as an advisory body to council. It will:

- monitor the effectiveness of the audit function and the implementation of audit recommendations
- monitor the effectiveness of the risk management function
- provide an independent line of reporting by the auditor to council
- review compliance with legislative requirements, contracts, standards and best practice guidelines
- review and, if appropriate, recommending council approve the financial statements (in conjunction with the Auditor's report)
- monitor changes in accounting and reporting requirements, and
- review policies relating to conflicts of interest, misconduct and fraud.

Membership

The Audit and Risk Management committee will comprise of a minimum of three (3) members. The members of an Audit and Risk Management committee may consist of, or include, persons who are not members of the council (independent members). The chairperson will be an independent member.

The members of the Audit and Risk Management committee are appointed by the council.

Any independent member must not be a member of council or a member of the council's staff and will be appointed by the council.

Selection Process

In selecting independent members, Council shall give due consideration to:

- level of understanding of local government and the council's operations and the environment in which it operates
- level of knowledge and practical exposure on governance and financial management practices
- capacity to dedicate adequate time on the committee
- depth of knowledge of regulatory and legislative requirements,
- and ability to maintain professional relationships particularly with council members, staff and other stakeholders.

Council may at its discretion ask potential persons to make a short presentation to Council as part of the selection process.

Other Attendees

Other persons may attend meetings of the Audit and Risk Management Committee, by invitation.

Persons who may usually be invited are:

- Chief Executive Officer
- Financial Officer
- External financial service provider (if applicable)
- External audit provider.

These persons may take part in the business of and discussions at the meeting but have no voting rights.

Term of Membership

All Audit and Risk Management committee members are appointed for a three-year period. Audit and Risk Management committee members who are members of council cease being a member of the committee if they are no longer a councillor of the council.

Independent members (including the chairperson) can be terminated by the council subject to the appointment agreement.

Reporting

The Committee will regularly report on its operation and activities, including:

- A summary of the key issues arising from each meeting of the committee.
- Annually, an overall assessment of the Council's risk, control and compliance framework, together with a summary of the work the committee performed in conducting its responsibilities during the preceding year.

The committee will make recommendations and report directly to Council.

Meetings

The Committee will meet at least two times per year. Meetings of the Audit and Risk Management Committee will be held in private in accordance with Section 99 of the *Local Government Act 2019*.

A forward meeting plan, including meeting dates and agenda items, will be agreed to by the Committee each year to address all of the Committee's responsibilities as detailed.

On setting the Audit and Risk Management committee meeting dates the committee must have regard to the date of council meetings to ensure the Audit and Risk Management committee report, including draft unapproved minutes of the most recent prior meeting, is reported to council on a timely basis.

Quorum

A quorum will consist of a majority of Committee Members and **must** include the Chair.

Voting Right of Committee Members

All Audit and Risk Management Committee members have equal voting rights on the committee. Where a vote is taken and the result is undecided the chairperson has the casting vote.

Secretariat

Secretariat support will be provided by the council administration.

Responsibilities

The Secretariat will be responsible for ensuring that the agenda for each meeting and supporting documentation are circulated, after approval from the chair, at least one week prior to the meeting. The Secretariat will prepare and maintain the minutes ensuring they are signed by the chair and distributed to each member.

Reporting

After meeting the Audit and Risk Management committee will report to council at the next council meeting and include the committee draft unapproved minutes.

Access to Information

The Council, via the Council's Chief Executive Officer, will provide the necessary council records and reports for the Audit and Risk Management committee to undertake its role and responsibilities subject to any confidentiality provisions in the Local Government Act or other legislative provisions. The audit committee should approach the council requesting required resources being mindful of the finite nature of such resources. The Audit and Risk Management committee has no authority to procure resources independently of council.

Conflict of Interest

In accordance with the *Local Government Act 2019*, committee members must declare any conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic. All details of any conflict of interests are to be minuted.

If members or observers at a Committee meeting are deemed to have a real or perceived conflict of interest, they are to be excused from Committee discussions on the issue where the conflict of interest exists.

Confidential and Improper Use of Information

Committee Members will from time-to-time deal with confidential reports. Section 75 of the Local Government Act outlines the penalties applicable to people who disclose confidential information acquired as a member of a Council committee. Section 76 of the Local Government Act states that a person who makes improper use of information acquired as a member of a Council committee is guilty of an offence.

Due Diligence and Induction

All proposed and new members of the Committee will be entitled to receive relevant information and briefings prior to, and shortly after, their appointment.

Assessment of Committee

The chair of the committee and the CEO will initiate a review of the performance of the committee at least once every two years. The review will be on an internal assessment basis with appropriate input from the Council, CEO and senior managers, internal and external auditors, and any other relevant stakeholders.

Review

These Terms of Reference will be reviewed on an annual basis by the Committee. Any substantive changes will be recommended by the Committee and formally approved by the Council.

Revision History

Policy Version	Approval Date	Resolution	Doc Ref
10.0	31/10/2021	8.2.10.31	NA
2.0	02/11/2020	8.1.11.02	NA

Recommendation:

The Committee reviewed the Terms of Reference for the Audit and Risk Management Committee on 10th November and that they will be reviewed again in November 2023

Moved:

Seconded:

8.2 Forward Workplan

Comment

Belyuen Council approved the following Audit Workplan

	May	November
Financial Reporting		
Review of financial reports	FOCUS	
Review of financial timetable/plan	FOCUS	
Review of significant accounting and reporting issues	FOCUS	
Update on significant issues relating to commitments and contingencies, unusual and/or material items and trends	FOCUS	
External Audit		
Chair and independent member meet with External Auditor	FOCUS	
Review External Auditor's "Client Service Plan" including audit timetable, staffing and approach	FOCUS	
Review Annual Report		FOCUS
Briefing from EA on review financial reports, audit findings and follow up with management		FOCUS
Assessment of effectiveness of external audit		FOCUS
Internal Audit		
Review internal audit schedule	FOCUS	
Review performance and resourcing of Internal Audit	FOCUS	
Review Internal Audit Plan	FOCUS	
Risk Management		
Report on significant risk		FOCUS
Presentation on risk framework and review of risk register		FOCUS
Monitor implementation of External Audit / Internal Audit recommendations		FOCUS
Regulatory Compliance		
Review reports on legal and regulatory matters	FOCUS	
Review Local Government Act and Regulations compliance	FOCUS	
Internal Controls		
Review financial policy manual and issues register	FOCUS	
Review Council wide policies	FOCUS	
Review Audit Committee		
Review committee and member performance		FOCUS
Review committee terms of reference		FOCUS

Recommendation:

The Committee recommends the CEO and the Council to review the Workplan and provide with an updated workplan in the next Audit and Risk Management Committee

Moved:

Seconded:

9. Next Meeting

The next Audit and Risk Management Committee will be held on

10. Meeting Closed

The meeting was closed at