



**WEST ARNHEM**

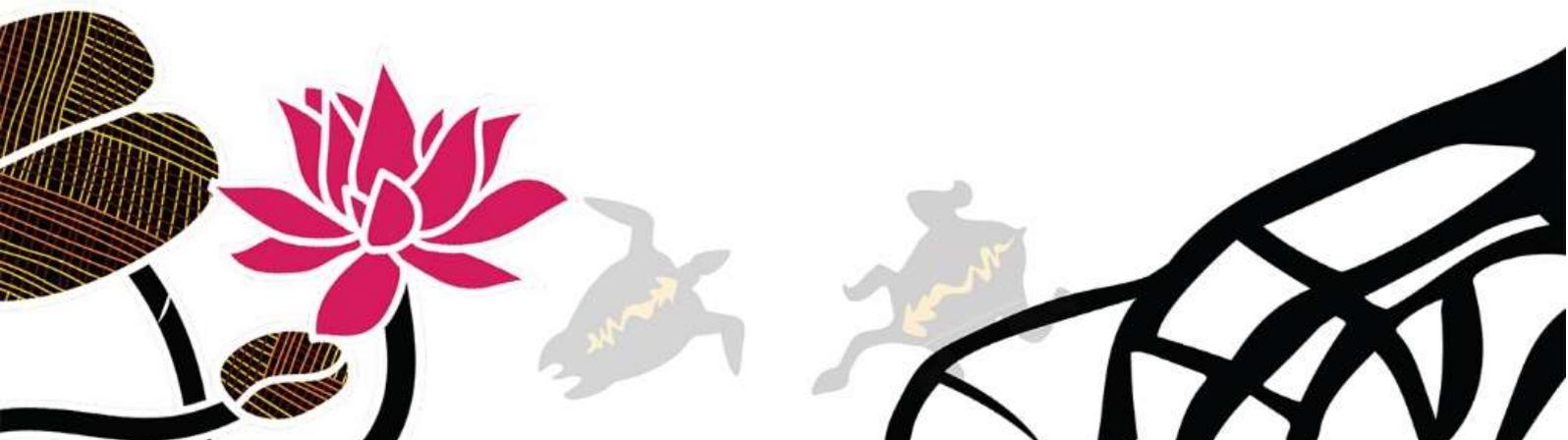


**REGIONAL COUNCIL**



**WEST ARNHEM REGIONAL COUNCIL**  
**RISK MANAGEMENT & AUDIT COMMITTEE MEETING**  
**AGENDA**

**TUESDAY, 31 MAY 2022**



## **WEST ARNHEM REGIONAL COUNCIL**

Notice is hereby given that a Risk Management and Audit Committee meeting of the West Arnhem Regional Council will be held in Council Chambers, Jabiru on Tuesday, 31 May 2022 at 10:00 am.

Daniel Findley  
Chief Executive Officer

# TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
<b>1</b>	<b>ACKNOWLEDGEMENT OF TRADITIONAL OWNERS</b>	
<b>2</b>	<b>PERSONS PRESENT</b>	
<b>3</b>	<b>APOLOGIES</b>	
3.1	Apologies and Leave of Absence.....	5
<b>4</b>	<b>ABSENT WITHOUT NOTICE</b>	
4.1	Absent Without Notice .....	6
<b>5</b>	<b>ACCEPTANCE OF AGENDA</b>	
5.1	Acceptance of Agenda .....	7
<b>6</b>	<b>DECLARATION OF INTEREST OF MEMBERS OR STAFF</b>	
6.1	Disclosure of Interest of Members or Staff.....	8
<b>7</b>	<b>CONFIRMATION OF PREVIOUS MINUTES</b>	
7.1	Confirmation of Previous Risk Management and Audit Committee Minutes - 21 March 2022 .....	9
<b>8</b>	<b>GENERAL ITEMS</b>	
8.1	Update on General Action Items.....	16
8.2	Progress Report: Review of the Strategic and Operational Risk Register .....	20
<b>9</b>	<b>AUDIT REPORTS</b>	
9.1	Internal Audits - Updates on Topics 2021 - 2022.....	22
<b>10</b>	<b>PROCEDURAL MOTIONS</b>	
10.1	Closure to the Public for the Discussion of Confidential Items.....	26
<b>11</b>	<b>CONFIDENTIAL ITEMS</b>	
<b>The information in this section of the agenda is classed as confidential under section 99(2) of the <i>Local Government Act 2019</i> and regulation 51 of the <i>Local Government (General) Regulations 2021</i>.</b>		
11.1	Confirmation of Previous Minutes – Confidential Risk Management and Audit Committee Meeting held on 21 March 2022..... The report will be dealt with under Section 99(2) of the <i>Local Government Act 2019</i> and regulation 51(e) of the <i>Local Government (General) Regulations 2021</i> . It contains 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.	4
11.2	External Audit Strategy Memorandum for the year ended 30 June 2022 .....	8
11.3	Internal Audit - Payroll, Infrastructure and Asset Management (Procurement) - Tracking Register Update..... The report will be dealt with under section 99(2) of the <i>Local Government Act 2019</i> and regulation 51(e) of the <i>Local Government (General) Regulations 2021</i> . It contains 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.	33
11.4	Disclosure of Confidential Resolutions and Re-admittance of the Public.....	39
<b>12</b>	<b>NEXT MEETING</b>	

West Arnhem Regional Council acknowledges the First Nations Custodians, and the many Language and Family groups who are Managers and Caretakers to each of their Traditional homelands and Waters across the West Arnhem Region Wards.

West Arnhem Regional Council pays its respects and acknowledges Elders, past, present and rising.

## WEST ARNHEM REGIONAL COUNCIL

### FOR THE MEETING 31 MAY 2022

<b>Agenda Reference:</b>	<b>3.1</b>
<b>Title:</b>	<b>Apologies and Leave of Absence</b>
<b>File Reference:</b>	<b>1009346</b>
<b>Author:</b>	<b>Doreen Alusa, Governance and Risk Advisor</b>

#### **SUMMARY**

This report is to table, for the Risk Management and Audit Committee's record, any apologies and requests for leave of absence received from Committee members for the meeting held on 31 May 2022.

#### **BACKGROUND**

Not applicable.

#### **COMMENT**

Not applicable.

#### **POLICY IMPLICATIONS**

This report has been prepared in accordance with Council's Scheduling and Conduct of Meetings (Elected, Local Authority and Council Committee Members) Policy.

#### **STRATEGIC IMPLICATIONS**

Not applicable.

#### **VOTING REQUIREMENTS**

Not applicable.

#### **RECOMMENDATION:**

**That the Risk Management and Audit Committee notes members apologies and/or requests for leave of absence for the meeting held on 31 May 2022.**

## WEST ARNHEM REGIONAL COUNCIL

### FOR THE MEETING 31 MAY 2022

<b>Agenda Reference:</b>	<b>4.1</b>
<b>Title:</b>	<b>Absent Without Notice</b>
<b>File Reference:</b>	<b>1009347</b>
<b>Author:</b>	<b>Doreen Alusa, Governance and Risk Advisor</b>

#### SUMMARY

This report is to table, for the Risk Management and Audit Committee's record, any members that are absent without notice for the meeting held on 31 May 2022.

#### BACKGROUND

Not applicable.

#### COMMENT

Not applicable.

#### POLICY IMPLICATIONS

This report has been prepared in accordance with Council's Scheduling and Conduct of Meetings (Elected, Local Authority and Council Committee Members) Policy.

#### STRATEGIC IMPLICATIONS

Not applicable.

#### VOTING REQUIREMENTS

Not applicable.

#### RECOMMENDATION:

**That the Risk Management and Audit Committee notes members absences without notice for the meeting held on 31 May 2022.**

## WEST ARNHEM REGIONAL COUNCIL

### FOR THE MEETING 31 MAY 2022

<b>Agenda Reference:</b>	<b>5.1</b>
<b>Title:</b>	<b>Acceptance of Agenda</b>
<b>File Reference:</b>	<b>1009357</b>
<b>Author:</b>	<b>Doreen Alusa, Governance and Risk Advisor</b>

#### SUMMARY

Agenda papers are submitted for acceptance by appointed members for the Risk Management and Audit Committee meeting of 31 May 2022.

#### BACKGROUND

Not applicable.

#### COMMENT

The Committee is encouraged to review the agenda and to accept or not accept the agenda.

#### STATUTORY ENVIRONMENT

Section 92(1) *Local Government Act 2019* is relevant to this matter.

#### POLICY IMPLICATIONS

This report has been prepared in accordance with Council's Scheduling and Conduct of Meetings (Elected, Local Authority and Council Committee Members) Policy.

#### STRATEGIC IMPLICATIONS

Not applicable.

#### VOTING REQUIREMENTS

Simple majority.

#### RECOMMENDATION:

**That the agenda for the Risk Management and Audit Committee meeting of 31 May 2022 as circulated be accepted.**

## WEST ARNHEM REGIONAL COUNCIL

### FOR THE MEETING 31 MAY 2022

<b>Agenda Reference:</b>	<b>6.1</b>
<b>Title:</b>	<b>Disclosure of Interest of Members or Staff</b>
<b>File Reference:</b>	<b>1009370</b>
<b>Author:</b>	<b>Doreen Alusa, Governance and Risk Advisor</b>

#### SUMMARY

**Elected and Committee Members** are required to disclose an interest in a matter under consideration by Council at a Council or Committee 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 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.

Under disclosure, the Member must abide by the decision of the Committee on whether he/she shall remain in the Chambers and/ or take part in the vote on the issue. The Committee may elect to allow the Member to provide further and better particulars of the interest prior to requesting him/her 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 delegated authority in relation to the matter. Upon disclosure, the staff member is not to act or exercise his/her delegated authority unless the Council expressly directs him/her to do so.

#### STATUTORY ENVIRONMENT

Sections 114 (Elected Members) *Local Government Act 2019*.

Section 179 (staff members) *Local Government Act 2019*.

#### VOTING REQUIREMENTS

Not applicable.

#### RECOMMENDATION:

**That the Committee receives and records declarations of interest for the meeting held on 31 May 2022.**

## WEST ARNHEM REGIONAL COUNCIL

### FOR THE MEETING 31 MAY 2022

<b>Agenda Reference:</b>	<b>7.1</b>
<b>Title:</b>	<b>Confirmation of Previous Risk Management and Audit Committee Minutes - 21 March 2022</b>
<b>File Reference:</b>	<b>1009376</b>
<b>Author:</b>	<b>Doreen Alusa, Governance and Risk Advisor</b>

#### SUMMARY

Unconfirmed minutes of the 21 March 2022 Risk Management and Audit Committee meeting are submitted to the Committee for confirmation that the minutes are a true and correct record of the meeting.

#### BACKGROUND

Not applicable.

#### COMMENT

The minutes as submitted and confirmation of the minutes must comply with section 101 of the *Local Government Act 2019*.

#### STRATEGIC IMPLICATIONS

Not applicable.

#### VOTING REQUIREMENTS

Simple majority.

#### RECOMMENDATION:

**That the minutes of the 21 March 2022 Risk Management and Audit Committee meeting are adopted as a true and correct record of the meeting.**

#### ATTACHMENTS

- 1 2022.03.21 Risk Management and Audit Committee Minutes.pdf



Minutes of the West Arnhem Regional Council Audit Committee Meeting  
 Monday, 21 March 2022 at 9:00 am  
 Council Chamber, Jabiru

Chairperson Carolyn Eagle declared the meeting open at 9:04 am, welcomed all in attendance and acknowledged the Traditional Owners.

#### COMMITTEE MEMBERS PRESENT

Chairperson	Carolyn Eagle (video conference)
Committee Member	Mayor Matthew Ryan (video conference)
Committee Member	Deputy Mayor Elizabeth Williams
Committee Member	Councillor Gabby Gumurdul (video conference)
Committee Member	Councillor Jacqueline Phillips (video conference)

#### STAFF PRESENT

Chief Executive Officer (Acting)	Kim Sutton
Chief Corporate Officer	David Glover
Chief Operating Officer (Acting)	Jesse Evans (video conference)
Governance and Risk Advisor	Doreen Alusa (video conference)
Director of Organizational Growth (Acting)	Katrina Hill (video conference)
Finance Manager	Andrew Shaw

**APOLOGIES****3.1 APOLOGIES AND LEAVE OF ABSENCE**

The Committee considered apologies and leave of absence.

The Risk Management and Audit Committee noted apologies from Councillor Catherine Ralph and Councillor James Woods for the meeting held on 21 March 2022.

**ABSENT WITHOUT NOTICE****4.1 ABSENT WITHOUT NOTICE**

The Committee considered absences without notice.

The Risk Management and Audit Committee noted that no members were absent without notice for the meeting held on 21 March 2022.

**ACCEPTANCE OF AGENDA****5.1 ACCEPTANCE OF AGENDA**

The Committee considered acceptance of the agenda.

**ACM1/2022 RESOLVED:**  
On the motion of Chairperson Carolyn Eagle  
Seconded Deputy Mayor Elizabeth Williams

The agenda for the Risk Management and Audit Committee meeting of 21 March 2022 as circulated was accepted.

**CARRIED**

**DECLARATION OF INTEREST OF MEMBERS OR STAFF****6.1 DISCLOSURE OF INTEREST OF MEMBERS OR STAFF**

The Committee considered the disclosure of interest of members or staff.

The Committee received no declarations of interest for the meeting held on 21 March 2022.

**CONFIRMATION OF PREVIOUS MINUTES****7.1 CONFIRMATION OF PREVIOUS RISK MANAGEMENT AND AUDIT COMMITTEE MINUTES - 27 OCTOBER 2021**

The Committee considered the confirmation of previous Risk Management and Audit Committee minutes for the meeting held on 27 October 2021.

**ACM2/2022 RESOLVED:**  
On the motion of Mayor Matthew Ryan  
Seconded Deputy Mayor Elizabeth Williams

The minutes of the 27 October 2021 Risk Management and Audit Committee meeting were adopted as a true and correct record of the meeting.

**CARRIED**

## GENERAL ITEMS

## 8.1 UPDATE ON GENERAL ACTION ITEMS

The Committee considered an update on the general action items list.

**ACM3/2022 RESOLVED:**

On the motion of Deputy Mayor Elizabeth Williams  
Seconded Chairperson Carolyn Eagle

The Committee reviewed the list, and approved to remove the following completed items from the list:

1. Strategic Internal Audit Plan (ACM12/2021).
2. Recruitment of Independent Member (ACM35/2021).

CARRIED

**Minute note:** Councillor Jacqueline Phillips joined the meeting at 9:21 am.

## 8.2 UPDATE REPORT: RECRUITMENT OF AN INDEPENDENT MEMBER FOR THE RISK MANAGEMENT AND AUDIT COMMITTEE

The Committee considered an update report on the recruitment of an independent member for the Risk Management and Audit Committee.

**ACM4/2022 RESOLVED:**

On the motion of Councillor Jacqueline Phillips  
Seconded Deputy Mayor Elizabeth Williams

**The Committee:**

- Noted and discussed the report;
- Noted that the position of Independent Member will be re-advertised and include the selection criteria that applicants should reside in the NT; and
- Approved the revision of the Committee's Terms of Reference to include the provision that at least one of the Committee's Independent Members should reside in the NT at the time of their appointment and membership on the Committee.

CARRIED

## 8.3 WORK HEALTH AND SAFETY (WHS) MANAGEMENT SYSTEM UPDATE

The Committee considered a report on the WHS management system update

The Committee noted the report.

**Minute note:** Councillor Gabby Gumurdul joined the meeting at 9:40 am.

**AUDIT REPORTS****9.1 STRATEGIC INTERNAL AUDIT PLAN UPDATES AND TOPICS 2021 - 2023**

The Committee considered a report on the Strategic Internal Audit Plan updates and topics 2021 - 2023.

**ACM5/2022 RESOLVED:**

On the motion of Chairperson Carolyn Eagle  
Seconded Deputy Mayor Elizabeth Williams

**The Committee:**

- Noted the updates;
- Approved the new auditable areas and the internal audit project for 2021-2022; and
- Noted the revised audit review timeline for the next three years, 2021-2024.

**CARRIED****PROCEDURAL MOTIONS****10.1 CLOSURE TO THE PUBLIC FOR THE DISCUSSION OF CONFIDENTIAL ITEMS**

The Committee considered the closure of the meeting to the public for the discussion of confidential items.

**ACM6/2022 RESOLVED:**

On the motion of Mayor Matthew Ryan  
Seconded Deputy Mayor Elizabeth Williams

The Committee approved the closure of the meeting to the public as confidential items were about to be discussed. The meeting was closed in accordance with clause 51(c) of the *Local Government (General) Regulations 2021* as the matters to be discussed include information that, if publicly disclosed, would be likely to 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.

**CARRIED****EXCLUSION OF THE PUBLIC**

The information is classed as confidential under Section 99(2) of the *Local Government Act 2019* and clause 52 of the *Local Government (Administration) Regulations 2021*.

**Minute note:** The confidential section of meeting began at 10:05 am. The meeting was re-opened to the public at 10:25 am.

## RE-ADMITTANCE OF THE PUBLIC: DISCLOSURE OF CONFIDENTIAL ITEMS

**12.4 DISCLOSURE OF CONFIDENTIAL RESOLUTIONS AND RE-ADMITTANCE OF THE PUBLIC**

The Committee considered the disclosure of confidential resolutions and re-admittance of the public.

**ACM9/2022 RESOLVED:**

On the motion of Deputy Mayor Elizabeth Williams  
Seconded Councillor Jacqueline Phillips

The Committee opened the meeting to the public after the discussion of confidential items, and approved to disclose selected resolutions from the confidential section of this meeting in the non-confidential meeting minutes.

CARRIED

**12.1 CONFIRMATION OF PREVIOUS MINUTES - CONFIDENTIAL RISK MANAGEMENT AND AUDIT COMMITTEE MEETING HELD ON 27 OCTOBER 2021**

The Committee considered the confirmation of previous minutes for the confidential Risk Management and Audit Committee meeting held on 27 October 2021.

**ACM7/2022 RESOLVED:**

On the motion of Mayor Matthew Ryan  
Seconded Chairperson Carolyn Eagle

The confidential minutes of the 27 October 2021 Risk Management and Audit Committee meeting were confirmed as a true and correct record of the meeting.

CARRIED

**12.2 INTERNAL AUDIT - PAYROLL, INFRASTRUCTURE AND ASSET MANAGEMENT (PROCUREMENT) - TRACKING REGISTER UPDATE**

The Committee considered the internal audit - payroll, infrastructure and asset management (procurement) - tracking register update.

**ACM8/2022 RESOLVED:**

On the motion of Chairperson Carolyn Eagle  
Seconded Councillor Jacqueline Phillips

The Risk Management and Audit Committee:

- Noted the updates on two action items in the internal audit: Payroll, Infrastructure and Asset Management (Procurement) report; and
- Approved the removal of the following completed items from the tracking register:
  1. Employment Contract Information
  2. Employment Details Periodic Review
  3. Pre-Approval of Overtime and Higher Duties Allowance
  4. Road Inspections
  5. Procurement Procedures
  6. Procurement Plan
  7. Project Risk Management
  8. Conflict of Interest and Confidentiality
  9. Explore Options and Revise Scope
  10. Tender Assessment
  11. Contract Management Policy

**12.3 AUDITED FINANCIAL STATEMENTS 2020-21, MANAGEMENT RESPONSES TO NEXIA EDWARDS MARSHALL NT - AUDIT COMPLETION REPORT**

The Committee considered management responses to the Nexia Edwards Marshall NT - Audit Completion Report.

The Committee noted management's responses, and later updates to the areas of improvement identified by Nexia Edwards Marshall NT in the audit of West Arnhem Regional Council 2020-2021.

**Minute note:** It was noted that for the period 2022-2023, the administration will include the implementation status for the internal audit, and review the findings of the internal audit.

**NEXT MEETING**

The next meeting is scheduled to be held on Tuesday, 31 May 2022 at 10:00 am.

**MEETING DECLARED CLOSED**

Chairperson Carolyn Eagle declared the meeting closed at 10:30 am.

This page and the preceding five pages are the minutes of the Risk Management and Audit Committee meeting held on Monday, 21 March 2022.

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Date Confirmed

## WEST ARNHEM REGIONAL COUNCIL

### FOR THE MEETING 31 MAY 2022

<b>Agenda Reference:</b>	<b>8.1</b>
<b>Title:</b>	<b>Update on General Action Items</b>
<b>File Reference:</b>	<b>1009378</b>
<b>Author:</b>	<b>Doreen Alusa, Governance and Risk Advisor</b>

#### SUMMARY

This report is submitted for the Committee to consider the progress on outstanding resolutions from Risk Management and Audit Committee meetings.

#### BACKGROUND

This report is a standard report submitted to the Committee to note the actions taken with respect to Risk Management and Audit Committee resolutions. The items included on the action items list emanate from resolutions that were passed during previous Risk Management and Audit Committee meetings.

#### STATUTORY ENVIRONMENT

Not applicable.

#### POLICY IMPLICATIONS

As per the Risk Management and Audit Committee's Charter, the Committee is responsible for monitoring and evaluating management's responsiveness to matters raised during the course of its meetings.

#### STRATEGIC IMPLICATIONS

In fulfilling its responsibilities, the Committee is mindful of Council's Objectives detailed in the *Regional Plan and Budget 2021-2022* as follows:

#### GOAL 2 LOCAL GOVERNMENT ADMINISTRATION

*Systems and processes that support the effective and efficient use of financial and human resources.*

#### Objective 2.6

The minimisation of risks associated with the operations of Council.

#### VOTING REQUIREMENTS

Simple majority.

#### RECOMMENDATION:

**That the Committee reviews the list, and approves to remove completed item from the list.**

#### ATTACHMENTS

- 1 Risk and Audit Committee Action Items List - Ongoing.pdf

**Risk Management and Audit Committee Action Items List - Ongoing**

Date Of Meeting	Resolution Number	Action Required	Status	Comment	Action Officer/Team
26 May 2021	ACM12/2021	<p><b>STRATEGIC INTERNAL AUDIT PLAN</b></p> <p>The Committee:</p> <ol style="list-style-type: none"> <li>Noted the updates made, and after discussion with management about alternative review procedures being available, endorsed the removal of the following auditable areas from the plan: <ul style="list-style-type: none"> <li>Planning and reporting (item 2.4);</li> <li>Strong governance and leadership (item 1.4); and</li> <li>Storage and retrieval of records (item 2.3).</li> </ul> </li> <li>Requested that an updated Plan for 2021-22 and 2022-23 be prepared for the Committee's next meeting on 27 July 2021 to include priority areas of significant existing controls.</li> </ol>	In Progress	<p><b>20 July 2021</b> A report on this item, including the updated Strategic Internal Audit Plan 2021-2023 has been prepared for this meeting. The 2022-2023 Plan will be prepared for a subsequent meeting after the election of new Council members.</p>	Chief Corporate Officer
	ACM24/2021	<p>The Committee:</p> <ol style="list-style-type: none"> <li>Noted the updates to the Strategic Internal Audit Plan and the revised Audit Review timelines for 2021/22; and</li> <li>Requested that the subsequent 2-year audit plan topics be provided at the Committee's first meeting in 2022.</li> </ol>		<p><b>19 October 2021</b> Management is on track to update the Strategic Internal Audit Plan as per the Committee's request, and will provide a report at the first Risk Management and Audit Committee meeting in 2022.</p> <p><b>10 March 2022</b> Two-year audit plan topics included in March meeting report. The strategic internal audit plan 2022-23 is to be updated once the regional plan pillars, Goals, Strategies and Measures document becomes final at April 2022 OCM, and subsequent May 2022 Local Authority meetings.</p>	

### Risk Management and Audit Committee Action Items List - Ongoing

Date Of Meeting	Resolution Number	Action Required	Status	Comment	Action Officer/Team
				<p><b>24 May 2022</b> The strategic internal audit plan 2022-2023 is to be updated after Council approves the Regional Plan and Budget, 2022-2023 on 8 June 2022. The audit plan will be presented at the Committee meeting in July 2022.</p>	
27 October 2021	ACM34/2021	<p><b>CHARTER AND TERMS OF REFERENCE REVIEW</b></p> <p>The Committee:</p> <ol style="list-style-type: none"> <li>1. Reviewed and adopted the updated Risk Management and Audit Committee Charter (Version 27.10.2021) and the Risk Management and Audit Committee Terms of Reference (Version 27.10.2021), and</li> <li>2. Noted that the documents can be presented to Council for approval after some minor amendments have been made.</li> </ol>	Completed	<p><b>11 March 2022</b> The administration has submitted drafts of the documents to the Chair of the Risk Management and Audit Committee and is waiting from feedback.</p> <p><b>24 May 2022</b> The administration has received feedback from the Chair on the contents of the Charter and Terms of Reference. The documents have been amended and will be presented at the 8 June 2022 Council meeting for approval.</p>	Governance and Risk Advisor
27 October 2021	ACM35/2021	<p><b>RECRUITMENT OF INDEPENDENT MEMBER</b></p> <p>The Committee:</p> <ol style="list-style-type: none"> <li>1. Noted the report;</li> <li>2. Appointed the following to the selection panel for the recruitment of an Independent Member for the Risk Management and Audit Committee: <ul style="list-style-type: none"> <li>i. Chairperson Carolyn Eagle</li> </ul> </li> </ol>	In Progress	<p><b>11 March 2022</b> An update report on the recruitment of an independent member is included in the agenda for the March 2022 meeting.</p>	Governance and Risk Advisor

**Risk Management and Audit Committee Action Items List - Ongoing**

Date Of Meeting	Resolution Number	Action Required	Status	Comment	Action Officer/Team
	ACM4/2022	ii. Mayor Matthew Ryan iii. Deputy Mayor Elizabeth Williams iv. Councillor Jacqueline Phillips v. Mr David Glover  The Committee: <ul style="list-style-type: none"> <li>• Noted and discussed the report;</li> <li>• Noted that the position of Independent Member will be re-advertised and include the selection criteria that applicants should reside in the NT; and</li> <li>• Approved the revision of the Committee's Terms of Reference to include the provision that at least one of the Committee's Independent Members should reside in the NT at the time of their appointment and membership on the Committee.</li> </ul>		24 May 2022 Once Council has approved the Terms of Reference (at the June 2022 meeting), the position will be re-advertised with the condition that the Independent Member should reside in the NT.	

## WEST ARNHEM REGIONAL COUNCIL

### FOR THE MEETING 31 MAY 2022

<b>Agenda Reference:</b>	<b>8.2</b>
<b>Title:</b>	<b>Progress Report: Review of the Strategic and Operational Risk Register</b>
<b>File Reference:</b>	<b>1009721</b>
<b>Author:</b>	<b>Doreen Alusa, Governance and Risk Advisor</b>

#### SUMMARY

This report has been prepared to advise the Committee of the progress made by management in achieving the risk treatment objectives set out in West Arnhem Regional Council's (WARC's) Strategic and Operational Risk Register.

#### BACKGROUND

The purpose of risk management is to proactively establish programs and processes that support the achievement of WARC's strategic goals and objectives while protecting the organisation's assets (which include its employees, property, income and reputation) from loss or harm, at the lowest possible cost. To be effective, WARC's risk management plan should be reviewed to enable management to identify, analyze, evaluate and treat risks that may have an impact on Council's operations.

#### COMMENT

In November 2021, the administration embarked on the review of WARC's organisational goals through a consultation process with Elected Members, Local Authorities, senior management and the executive. This led to the identification of six themes which community member wanted to incorporate into Council's strategic goals. The administration has now completed the process of reviewing and updating the goals, and revamped them into six pillars which underpin Council's strategic direction for 2022 -2023. The pillars are:

Pillar 1: Partnerships, Relationships and Belonging

Pillar 2: Increased Local Indigenous Employment

Pillar 3: Safety and Wellbeing

Pillar 4: Service Delivery and Built Environment

Pillar 5: Sustainability and Climate Action

Pillar 6: Foundations of Governance

These pillars outline the expected outcomes of WARC's performance objectives and service delivery plans, and the Strategic and Operational Risk Register is being updated to reflect this strategic change. A draft of the updated Risk Register will be presented to the Committee for review and feedback during the July 2022 meeting.

#### STATUTORY ENVIRONMENT

The activities of the Committee are conducted in accordance with the specific *Local Government (General) Regulations 2021* and WARC's adopted Risk Management documents.

## POLICY IMPLICATIONS

This review is being undertaken in accordance with the Committee's Terms of Reference, the Risk Management Policy and Framework, and the review requirements of the Strategic and Operational Risk Register.

## FINANCIAL IMPLICATIONS

There are no financial implications at this time.

## STRATEGIC IMPLICATIONS

The completion of this review will serve to achieve the following performance objective of the *Regional Plan and Budget 2021-2022*:

<b>GOAL 2 LOCAL GOVERNMENT ADMINISTRATION</b>	
<i>Systems and processes that support the effective and efficient use of financial and human resources.</i>	
<b>Objective 2.6</b>	The minimisation of risks associated with the operations of Council.

## VOTING REQUIREMENTS

Not applicable at this time.

**RECOMMENDATION:**  
**That the Committee notes the report.**

## WEST ARNHEM REGIONAL COUNCIL

### FOR THE MEETING 31 MAY 2022

<b>Agenda Reference:</b>	<b>9.1</b>
<b>Title:</b>	<b>Internal Audits - Updates on Topics 2021 - 2022</b>
<b>File Reference:</b>	<b>1009865</b>
<b>Author:</b>	<b>David Glover, Chief Corporate Officer</b>

#### SUMMARY

This report is to update the Committee with updates on the internal audit topics for 2021-2022.

#### BACKGROUND

At the 24 July 2019 Risk Management & Audit Committee meeting, the Committee members approved the Strategic Internal Audit Plan 2020 – 2022. The latest version of the Strategic Internal Audit Plan is 5.0 from July 2021. The document was developed by taking into account of risks identified within the Risk Register. The Risk Register maintains alignment of risks with the Regional Plan, currently 2021-2022. The Regional Plan has been under review during 2021-22, and the format / design has changed considerably. That document is currently under 21 days of public consultation and review following presentation to the May Ordinary Council. It will become final and placed before the Minister in June 2022.

#### COMMENT

The internal audits / evaluations are administered internally. Given the changes to the new, pillars based regional plan, and the fact this new plan was presented to the Council at the May 2022 OCM, and is now currently out for community consultation, the current plan (version 5.1, 2021) remains currently in effect. At the 21 March meeting of the RM&AC, the plan and topics for inclusion for 2021-22, as well as 2022-23, and 2023-24 were discussed.

Topics for 2021-2022 are as follows:

Strategic Objective No.	AUDITABLE AREAS	MITIGATION STRATEGY	2021-22	RESIDUAL RISK RATING 2021
2.1	Financial management	Review Rates Debtors as at 30 June <i>annually</i> to assess achievement of target 5% maximum, process improvements to monthly reports- <b>Audit Review</b>	Internal	<b>MEDIUM</b>
2.5.2	Modern information and communications technology to maximize service delivery	Engage in dialogue with CouncilBiz and consider alternative IT platform options available to Council – <b>Audit Review</b>	Internal	<b>HIGH</b>
6.2	Commercial Services	Internal Review of the implemented recommendations from the 2016/2017 internal audit to confirm ongoing compliance.	Internal	<b>MEDIUM</b>

Updates on the three auditable areas:

### 2.1 Financial Management:

The rates review shows current rates outstanding as at 30 April 2022, of \$291,645 out of a total rates run of \$4,354,424 (October 2021). The current arrears is 6.7%, with a target of 5.0%, or less by 30 June 2022.

Rates notices issued and payment of rates are monitored and aged on a daily basis within the finance team. There is a separate AR module within the Finance ERP system to records Rates customers only. A monthly reconciliation takes place.

The 30 April 2022 status of rates was as follows.

	Location	Arrears 2020-21	2021/22 Levy	Balance Payable
2.55%	ARNHEMLAND	\$1,448.00	5,996.77	7,444.77
3.80%	GUNBALANYA	\$0.00	11,086.00	11,086.00
85.73%	JABIRU	\$0.00	250,016.38	250,016.38
4.53%	MANINGRIDA	\$0.00	13,203.56	13,203.56
1.38%	MINJILANG	\$0.00	4,026.00	4,026.00
2.01%	WARRUWI	\$1,842.00	4,026.00	5,868.00
<b>100.00%</b>		<b>\$3,290.00</b>	<b>288,354.71</b>	<b>291,644.71</b>

From 1 July 2021, existing Jabiru commercial and residential leases through the Jabiru Town Development Authority (JTDA) ceased, and were replaced by Sub Leases undertaken through the new Jabiru Township entity, Gundjeihmi Aboriginal Corporation Jabiru Town (GACJT). This has no significant impact on rateable properties, however, there are now fewer rateable properties with ERA, since it ceased extracting from its mine, and concentrates now on rehabilitation. Additionally WARC has itself entered into Sub Leases for some staff housing within Jabiru, with additional houses becoming available to WARC, over time once make good works are completed. The impact on rates is not significant to date, however each new house transferred to WARC is no longer rateable. As ERA returns properties back to the administering entity for GACJT, they have requested refunds on the balance of rates paid. WARC has reimbursed approximately \$25k, to date, and reissuing notices to the new sub lease holder. Additionally, WARC finance staff obtain monthly updates from the administering arm of lease holders in Jabiru, JKL (Jabiru Kabolkmakmen Ltd) for any changes to sub

lease holders / ratepayers in Jabiru. Rates collections in other remote Communities are not impacted by the Jabiru situation.

#### 2.5.2 Modern information & Communications technology to maximize service delivery:

Over March, April there have been discussions with Councilbiz in relation to their pathways forward in the ICT area.

Councilbiz has new cloud based solutions via a five phase focus over 36 month, one phase at a time, which is

*Phase 1 – Installation of new data links and Meraki hardware. (Network Upgrade)*

*Phase 2 – Deployment of Office 365 (updated suites for email, word, excel) An E1 plan which will include Exchange Online, OneDrive and Teams (we use Starleaf at present)*

*Phase 3 – Migration of Telephone (TIPT) to Teams Calling and Teams Video Conferencing*

*Phase 4- After phases 1 to 3 are complete. Expansion of O365 E1 to E5 plans with the introduction of SharePoint Online-likely replacement to Majiq. Sharepoint on line must meet Local Government compliance*

*Phase 5 – ERP Cloud migration*

*Councilbiz currently reviewing multiple systems. Looking at proof of concept of MYOB Advanced (acumenica in the USA) and Xero. The concept of ERP replacement is to look for application programming interface (API) based systems (software enabling two applications to talk to each other) which allow Councils to integrate various third-party apps of their choice.*

Discussions with Councilbiz to date have included the fact that they will support user choice of ERP, and have requested Councils to advise their choice by June 2022. This is difficult to achieve, due to the work required in specifying requirements to various vendors. It has been a preference to look closely at what Councilbiz is going to support already. As above they are implementing MYOB Advanced at Roper Gulf. WARC staff have to date held two on line meetings with MYOB to discuss the various abilities of their ERP product. More will follow. Additionally WARC staff are visiting Katherine Town Council early June to discuss their software product, Xero, and will meet with Roper Gulf to discuss implementation to date with MYOB Advanced.

#### 6.2 Commercial Services:

This relates to the Internal Review of the implemented recommendations from the 2016/2017 internal audit to confirm ongoing compliance. The full review is not yet completed, but will be by mid July. It is noted that the 2017 internal audit made recommendations for the implementation of responsible officer reporting. This was introduced in 2019, and remains in place today. Additionally an exhaustive checklist of monthly Finance related tasks evolved which, amongst many other things, removed the ability for WARC contract staff to omit to advise Finance of contract income, as was the case in 2017. A comprehensive report will be prepared on the review which will be completed by mid July in time for the July 2022 meeting of the Risk Management and Audit Committee.

#### **STATUTORY ENVIRONMENT**

The Committee is an advisory body to Council. It functions within both the Risk Management and Audit Committee Charter and its Terms of Reference. As a function of this, it approves the Councils Strategic Internal Audit Plan.

## POLICY IMPLICATIONS

The activities of the Risk Management and Audit Committee are conducted in accordance with the specific Local Government General Regulations and WARC's adopted Risk Management documents.

## FINANCIAL IMPLICATIONS

Not applicable at this time.

## STRATEGIC IMPLICATIONS

The completion of this paper will serve to achieve the following Performance Objectives of the *Regional Plan and Budget 2021-2022*:

GOAL 2 LOCAL GOVERNMENT ADMINISTRATION	
<i>Systems and processes that support the effective and efficient use of financial and human resources.</i>	
Objective 2.1	An effective, efficient and accountable Regional Council.
Objective 2.6	The minimisation of risks associated with the operations of Council.

## VOTING REQUIREMENTS

Simple majority.

## RECOMMENDATION

**That the Risk Management and Audit Committee notes the updates to the internal audits for 2021-2023.**

## WEST ARNHEM REGIONAL COUNCIL

### FOR THE MEETING 31 MAY 2022

<b>Agenda Reference:</b>	<b>10.1</b>
<b>Title:</b>	<b>Closure to the Public for the Discussion of Confidential Items</b>
<b>File Reference:</b>	<b>1009397</b>
<b>Author:</b>	<b>Doreen Alusa, Governance and Risk Advisor</b>

#### SUMMARY

Pursuant to section 99(2) of the *Local Government Act 2019* and regulation 52 of the *Local Government (General) Regulations 2021*, the meeting is to be closed to the public to consider confidential matters.

#### STATUTORY ENVIRONMENT

Section 99(2) of the *Local Government Act 2019*  
Regulations 51 and 52 of the *Local Government (General) Regulations 2021*

#### VOTING REQUIREMENTS

Simple majority.

#### RECOMMENDATION:

That the Committee approves the closure of the meeting to the public as confidential items are about to be discussed. The meeting is closed in accordance with regulation 51(c) of the *Local Government (General) Regulations 2021* as the matters to be discussed include information that, if publicly disclosed, would be likely to 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.

**WEST ARNHEM REGIONAL COUNCIL**

**FOR THE RISK MANAGEMENT AND AUDIT COMMITTEE**

**31 MAY 2022**

**EXCLUSION OF THE PUBLIC**

**The information in this section of the agenda is classed as confidential under section 99(2) of the *Local Government Act 2019* and regulation 51 of the *Local Government (General) Regulations 2021*.**

**WEST ARNHEM REGIONAL COUNCIL**

**FOR THE RISK MANAGEMENT AND AUDIT COMMITTEE**

**31 MAY 2022**

**RE-ADMITTANCE OF THE PUBLIC**