



City of Belmont
STANDING COMMITTEE (AUDIT AND RISK)
MINUTES
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26 July 2021

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CONFIDENTIAL TABLED ATTACHMENTS INDEX

Confidential Tabled Attachment 1 – Item 10.2 refers

MINUTES OF THE STANDING COMMITTEE (AUDIT AND RISK) MEETING HELD IN THE RIVERVALE ROOM, CITY OF BELMONT CIVIC CENTRE, 215 WRIGHT STREET, CLOVERDALE ON MONDAY, 26 JULY 2021 COMMENCING AT 6.30PM.

MINUTES

COMMITTEE MEMBERSHIP

Cr J Davis (Presiding Member)	South Ward
Cr P Marks, Mayor (Ex Officio)	East Ward
Cr G Sekulla, JP (arr 6.45pm)	West Ward
Mr R Back	Independent Member

IN ATTENDANCE

Mr J Christie	Chief Executive Officer
Ms M Bell	Director Corporate and Governance
Mr J Olynyk, JP	Manager Governance
Ms V Loncar	Manager Business Planning and Improvement
Mr B Godfrey	Internal Auditor
Mr G Dally	Coordinator Business Continuity and Risk
Mrs J Cherry-Murphy	Senior Governance Officer

1. OFFICIAL OPENING

6.30pm The Presiding Member welcomed all those in attendance and declared the meeting open.

The Presiding Member read aloud the Acknowledgement of Country.

Before I begin I would like to acknowledge the Noongar Whadjuk people as the Traditional Owners of this land and pay my respects to Elders past, present and emerging. I further acknowledge their cultural heritage, beliefs, connection and relationship with this land which continues today.

2. APOLOGIES AND LEAVE OF ABSENCE

Cr M Bass (Absent)	East Ward
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3. DECLARATIONS OF INTEREST THAT MIGHT CAUSE A CONFLICT

3.1 FINANCIAL INTERESTS

Nil.

3.2 DISCLOSURE OF INTEREST THAT MAY AFFECT IMPARTIALITY

Nil

4. ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)

4.1 ANNOUNCEMENTS

Nil.

4.2 DECLARATIONS BY MEMBERS WHO HAVE NOT GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPERS PRESENTLY BEFORE THE MEETING

Nil.

5. CONFIRMATION OF MINUTES

**5.1 STANDING COMMITTEE (AUDIT AND RISK) MEETING HELD 22 FEBRUARY 2021
(Circulated under separate cover)**

OFFICER RECOMMENDATION

MARKS MOVED, BACK SECONDED

That the Minutes of the Standing Committee (Audit and Risk) Meeting held 22 February 2021 be confirmed as a true and accurate record.

CARRIED 3 VOTES TO 0

6. QUESTIONS BY MEMBERS ON WHICH DUE NOTICE HAS BEEN GIVEN (WITHOUT DISCUSSION)

Nil.

7. NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE PERSON PRESIDING OR BY DISCUSSION

Nil.

8. QUESTION BY MEMBERS WITHOUT NOTICE

Nil.

9. BUSINESS ADJOURNED FROM A PREVIOUS MEETING

Nil.

10. INFORMATION ITEMS

10.1 AUDIT LOG – OFFICE OF THE AUDITOR GENERAL (OAG) AUDITS

ATTACHMENT DETAILS

Attachment No	Details
Confidential Attachment 1 – Item 10.1 refers	<u>City of Belmont Audit Log (Confidential Matter in accordance with the Local Government Act 1995 Section 5.23(2)(f)(ii))</u>

An Audit Log (refer [Confidential Attachment 1](#)) has been developed to capture and report on progress of all recommended actions from previous audit reports as requested by the Standing Committee (Audit and Risk).

The Audit Log will be included for information on all Standing Committee (Audit and Risk) Agendas. Questions from Committee Members are welcome.

10.2 BUSINESS CONTINUITY AND RISK

Attachment No	Details
Confidential Tabled Attachment 1 – Item 10.2 refers	<u>Insurance Portfolio 2021-2022 Business Continuity and Risk Presentation (Confidential Matter in Accordance with Local Government Act 1995 Section 5.23(2)(c)(e)(ii))</u>

The Coordinator Business Continuity and Risk provided the Committee with a presentation on the City's Insurance Portfolio 2021-2022 and Risk and Business Continuity functions.

The Insurance Portfolio 2021-2022 Business Continuity and Risk presentation included the following:

- Summary of Insurance Renewal costs 2021-2022
- Comparison of Insurance Renewal costs 2020-2021 to 2021-2022
- Motor Vehicle Insurance 2017-2018 to 2021-2022
- Property Insurance 2017-2018 to 2021-2022
- Public Liability Insurance 2017-2018 to 2021-2022
- Workers Compensation Insurance 2017-2018 to 2021-2022
- Risk, Business Continuity and Emergency Management
- Strategic Risk Management
- Risk Management 2021-2022
- Strategic Risk
- Emerging and Developing Risk
- COB Risk Management and OAG Lines of Defense Model

(Refer [Confidential Tabled Attachment 1](#))

6.45pm Cr Sekulla entered the meeting.

11. ITEMS REQUIRING RECOMMENDATION TO COUNCIL

11.1 WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT – LOCAL GOVERNMENT GENERAL COMPUTER CONTROLS – REPORT 23: 2020-21 (CONFIDENTIAL MATTER IN ACCORDANCE WITH LOCAL GOVERNMENT ACT 1995 SECTION 5.23(2)(F)(II))

ATTACHMENT DETAILS

Attachment No	Details
Confidential Attachment 2 – Item 11.1 Refers	Report Item - Western Australian Auditor General's Report – Local Government General Computer Controls – Report 23: 2020-21 (Confidential Matter in Accordance with Local Government Act 1995 Section 5.23(2)(F)(ii))

OFFICER RECOMMENDATION

SEKULLA MOVED, MARKS SECONDED

That the Standing Committee (Audit and Risk) receive the report and recommend that Council:

1. Receive the Western Australian Auditor General's Local Government General Computer Controls Report 23:2020-21 ([Confidential Attachment 3](#)).
2. Endorse the City of Belmont Action Plan ([Confidential Attachment 6](#)) addressing the recommendations.
3. Request that the Chief Executive Officer provides an information report to the next Standing Committee (Audit and Risk) Meeting outlining progress of actions outlined in the Action Plan.

CARRIED 4 VOTES TO 0

11.2 TERMS OF REFERENCE FOR THE STANDING COMMITTEE (AUDIT AND RISK)

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Attachment 1 – Item 11.2 refers	Terms of Reference – Standing Committee (Audit and Risk) - Amended
Attachment 2 – Item 11.2 refers	Terms of Reference – Standing Committee (Audit and Risk) – Clean Copy

Voting Requirement	:	Simple Majority
Subject Index	:	154/007 – Standing Committee
Location/Property Index	:	N/A
Application Index	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	Item 11.4 – OCM 25 February 2019
Applicant	:	N/A
Owner	:	N/A
Responsible Division	:	Corporate and Governance

COUNCIL ROLE

- Advocacy** *When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
- Executive** *The substantial direction setting and oversight role of the Council eg adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
- Legislative** *Includes adopting local laws, local planning schemes and policies.*
- Review** *When Council reviews decisions made by Officers.*
- Quasi-Judicial** *When Council determines an application/matter that directly affect a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of quasi-judicial authority include local planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*

PURPOSE OF REPORT

To present amended Terms of Reference to the Standing Committee (Audit and Risk) (refer [Attachment 2](#)) for recommendation to Council for endorsement.

SUMMARY AND KEY ISSUES

To revise and update the Terms of Reference for the Standing Committee (Audit and Risk).

LOCATION

Not applicable.

Item 11.2 Continued

CONSULTATION

There has been no specific consultation undertaken in respect to this matter.

STRATEGIC COMMUNITY PLAN IMPLICATIONS

In accordance with the 2020 – 2040 Strategic Community Plan:

Goal 5: Responsible Belmont.

Strategy: 5.6 Deliver effective, fair and transparent leadership and decision-making, reflective of community needs and aspirations.

POLICY IMPLICATIONS

There are no policy implications associated with this report.

STATUTORY ENVIRONMENT

Part 7 of the *Local Government Act 1995* details the audit of the financial accounts of the local government. Section 7.1A states:

7.1A. Audit committee

- (1) *A local government is to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.*
- (2) *The members of the audit committee of a local government are to be appointed* by the local government and at least 3 of the members, and the majority of the members, are to be council members.*
** Absolute majority required.*
- (3) *A CEO is not to be a member of an audit committee and may not nominate a person to be a member of an audit committee or have a person to represent the CEO as a member of an audit committee.*
- (4) *An employee is not to be a member of an audit committee.*

The *Local Government (Audit) Regulations 1996* detail the role and requirements of local government audit committees, in particular, Regulation 16 outlines the functions of the audit committee:

16. Audit committee, functions of

An audit committee —

- (a) *is to provide guidance and assistance to the local government —*
 - (i) *as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
 - (ii) *as to the development of a process to be used to select and appoint a person to be an auditor; and*

Item 11.2 Continued

- (b) *may provide guidance and assistance to the local government as to —*
- (i) *matters to be audited; and*
 - (ii) *the scope of audits; and*
 - (iii) *its functions under Part 6 of the Act; and*
 - (iv) *the carrying out of its functions relating to other audits and other matters related to financial management; and*
- (c) *is to review a report given to it by the CEO under regulation 17(3) (the **CEO's report**) and is to —*
- (i) *report to the council the results of that review; and*
 - (ii) *give a copy of the CEO's report to the council.*

[Regulation 16 inserted in Gazette 31 Mar 2005 p. 1043; amended in Gazette 8 Feb 2013 p. 867.]

BACKGROUND

The Terms of Reference provide guidance on the purpose and objectives of the Standing Committee (Audit and Risk) and the duties and responsibilities of Committee members.

The proposed changes are being presented to the Standing Committee (Audit and Risk) for comment, prior to referral of the updated Terms of Reference to Council for endorsement.

OFFICER COMMENT

The revised Standing Committee (Audit and Risk) Terms of Reference are included in [Attachment 1](#) (showing the track changes) and [Attachment 2](#) (clean revised copy).

Terms of Reference for all City of Belmont Standing Committees are currently being reviewed and updated.

A review of the Standing Committee (Audit and Risk) Terms of Reference is appropriate to ensure there is consistency with the Terms of Reference of all City of Belmont Standing Committees.

The content has been amended to reflect the addition of officers who will attend Committee meetings.

Committee Notes

The following amendments were proposed to the Terms of Reference:

- The Terms of Reference should refer to the City of Belmont rather than the Local Government.
- The industry comparison reporting function that the City undertakes should be specified in the Terms of Reference as it is exceptionally useful to the Audit Committee.
- Paragraph 1 c ii under Duties and Responsibilities should be deleted as it is not required.

Item 11.2 Continued

FINANCIAL IMPLICATIONS

There are no financial implications evident at this time.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

SOCIAL IMPLICATIONS

There are no social implications associated with this report.

OFFICER RECOMMENDATION

That the Standing Committee (Audit and Risk) recommend that Council endorse the revised Terms of Reference for the Standing Committee (Audit and Risk) (refer [Attachment 2](#)).

ALTERNATIVE COMMITTEE RECOMMENDATION

SEKULLA MOVED, MARKS SECONDED

That the Standing Committee (Audit and Risk) recommend that Council endorse the revised Terms of Reference for the Standing Committee (Audit and Risk) (refer [Attachment 2](#)) including:

- i) an amendment to reflect the City of Belmont rather than the Local Government.
- ii) include the industry comparison reporting function currently undertaken, i.e. PSC, CCC and other enquiries.
- iii) delete 1 c ii under Duties and Responsibilities.

CARRIED 4 VOTES TO 0

12. NEXT MEETING

The next meeting of the Standing Committee (Audit and Risk) will be held on Monday 25 October 2021 commencing at 6.30pm.

13. CLOSURE

There being no further business the Presiding Member thanked everyone for their attendance and closed the meeting at 7.26pm.

MINUTES CONFIRMATION CERTIFICATION

The undersigned certifies that these Minutes of the Standing Committee (Audit and Risk) Meeting held on 26 July 2021 were confirmed as a true and accurate record at the Standing Committee (Audit and Risk) Meeting held 18 October 2021:

Signed by the Person Presiding: _____

PRINT name of the Person Presiding: **JENNY DAVIS**

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