



# MINUTES

**AUDIT AND RISK COMMITTEE MEETING**

**FRIDAY 9 SEPTEMBER 2022**

**TIME: 4.30PM**

**ELECTRONIC BY ZOOM**

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*Constituent Members: Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo  
Towns of Cambridge and Victoria Park*



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**1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The Chair declared the meeting open at 4.31 pm

**2 ATTENDANCE / APOLOGIES**

**AUDIT COMMITTEE MEMBERS**

Cr Karen Vernon (Chair)	Town of Victoria Park
Cr Frank Cvitan (Deputy Chair)	City of Wanneroo
Cr Elizabeth Re ( <i>connected to meeting at 4.33 pm</i> )	City of Stirling
Mr Ash Kumar	External Member

**APOLOGIES**

Cr Paul Miles	City of Wanneroo
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**MRC MEMBER COUNCIL OBSERVERS**

Nil

**MRC OFFICERS**

Mr Scott Cairns	Chief Executive Officer
Ms Deborah Toward	PA Executive Support

**VISITORS**

Nil

**3 TERMS OF REFERENCE**

At an Ordinary Council Meeting held on 7 July 2005 the Audit Committee was established by Council under s7.1A of the Local Government Act 1995 and at an Ordinary Council Meeting held on 27 October 2005 Council adopted the Terms of Reference for the operation of the Audit Committee. These terms of reference were subsequently revised by Council at an Ordinary Council Meeting held on 26 May 2022 and has been renamed to the Audit and Risk Committee.

The primary objective of the Audit and Risk Committee is to accept responsibility for the annual external audit and liaise with the Council's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

The Committee is to facilitate:

- The enhancement of the credibility and objectivity of external financial reporting;
- Effective management of financial and other risks and the protection of Council assets;
- Compliance with laws and regulations as well as use of best practice guidelines relative to auditing;
- The provision of an effective means of communication between the external auditor, the CEO and the Council.

**4 DECLARATION OF INTERESTS**

Nil

**5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

Nil

**6 REPORTS**

Nil

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7 MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

This report is confidential and dealt with in a confidential session, under Section 5.23 (2) (f)(ii) of The *Local Government Act 1995* as the report deals with matters concerning risks to the MRC.

**7.1 FULL RISK REGISTER**

<b>File No:</b>	<b>GF-20-0000408</b>
<b>Attachment (s)</b>	<b>Attachment 1 - Full Risk Review Attachment 1a - Risk Assessment and Acceptance Criteria V3</b>
<b>Date:</b>	<b>5 May 2022</b>
<b>Responsible Officer:</b>	<b>Chief Executive Officer</b>

**SUMMARY**

At the Audit and Risk Committee meeting held on 7 September 2022, the committee moved the officer recommendation and accepted an alternate motion, to regularise the proceedings the Committee met on 9 September 2022 and moved an amendment.

At the meeting held on 7 September 2022 the committee resolved:

*RESPONSIBLE OFFICER RECOMMENDATION*

*That the Audit and Risk Committee note the full risk register as presented.*

*Moved Cr Cvitan, Seconded Cr Re*

*ALTERNATE MOTION*

*Moved Cr Vernon, Seconded Cr Re*

*The Audit and Risk Committee recommends to Council that:*

- 1) Endorses the full risk register, version 30 June 2022, as presented.*
- 2) Requests the Chief Executive Officer to conduct a review of the full risk register within 12 months and present the findings to the Audit and Risk Committee*

*Reason for Alternate motion:*

*To ensure that Council has oversight of the full risk register and that the process for annual review is endorsed by council*

*(CARRIED UNANIMOUSLY 5/0)*

**At the meeting on 9 September 2022.**

**RESPONSIBLE OFFICER RECOMMENDATION**

**That the Audit and Risk Committee note the full risk register as presented.**

**Moved Cr Cvitan, Seconded Cr Re**

**AMENDMENT**

**Moved Cr Vernon, Seconded Cr Re**

**The Audit and Risk Committee recommends to Council that:**

- 1) Endorses the full risk register, version 30 June 2022, as presented.**
- 2) Requests the Chief Executive Officer to conduct a review of the full risk register within 12 months and present the findings to the Audit and Risk Committee**

**Reason for Amendment**

To ensure that Council has oversight of the full risk register and that the process for annual review is endorsed by council

(CARRIED UNANIMOUSLY 4/0)

**SUBSTANTIVE RECOMMENDATION AS AMENDED**

(CARRIED UNANIMOUSLY 4/0)

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<b>This report is confidential and dealt with in a confidential session, under Section 5.23 (2) (f)(ii) of The <i>Local Government Act 1995</i> as the report deals with matters concerning risks to the MRC.</b>	
<b>7.2 DRAFT RISK APPETITE STATEMENT AND RISK MANAGEMENT PLAN</b>	
<b>File No:</b>	<b>GF-21-0000518</b>
<b>Attachment (s)</b>	<b>Attachment 2 – Draft Risk Appetite Statement and Risk Management Plan</b>
<b>Date:</b>	<b>5 May 2022</b>
<b>Responsible Officer:</b>	<b>Chief Executive Officer</b>

### **SUMMARY**

At the Audit and Risk Committee meeting held on 7 September 2022, the committee moved the officer recommendation followed by moving an amendment, the substantive motion had not been voted upon, to regularise the proceedings the Committee met on 9 September 2022 and voted on the substantive motion.

At the meeting held on 7 September 2022 the committee resolved:

#### *RESPONSIBLE OFFICER RECOMMENDATION*

*That the Audit and Risk Committee recommend that Council adopt the revised risk appetite statement and risk management plan.*

*Moved Cr Cvitan, Seconded Cr Miles*

#### *PROPOSED AMENDMENT*

*Moved Mr Kumar, seconded Cr Miles*

*That the recommendation be amended to read as follows:*

*That the Audit and Risk Committee recommend that Council:*

- 1) Adopt the revised risk appetite statement and risk management plan.*
- 2) Directs the CEO to review the risk appetite statement and risk management plan annually.*

*Reason for amendment*

*For the purposes of good governance and oversight*

*(CARRIED UNANIMOUSLY 5/0)*

**At the meeting held on 9 September 2022.**

#### **SUBSTANTIVE RECOMMENDATION AS AMENDED**

**(CARRIED UNANIMOUSLY 4/0)**

**8 NEW BUSINESS**

Nil

**9 NEXT MEETING**

The next meeting date is to be confirmed

**10 CLOSURE**

The Chair closed the meeting at 4.37 pm

These minutes were confirmed by the Audit and Risk Committee as a true and accurate record of the Audit and Risk Committee meeting held on 09 September 2022

Signed ..... Chair

Dated..... day of .....2022

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