



**AGENDA**

**AUDIT AND RISK MANAGEMENT  
COMMITTEE MEETING**

**TUESDAY, 16 MAY 2017**

Notice is given that the next Audit and Risk Management Committee Meeting of Tiwi Islands Regional Council will be held on:

- Tuesday, 16 May 2017 at
- Wurrumiyanga Office
- Commencing at 10:00AM

Your attendance at the meeting will be appreciated.

**Marion Scrymgour**  
Chief Executive Officer

## **AGENDA**

### **1 WELCOME & APOLOGIES**

- 1.1 WELCOME
- 1.2 PRESENT
- 1.3 APOLOGIES
- 1.4 LEAVE OF ABSENCE
- 1.5 DECLARATION OF INTEREST OF MEMBERS OR STAFF

### **2 CONFIRMATION OF PREVIOUS MINUTES**

*Audit and Risk Management Committee Informal Meeting - 21 February 2017*

### **3 GENERAL BUSINESS**

- 3.1 BUSINESS ARISING FROM PREVIOUS MINUTES ..... 3
- 3.2 AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2016 ..... 6
- 3.3 REVIEW OF TERMS OF REFERENCE..... 7
- 3.4 POPULATION OF THE WORK PROGRAM ..... 8
- 3.5 MERIT QUOTE 2017/18 AUDIT AND TERMS..... 9
- 3.6 TIRC 2017/18 REGIONAL PLAN AND BUDGET ..... 10
- 3.7 ROLES & RESPONSIBILITIES AND JARGON LANGUAGE ..... 11

### **4 REPORTS FOR INFORMATION**

*Nil*

### **5 NEXT MEETING**

TBA

## **GENERAL BUSINESS**

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<b>ITEM NUMBER</b>	3.1
<b>TITLE</b>	Business Arising from Previous Minutes
<b>REFERENCE</b>	203834
<b>AUTHOR</b>	Maina Brown, Governance & Compliance Manager



### **BACKGROUND**

This is the section of the meeting where any business arising from previous meetings is dealt with.

Attached are the draft minutes from the Audit & Risk Management Committee Informal Meeting 21 February 2017 for Committee members to read and provide any comments.

### **ISSUES/OPTIONS/CONSEQUENCES**

Nil

### **CONSULTATION & TIMING**

Nil

### **RECOMMENDATION:**

**That the Committee accepts these discussions and report.**

### **ATTACHMENTS:**

- 1 Audit and Risk Committee Informatl Meeting Minutes held on 21 February 2017.pdf



**MINUTES OF THE AUDIT COMMITTEE INFORMAL MEETING HELD IN  
THE WINNELLIE BOARDROOM ON TUESDAY, 21 FEBRUARY 2017 AT 11:00AM**

Note: The meeting could not convene as a quorum was not present due to the absence of the 2<sup>nd</sup> Independent Member. An informal meeting was held.

**1 Welcome & Apologies**

**1.1 Welcome and Introduction**

The meeting opened at 11:25 am.

The CEO welcomed the three Councillor members, chairperson and staff.

The Chairperson Ian Swan then took over chairing the meeting.

**1.2 Present**

Chairperson: Ian Swan

Councillors: Mayor Lynette De Santis, Deputy Mayor Pirrawayingi and John Naden,

Officers: Marion Scrymgour (CEO), Bruce Mann (GM Finance & Compliance) and Maina Brown (Governance & Compliance Manager).

Minutes: Maina Brown (Governance & Compliance Manager).

**1.3 Apologies**

Nil

**1.4 Leave of Absence**

Nil

**1.5 Declaration of Interest of Members or Staff**

Nil

**2 GENERAL BUSINESS**

**2.1 APPOINTMENT OF EXTERNAL AUDITORS**

The Chairman to review tenders and provide feedback to the Council.

**2.2 TERMS OF REFERENCE**

The meeting reviewed the Terms of Reference and recommended a number of amendments for submission to the next Council meeting to be held on 28 February 2017 for Council approval.

- a) Provisions for the termination of appointments to the Committee be specified in the Terms of Reference;

- b) Although it is desirable for both independent members to be present at meetings it was determined that the Committee could operate effectively provided at least one independent member was present. Recommended that the quorum be 3 including at least 1 independent member; and
- c) Removal of provisions that Meetings and Minutes are always confidential as these are not in compliance with the relevant Legislation.

## **2.2 SECOND INDEPENDENT MEMBER**

Due to unsuccessful attempts made by the GM Finance & Compliance to contact the appointed 2<sup>nd</sup> Independent Member, the Committee recommends to Council that it terminate the appointment of the current 2<sup>nd</sup> Independent Member and agrees the process to identify a suitable replacement for approval by the Council at a future Council meeting.

The Audit and Risk Management members also recommended to seek someone with an Organisational Risk background.

## **2.3 FOLDERS FOR AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS**

It was agreed that the Governance & Compliance Manager would create a folder for each Audit and Risk Management Member to initially include the following documents:

- Audit and Risk Management Terms of Reference
- Audit Committees General Instructions Guideline 3
- Local Government Act
- Self assessment

## **2.4 FINANCE MONTHLY FEEDBACK FROM DHCD**

The Independent Chairperson requests to be included on the Department of Housing and Community Development mailing list.

## **2.5 AUDIT AND RISK MANAGEMENT WORK PLAN**

It was suggested by the Independent Chairperson to include the Audit and Risk Management Work Plan in the TIRC Annual Plan.

Action – Maina Brown to send a list of staff names in managerial level, positions and locations.

## **4 Next Meeting**

Tuesday 16 May 2017 at Wurrumiyanga Community.

## **5 Closure**

The meeting closed at 1:30pm.

**GENERAL BUSINESS**

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<b>ITEM NUMBER</b>	3.2
<b>TITLE</b>	Audited Financial Statement for the Year Ended 30 June 2016
<b>REFERENCE</b>	203835
<b>AUTHOR</b>	Bruce Mann, GM Finance and Compliance

**BACKGROUND**

This report provides a final update to the Audit & Risk Management Committee covering the completion of the 2015/16 Annual Report, Audited Financial Statements and Independent Auditors Report. After an extensive delay the TIRC 2015/16 Annual Report plus the Audited Financial Statements and Audit Report were finally lodged with the Department of Housing and Community Development on Thursday 4th May 2017.

The Annual Report has been published on the Tiwi Islands Regional Council website and an advertisement notifying its availability was placed in the NT News on Saturday 6 May 2017.

A copy of the final TIRC 2015/16 Annual Report accompanied by TIRC Signed Management letter will be tabled at the Ordinary Council Meeting (Thursday 18 May 2017) and Council will be provided with a briefing and update on the results of the 2015/16 financial year as part of this discussion.

**ISSUES/OPTIONS/CONSEQUENCES**

Nil

**CONSULTATION & TIMING**

Nil

**RECOMMENDATION:**

**That the Committee notes the completed 2015/16 Annual Report and 2015/16 Financial Statements.**

**ATTACHMENTS:**

**GENERAL BUSINESS**

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<b>ITEM NUMBER</b>	3.3
<b>TITLE</b>	Review of Terms of Reference
<b>REFERENCE</b>	203836
<b>AUTHOR</b>	Maina Brown, Governance & Compliance Manager

**BACKGROUND**

At the last Audit and Risk Management Committee informal meeting held on 21 February 2017, members reviewed the Terms of Reference and recommended a number of amendments for submission to the next Council meeting to be held on 28 February 2017 for Council approval.

Council approved a number of amendments and the revised Terms of Reference are included in each members reference documents folder.

**ISSUES/OPTIONS/CONSEQUENCES**

Nil

**CONSULTATION & TIMING**

Nil

**RECOMMENDATION:**

**That the Committee notes this report for information.**

**ATTACHMENTS:**

**GENERAL BUSINESS**

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<b>ITEM NUMBER</b>	3.4
<b>TITLE</b>	Population of the Work Program
<b>REFERENCE</b>	203837
<b>AUTHOR</b>	Maina Brown, Governance & Compliance Manager

**BACKGROUND**

At the last Audit and Risk Management Committee informal meeting, it was suggested by the Independent Chairperson to include the Audit and Risk Management Work Program in the TIRC Annual Plan.

Chairperson will discuss further with members and what it is required to achieve this work plan.

Attached Work Program sheet is in each member's reference documents folder.

**ISSUES/OPTIONS/CONSEQUENCES**

Nil

**CONSULTATION & TIMING**

Nil

**RECOMMENDATION:**

**That the Committee notes this report for information.**

**ATTACHMENTS:**



**GENERAL BUSINESS**

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<b>ITEM NUMBER</b>	3.5
<b>TITLE</b>	Merit Quote 2017/18 Audit and Terms
<b>REFERENCE</b>	203839
<b>AUTHOR</b>	Marion Scrymgour, Chief Executive Officer

**BACKGROUND**

Council received correspondence from Merit Partners via email on 7 May 2017 regarding Audit quote.

This proposal by Merit is to undertake the compliance audit which would complement the external audit as well. This compliance audit would independently follow up on the compliance issues raised to ascertain the status of the implementation of actions, and provide recommendations on the next course of action. It would provide the Council an independent view of the current state of compliance affairs at the Council.

A quote from Merit Partners will be tabled for discussions with the Audit and Risk Management Committee members.

**ISSUES/OPTIONS/CONSEQUENCES**

Nil

**CONSULTATION & TIMING**

Nil

**RECOMMENDATION:**

**That the Committee notes this report for information and recommend this proposal to Council for approval.**

**ATTACHMENTS:**

**GENERAL BUSINESS**

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<b>ITEM NUMBER</b>	3.6
<b>TITLE</b>	TIRC 2017/18 Regional Plan and Budget
<b>REFERENCE</b>	203867
<b>AUTHOR</b>	Maina Brown, Governance & Compliance Manager

**BACKGROUND**

Attached to this report is the working draft version of the TIRC 2017/18 Regional Council Plan & Budget which is being prepared for the financial year.

TIRC is required to develop a regional plan under the Local Government Act section 23.

The plan has been developed with consultation across TIRC and will be discussed with the Council on 18 May. Elements of the draft copy are still under development.

The final version will be submitted to the Northern Territory Government (NTG) by 31 July as required by the Act.

**ISSUES/OPTIONS/CONSEQUENCES**

This is a legal requirement for all Councils to submit a Plan for the next financial year.

**CONSULTATION & TIMING**

Reports were tabled at each local authority addressing TIRC Service Deliveries and their priorities for each directorates.

Pirlangimpi Local Authority – 27 February 2017

Milikapiti Local Authority – 29 March 2017

Wurrumiyanga Local Authority – 19 April 2017

The draft document will be submitted to Council at the 18 May meeting in Pirlangimpi. Council feedback will be incorporated into the document and the final draft produced.

Council will submit the Regional Plan following the below process with key dates indicated below:

16 May 2017 – review by Audit & Risk Committee

18 May 2017 – submit to Council for Councillors and Managers input

29 June 2017 – submitted to Council for approval to advertise

03 July 2017 – advertised for comment (21 days)

27 July 2017 – final version Plan & Budget presented to Council for approval

31 July 2017 – submission to NTG

**RECOMMENDATION:**

**That the Committee notes the status of the TIRC 2017/18 Regional Plan for information.**

**ATTACHMENTS:**

**GENERAL BUSINESS**

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<b>ITEM NUMBER</b>	3.7
<b>TITLE</b>	Roles & Responsibilities and Jargon Language
<b>REFERENCE</b>	203838
<b>AUTHOR</b>	Maina Brown, Governance & Compliance Manager

**BACKGROUND**

A request from Cr Naden if Chairperson could explain the roles and responsibilities of members on the Audit and Risk Management Committee. Cr Naden also requested for a clear explanation when technical language or jargon is used so that all members can clearly understand and participate in discussions.

**ISSUES/OPTIONS/CONSEQUENCES**

Nil

**CONSULTATION & TIMING**

Nil

**RECOMMENDATION:**

**That the Committee notes this report for information.**

**ATTACHMENTS:**