



**MINUTES OF AUDIT AND RISK COMMITTEE MEETING HELD IN THE
LITTLE PARA CONFERENCE ROOMS, SALISBURY COMMUNITY HUB,
34 CHURCH STREET, SALISBURY ON**

12 JULY 2022

MEMBERS PRESENT

Cr G Reynolds (Chair)
Cr K Grenfell (Deputy Chair)
Ms P Davies (*via Teams VC*)
Mr N Ediriweera
Mr C Johnson (*via Teams VC*)

OBSERVERS

Mr A Tickle, Partner, BDO (*via Teams VC*)
Mr M Fabri, Managing Director, OpSys (*via Teams VC*)
Mr M Camilo, Cybersecurity Analyst, OpSys (*via Teams VC*)

STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
Manager Governance, Mr R Deco
Team Leader Corporate Governance, Mr B Kahland
Internal Auditor & Risk Coordinator, Mr H Rafeeu
Manager Business Systems and Solutions, Ms L Paltridge (*via Teams VC*)

The meeting commenced at 6:46 pm.

The Chairman welcomed the members, staff and members of the public to the meeting.

APOLOGIES

Nil

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr K Grenfell
Seconded Ms P Davies

The Minutes of the Audit and Risk Committee Meeting held on 12 April 2022, be taken as read and confirmed.

CARRIED

REPORTS

With leave of the meeting, the Chair changed the order of the Agenda items to accommodate presenters, with the order set as listed below.

Administration

7.0.2 Actions List

Moved Cr K Grenfell
Seconded Mr N Ediriweera

That Council:

1. Notes the report.

CARRIED

For Decision

7.1.2 Audit and Risk Committee Annual Work Plan 2022/2023

Moved Mr N Ediriweera
Seconded Cr K Grenfell

That Council:

1. Approves the revised Audit and Risk Committee Annual Work Plan for the year 2022/2023 as set out in Attachment 1 to this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.2), incorporating the following actions:
For next financial year, to consider bringing forward the following items to prior to 30 June:
 1. Reviewing significant accounting and reporting issues, recent changes in standards, and industry updates (Item 1.2 Attachment 1)
 2. External Audit Plan, prior to the commencement of Interim Audit testing (Item 5.6 Attachment 1).

CARRIED
UNANIMOUSLY

Mr A Tickle joined the meeting via Teams VC at 6:52 pm.

7.1.1 BDO's Annual Audit Plan for 30 June 2022 covering the interim status update on Internal Controls Audit

Moved Mr C Johnson
Seconded Ms P Davies

That Council:

1. Notes the report

CARRIED

Mr A Tickle left the meeting at 7:03 pm.

ORDER TO EXCLUDE THE PUBLIC

7.4.1 Internal Audit Report on Cybersecurity Improvement Program Pre-Implementation Audit

Moved Cr K Grenfell
Seconded Mr N Ediriweera

1. *Pursuant to Section 90(2) and (3)(b)(i) and (d)(i) and (e) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
 - *it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - *commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
 - *matters affecting the security of the council, members or employees of the council, or council property; or the safety of any person.*
2. *In weighing up the factors related to disclosure,*
 - *disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*

*On that basis the public's interest is best served by not disclosing the **Internal Audit Report on Cybersecurity Improvement Program Pre-Implementation Audit** item and discussion at this point in time.*
3. *Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public, except the Chief Executive Officer, Mr J Harry; General Manager*

Business Excellence, Mr C Mansueto; Manager Governance, Mr R Deco; Team Leader Corporate Governance, Mr B Kahland; Internal Auditor & Risk Coordinator, Mr H Rafeeu; Manager Business Systems and Solutions, Ms L Paltridge; Mr M Fabri, Managing Director, OpSys (via Teams VC); Mr M Camilo, Cybersecurity Analyst, OpSys, be excluded from attendance at the meeting for this Agenda Item.

CARRIED

Mr. M Camilo joined the meeting at 6:58 pm.

Mr. M Fabri joined the meeting at 7:02 pm.

The meeting moved into confidence at 7:05 pm.

Mr. M Fabri left the meeting at 7:52 pm.

Mr. M Camilo left the meeting at 7:52 pm.

The meeting moved out of confidence at 8:17 pm.

7.1.3 3-Year Internal Audit Plan 2022/23-2024/25

Moved Mr N Ediriweera

Seconded Cr K Grenfell

That Council:

1. Notes the updates made to the 3-year Internal Audit Plan 2022/2023 to 2024/2025 as set out in Attachment 1 to this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.3).
2. Notes that the Audit and Risk Committee will receive an out of session revised version of the Internal Audit Plan taking into consideration the timing of the IT Investment Strategy Audit in relation to the impact of ongoing Enterprise Resource Planning system acquisition, and provide the revised Internal Audit Plan to the October 2022 Audit and Risk Committee meeting.
3. Notes the accompanying high-level indicative scope for pending audits as set out in Attachment 2 of this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.3).

CARRIED

7.1.4 Risk Management and Internal Controls Activities

Moved Cr K Grenfell
Seconded Ms P Davies

That Council:

1. Notes the update on Risk Management and Internal Control Activities for the 2021/2022 reporting period since the 12 April 2022 Audit and Risk Committee meeting, as set out in Attachment 1 to this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.4).
2. Notes the Enterprise Risk Management Framework as set out in Attachment 2 to this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.4) and notes that further refinement of the Enterprise Risk Management Framework will take place with input from the external Audit and Risk Committee Craig Johnson.
3. Notes the Strategic Risk Register as set out in Attachment 3 to this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.4).

CARRIED

7.1.5 Interim Report on Assurance Map for the City of Salisbury

Moved Mr N Ediriweera
Seconded Cr K Grenfell

That Council:

1. Notes the Interim Report on Assurance Map for City of Salisbury as set out in Attachment 1 to this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.5).

CARRIED

7.1.6 Outstanding Actions Arising From Internal Audits

Moved Mr N Ediriweera
Seconded Cr K Grenfell

That Council:

1. Notes the update in this report and the full Internal Audit Log Actions Register in Attachment 1 to this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.6).

CARRIED

7.1.7 Internal Controls Framework and Audit and Risk Committee section for Annual Report 2021/2022

Moved Ms P Davies
Seconded Mr N Ediriweera

That Council:

1. Approves the proposed inclusions in the annual report relating to the operations and membership of the Audit and Risk Committee for the 2021/2022 financial year as set out in Attachment 1 to this report (Audit and Risk Committee, 12 July 2022, Item 7.1.7), taking into account editorial changes highlighted.

CARRIED

7.1.8 Treasury Policy Review

Moved Mr N Ediriweera
Seconded Cr K Grenfell

That Council:

1. Adopts the amended Treasury Policy, as set out in Attachment 1 to this report (Audit and Risk Committee, 12 July 2022, Item 7.1.8) reflecting change in the application of borrowing floors and to the calculation of the borrowing mix, as considered appropriate by the Audit and Risk Committee.

CARRIED

QUESTIONS ON NOTICE

There were no Questions on Notice.

MOTIONS ON NOTICE

There were no Motions on Notice.

OTHER BUSINESS

(Questions Without Notice, Motions Without Notice, CEO Update)

The meeting closed at 9:23 pm.

CHAIRMAN.....

DATE.....