



AUDIT COMMITTEE

MINUTES

20 May 2010

11:05AM

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**REPORT OF THE MEETING OF THE
AUDIT COMMITTEE HELD AT THE COUNCIL CHAMBERS, 232 BOLSOVER
STREET, ROCKHAMPTON ON THURSDAY 20 MAY 2010
COMMENCING AT 11:05AM**

1 PRESENT

Members Present

Ms C Eagle, External Member (Chairperson)
His Worship the Mayor, Councillor B N Carter
Councillor G M Mather
Councillor G K Brady
Mr B McCosker, External Member

In Attendance:

Mr E Pardon – Chief Executive Officer
Mr J Wallace – Strategic Manager Internal Audit
Mr M Rowe – Strategic Manager Reform and Innovation
Mr B Harper - Risk Management Co-ordinator
Ms K Ramm - Auditor

2 APOLOGIES

COUNCILLOR G M MATHER

3 LEAVE OF ABSENCE

Nil

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

[Minutes 10 December 2009 Audit Committee](#)

Resolved

THAT the Minutes of the Ordinary Meeting of the Audit Committee, held on 10 December 2009 as circulated, be taken as read and adopted as a correct record.

Moved by: Councillor Brady

Seconded by: Brad McCosker

MOTION CARRIED

11.07AM

RESOLVED

THAT Standing Orders be suspended to allow the committee to discuss the items informally.

MOVED: His Worship the Mayor

MOTION CARRIED

5 CONFLICTS OF INTEREST

No conflicts of Interest were registered.

6 BUSINESS ARISING FROM PREVIOUS MINUTES

Audit Committee - Business Arising Matrix

Taken from the Minutes 24/9/09: *The Chairperson advised that if no timeframe for completion is established then the completion date will automatically become the next Audit Committee Meeting. The Chairperson also requested that completed items be removed from the list and added to another schedule of Completed Items list so items will be able to be tracked over two lists.*

Date of Meeting	Resolution Memo - Description of Action to be Undertaken	Officer Responsible	Time Frame Requested to be Completed In	Date Action Completed
5/02/2009	That the Audit Committee elects Ms Carolyn Eagle as the Committee Chair which will be reviewed when the Audit Committee Charter is reviewed in six months time. – KFC 3012	Not identified. J. Wallace	Aug-09	20/05/2010
10/12/2009	(Minutes 10/12/09) Corporate Risk Register - to have top 20 presented to Audit Cttee... 2. The sectional/departmental Risk Register be further refined into a Corporate 'Risk Register by Management 3. A Corporate Risk Register Matrix Graph reflecting the inherent and residual risk, likelihood and consequence ratings be prepared for the April Audit committee meeting relevant to the top 20 risks as endorsed by Council 4. The Corporate Risk Register Matrix Graph so created be a standing item on the Audit Committee Minutes.	Not identified. B. Harper	Initially 1/04/2010 and then ongoing	
10/12/2009	Audit Committee Self Assessment. A Self Assessment Questionnaire should be circulated to Committee members before the 22 April for tabling at the meeting. Chairperson to provide contact for template.	Not identified. C. Eagle & J. Wallace	Apr-10	20/05/2010
10/12/2009	That an update be provided on the Payroll audit at the next Audit Committee meeting and then on a quarterly basis	B Harper and R Cheesman	Initially Apr-10 and then ongoing	

7 REPORTS OF OFFICERS

7.1 General

7.1.1 Alterations to the Risk Policy and Strategy

File No:	8780
Attachments:	<u>Attachment 1 - Alterations to Risk Strategy Risk Strategy (Report Attachment - 11/5/10 council meeting)</u>
Responsible Officer:	Michael Rowe Executive Manager Reform and Innovation
Author:	Barry Harper Risk Management Co-ordinator
Proposed Meeting Date:	20 May 2010

SUMMARY

It has become necessary to review part of Council's Risk Framework (Risk Policy and Risk Strategy) due to:

- The introduction of ISO 31000 Risk Management – Principles and Guidelines which has replaced AS/NZS 4360 - Risk Management
- Leadership Team/Council approval to require only significant changes to the risk registers to be approved by Leadership Team. Significant changes has been defined in the Risk Strategy (Attachment 1)
- Previous recommendations from the Audit Committee that the risk management responsibilities of Contract/Tender managers be made more robust in Council's Risk Management Strategy. The Strategic Manager for Administration and Technology Services has provided input into the wording of this section

These changes are illustrated in [Attachments 1 and 2](#) for Council consideration

The Chairperson had some concerns regarding the wording in the Risk Management Strategy in Section 8 in the third paragraph and Section 9 third paragraph. Executive Manager Reform and Innovation suggested that the words "Audit and" be removed so that the wording clearly reads and suggests Council's Risk Management Committee is referred to and not the Audit Committee.

The Chairperson also raised concerns that the Risk Consequence Matrix has been set at a too conservative figure which means that many unnecessary minor risks are being caught up in the register. The Risk Management Co-ordinator and Executive Manager Reform and Innovation advised that they would conduct a review of the Matrix and the Chairperson requested that after the review was completed that it be brought back to the Audit Committee for further comment.

Another concern raised was the narrowness of the statement in the final paragraph in section 13 which stated "Internal Audit is essential to the management of financial risk". External Member Mr McCosker suggested that the word "financial" be deleted to achieve the desired outcome.

OFFICER/COMMITTEE RECOMMENDATION:

That Council approve of the nominated changes to Council's Risk Policy and Risk Strategy.

BACKGROUND

Because ISO 31000 has now been introduced, it was necessary to look at the definitions and references to the old standard AS/NZS 4360 in our risk policy and strategy. Further changes may be necessary when annual reviews of our framework are conducted by the Risk Management Coordinating Committee in light of the introduction of ISO 31000.

Also the Risk Strategy requirement to have any risk register changes approved by Leadership Team required a report with too much information. Leadership Team approval to only report significant changes has created the need to adjust the wording of the Risk Strategy. Previous Audit Committee recommendations to change the Risk Strategy with regard to Contract/Tender managers have also been included.

Rockhampton Regional Council

Audit

Alterations to the Risk Policy and Strategy

20 May 2010

Attachment 1

Pages 13

RISK MANAGEMENT STRATEGY

1. Introduction

Risk Management is critical to the Rockhampton Regional Council's ability to achieve the Strategic Objectives contained in its Corporate Plan. The Council has limited human, financial and material resources. Prudent decision making in relation to their use is critical to the Council's achievement of its endorsed vision of "To make our region the most liveable community in the world".

To this end, not only must Council staff identify and minimise threats to the safe and effective employment of Council resources, they also have an obligation to identify and exploit opportunities to make that employment more efficient. By fostering an active Risk Management culture that encourages all staff to systematically apply the principles and procedures outlined in this strategy, the Council seeks to minimise resource waste, protect the long term value of its assets and ensure that all Council events, activities and projects are undertaken with minimal risk to staff and the general public.

2. Statement of Commitment

The major risk for most organisations is that they fail to achieve their strategic, business or project objectives, or are perceived to have failed by their stakeholders.

The Rockhampton Regional Council is committed to managing this risk by logically and systematically identifying, analysing, evaluating, treating, monitoring and communicating all risks that directly or indirectly impact on the Council's ability to achieve the vision and strategic objectives outlined in the Corporate Plan. This strategy demonstrates the Council's commitment, by detailing the Risk Management framework to be employed by all staff members, contractors, committees and volunteers engaged in Council business and defining the responsibilities of individuals and committees involved in the Risk Management process.

The Council believes that good Risk Management is essential for the successful implementation of the Corporate Plan, as it:

- Directly supports the achievement of Strategic Objective 4.1 – Good Governance, and
- Indirectly supports the achievement of the Council's other strategic objectives, through:
 - Facilitating innovation, co-operation and the sharing of resources.
 - Enhancing the development and delivery of Council programs.
 - Supporting the Council's key values and ethics.
 - Encouraging a closer working partnership between the Council and the community.
 - Ensuring consultation with all Stakeholders on key issues.
 - Encouraging a proactive approach to problem solving.

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3. Scope

This Risk Management Strategy will be implemented by all Council Departments and across all Council services, functions and activities, whether directly controlled by Council or delivered through third party arrangements. All employees, contractors, partner organisations and volunteers engaged in the conduct of Council business are to apply consistent, proactive and systematic Risk Management practices in the employment of Council resources and the delivery of Council services.

Successful Risk Management relies on input from all stakeholders and ownership of identified risks by responsible staff. To manage risks in accordance with best practice, the Council will observe the principles contained in **ISO 31000:2009 Risk Management – Principles and Guidelines**. The Council's established business practices, policies and procedures will be reviewed, to ensure that they are not in conflict with this Standard.

Guiding=**AS/NZS 4360: 2004, Risk Management.**

4. Strategy Principles

The principles of the Strategy are to:

- Identify, evaluate and prioritise the Council's risk, associated opportunities and threats, with a view to:
 - Exploiting opportunities, and
 - Reducing, mitigating, transferring or eliminating threats.
- Promote and support Risk Management processes throughout the Council.
- Recognise that successful Risk Management relies on input from **ALL** employees and Stakeholders.
- Allow for more effective allocation and use of resources.
- Provide a basis for higher standards of accountability.
- Protect the Council's corporate image as a professional, responsible and ethical organisation and an employer of choice.

5. Risk Management Requirements and Procedures

Risk Management principles shall be a consideration in all Council decision making processes. In accordance with its common law 'duty of care', statutory responsibilities and Council Policy, the Council will ensure that resources are allocated to:

- Minimise the Council's exposure to loss and litigation.
- Protect and enhance the Council's reputation.
- Protect the Council's financial and physical assets.
- Maintain employee Health & Safety programs.

In order to manage these processes there will be a Risk Management Co-ordinator whose role will be to act as a resource to the Executive Leadership Team through the Strategic Manager Reform and Innovation for the purposes of:

- Co-ordinating Risk Management information flows vertically and horizontally across the organisation.
- Compiling and maintaining the Risk Management Manual which shall be used as a reference by all stakeholders in the Risk Management function.
- Compiling and maintaining the Council's Risk Register as a controlled document and co-ordinating its regular review and amendment according to authorised procedure.
- Co-ordinating the provision of Risk Management training to the organisation.

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Guiding=**2010**

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6. Responsibilities

All employees, contractors and volunteers are to be familiar with and competent in the application of the Council’s Risk Management Policy and Strategy. The Council, Chief Executive Officer, General Managers, Managers and supervisors are accountable for adherence to this Strategy within their areas of responsibility. Detailed responsibilities are listed as per Attachment 1.

7. Risk Management Procedure

All Risk Management procedures to be applied within the Rockhampton Regional Council shall be based on ISO 31000:2009 Risk Management – Principles and Guidelines.

Guiding=#AS/NZS 4360:2004 Risk Management.

8. Risk Management Priorities and Resources

The Council accepts that it does not have the resources to immediately address all of the risks it faces and neither should it seek to create a completely risk free environment because the elimination of all risk must inevitably mean never improving the business. It will however, adopt a structured approach to manage and prioritise risk to ensure objectives will be more likely to be achieved, that damaging events are less likely to occur and that positive opportunities are more likely to occur.

To this end the Council will establish a Tolerance rating for different areas of its Risk Profile for the purposes of determining its overall “risk appetite” so as to be able to allocate scarce resources to the most appropriate areas.

To facilitate this the Audit and Risk Management Committee will annually, with the support of the Chief Audit Executive, review and prioritise all of the risks identified in the Council’s Risk Register, determine those which must be afforded the highest priority and determine the resources required to address those risks.

These risks and resources will then be approved by the Executive Leadership Team and included in the annual risk management action plan (Corporate Risk Register – Council’s Top 20 risks). These risks will represent the Council’s corporate focus for the following 12 months and be included in the Council’s Operational Plan for performance monitoring purposes.

All staff members should note that the absence of a risk from this Strategy does not preclude its management from within departmental resources. Nor is the annual review process inflexible: extreme and high priority risks identified at any time will be assessed and treated in accordance with the procedure described in this Strategy.

9. Strategy Implementation

The Council recognises that the initial implementation of this Strategy represents a significant, but necessary short term workload for all staff involved. A comprehensive review of all the Council’s activities will be undertaken in conjunction with the Strategy’s implementation, through the development and approval of success measures for all the Council programs, events, projects and activities.

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Guiding=#2010

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This is a significant Council undertaking, but integral to the success of an integrated, comprehensive Risk Management Strategy because if the Council does not know what constitutes success at all levels within the organisation, it cannot identify the risks that will assist or impede the achievement of success. This review is to be completed by 30th June 2009.

An implementation plan will be drafted by the Audit and Risk Management Committee for Executive Leadership Team approval. Council practices and procedures will be progressively assessed, modified and documented, to achieve full compliance with this Strategy.

The Council's medium term aim is to be acknowledged as a leader in the achievement and maintenance of best practice standards for managing risk within Local Government.

10. Performance Review

This Strategy takes effect immediately upon adoption by the Council. It is to be reviewed on an annual basis by the Risk Management Committee, to ensure its continued suitability and effectiveness against the requirements of **ISO 3100:2009 Risk Management – Principles and Guidelines** and the Council's Risk Management Policy. Records of such reviews are to be maintained on file.

Guiding=**AS/NZS 4360: 2004 Risk Management**

The Risk Management responsibilities detailed in Attachment 1 are to be incorporated into all Council Position Descriptions and the performance measures developed for all staff are to form the basis of annual performance appraisals.

EVAN PARDON
CHIEF EXECUTIVE OFFICER

Guiding=**Alastair Dawson**

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Guiding=**2010**

Attachment 1

RISK MANAGEMENT RESPONSIBILITIES

1. The Council

Council is responsible for ensuring an effective system of internal control, of which risk management is a key area. Council sets the tone and influences the culture of risk management at the highest level.

This involves:

- Setting the tone and influencing the culture of risk management within the Council at a general level. This Includes:
 - Demonstrating through its decisions whether the Council is risk taking and risk averse;
 - Determining which types of risk are acceptable or not;
 - Setting the standards and expectation of staff with respect to conduct and probity.
- Determining the risk appetite or agreed level of exposure for the Council.
- Approving major decisions affecting the Council risk exposure.
- Monitoring the key risks and striving to reduce the likelihood of unwelcome surprises.
- Being confident that less significant risks are being appropriately managed, and have effective controls in place.
- Annually reviewing the Council's approach to risk management to ensure adequate process and procedures.

The Council will:

- Develop and maintain the Corporate Plan.
- Adopt a Risk Management Policy and ensure there is a Risk Management Strategy to support the Corporate Plan.
- Ensure that funding is made available to adequately manage the risks identified in the Council's Risk Register and annual Risk Management Action Plan (Corporate Risk Register – Council's Top 20 Risks).

2. Chief Executive Officer

The Chief Executive Officer ensures suitable policies and framework surrounding risk management are implemented and that appropriate action is taken to mitigate the key risks of the Council by providing direction and guidance to senior management as required.

The Chief Executive Officer has a fundamental role to play in the management of risk across the Council. The key responsibilities of the Chief Executive Officer are:

- to implement policies on risk management and internal control.
- to evaluate and ensure effective action is taken to mitigate the key risks faced by the Council.
- to provide adequate information in a timely manner to Council on the status of the Council's key risks.
- to undertake an annual review of effectiveness of the system of risk management and provide an assurance report to Council.
- to recommend to Council the tolerance of the Council in accepting certain risks.

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The Chief Executive Officer will:

- Provide a safe and healthy work environment, in accordance with the Workplace Health and Safety Act 1995, its amendments, Regulations and related Codes of Practice and Australian Standards.
- Understand the principles of Risk Management.
- Ensure that the Council meets its “duty of care” to all staff and the general public and protects its assets and operations through:
 - Education.
 - Appropriate risk management financing.
 - Adequate loss control programs and measures.
- Monitor and evaluate the performance of General Managers against their Risk Management responsibilities.
- Contribute to the analysis of all potential and actual high loss incidents (in excess of \$10,000 or more than one night in hospital).
- Lead the Executive Leadership Team in the development of the Council’s business continuity and disaster recovery program.
- Assist the Council in the development and maintenance of the Corporate Plan.
- Develop agreed and assessable performance measures with all General Managers, to support the Strategic Objectives contained in the Corporate Plan.
- Assist General Managers in the identification, evaluation and mitigation of risks associated with their performance measures.
- Lead the Executive Leadership Team in the development and implementation of Risk Action Plans for all risks assessed as Extreme and High.
- Promote Risk Management as a vital business principle.

3. Executive Leadership Team

Members of the Executive Leadership Team (ELT) will ensure all risks are managed appropriately within their relevant areas of responsibility, and that actions on risks affecting multiple areas of responsibility are co-ordinated. ELT members will regularly review the Council’s Risk Register and ensure effective management of risks at the Departmental and Functional Unit level. Where risks cannot be managed within a Department or Functional Unit, ELT members will need to provide direction as to the Council’s approach to responding to the risk.

Members of the Executive Leadership Team will oversee the management of risks by Departments/Functional Unit under their relevant areas of responsibility and ensure that actions on risks impacting multiple areas of responsibility are agreed and co-ordinated between appropriate ELT and non ELT members.

The ELT members are specifically responsible for:

- Supporting the Council and Chief Executive Officer in achieving their responsibilities.
- Updating the Council’s Risk Register for their appropriate area of risk (through the Risk Co-ordinator), both annually and regularly in light of changing circumstances.
- Challenging and approving the risks and various responses identified by the Departments / Functional Unit in their risk registers as part of the annual planning process.

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The Executive Leadership Team will:

- Monitor the implementation of the Risk Management Policy and this Strategy across the organisation.
- Approve the following entries or amendments to the Council's Risk Register:
 - Any changes to the Corporate Risk Register – Council's Top 20 Risks;
 - Any new risks or significant changes to existing risks for Strategic Managers;
 - Any changes to existing risk rating levels;
 - Any significant issues regarding action plan progress or lack of progress;
 - Any significant risk issues.
- Approve or modify the Council's Risk Management training program.
- Approve or modify the Council's Risk Management Policy and Strategy in accordance with the Audit and Risk Management Committee's annual review.
- Direct actions to be taken in relation to annual Risk Management Audit Reports.
- Develop and oversee the Council's business continuity/disaster recovery program.
- In conjunction with the Chief Executive Officer, develop and implement Risk Action Plans for all risks assessed as Extreme.
- Set the timeframe for the development of Risk Action Plans for all risks assessed as High. Approve and monitor Plans once developed.

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4. General Managers

General Managers will own all risks within their areas and are responsible for implementing appropriate procedures to manage and monitor these risks, and for ensuring that all changes in key risks are reflected in the Risk Register. Where risk cannot be managed, these will be escalated to the ELT for guidance.

General Managers are responsible for:

- Owning all risks within their area of responsibility.
- Ensuring the effective management of all risks within their area of responsibility.
- 'Championing' risk management and ensuring risk awareness is promoted within their area.

Individual General Managers will:

- Provide a safe and healthy work environment, in accordance with the Workplace Health and Safety Act 1995, its amendments, Regulations and related Codes of Practice and Australian Standards.
- Understand the principles of Risk Management.
- Ensure that proposed events and projects within their jurisdiction are not approved without a formal risk assessment that effectively identifies and manages all the risks associated with them.
- Monitor and evaluate the performance of Strategic Managers against their Risk Management responsibilities.
- Contribute to the analysis of all potential and actual high loss incidents within their jurisdiction (in excess of \$10,000 or more than one night in hospital).
- Lead their Department's input into the Council's business continuity/disaster recovery program.
- Develop agreed and measurable risk management performance measures in conjunction with all subordinates, to support Operational Plan objectives.
- Assist managers in the identification, evaluation and mitigation of risks associated with their performance measures.
- Assist Strategic Managers to develop and implement Risk Management Action Plans for all risks within their jurisdiction assessed as High or Moderate.

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- Monitor all risks and associated Risk Management Actions Plans entered into the Council's Risk Register which fall within their jurisdiction.
- Promote Risk Management as a vital business principle.

5. Strategic Managers

Strategic Managers will own all risks within their areas and are responsible for implementing appropriate procedures to manage and monitor these risks, and for ensuring that all changes in key risks are reflected in the Function Unit level risk register. Where risk cannot be managed, these will be escalated to the appropriate General Manager for guidance.

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Strategic Managers are responsible for:

- Owning all risks within their area of responsibility.
- Ensuring the effective management of all risks within their area of responsibility.
- 'Championing' risk management and ensuring risk awareness is promoted within their area.

Individual Strategic Managers will:

- Provide a safe and healthy work environment, in accordance with the Workplace Health and Safety Act 1995, its amendments, Regulations and related Codes of Practice and Australian Standards.
- Understand the principles of Risk Management.
- Monitor and evaluate the performance of Team Leaders against their Risk Management responsibilities.
- Contribute to the analysis of all potential and actual high loss incidents within their jurisdiction (in excess of \$10,000 or more than one night in hospital).
- Contribute to the development of the Council's business continuity recovery program.
- Develop agreed and measurable risk management performance measures in conjunction with all subordinates, to support Operational Plan objectives.
- Assist subordinate staff in the identification, evaluation and mitigation of risks associated with their success measures.
- Enter all risks within their jurisdiction onto the Council's Risk Register and manage them.
- Contribute to the development and implementation of Risk Action Plans for all risks within their jurisdiction assessed as Extreme.
- Develop and implement Risk Action Plans for all risks within their jurisdiction assessed as High or Moderate.
- Develop or propose amendments to appropriate Council policies and procedures to address risks assessed as Low or Insignificant.
- Keep staff appropriately informed of all changes relating to registered risks.
- Advise their General Manager of any risk issues within their jurisdiction that require resourcing in forthcoming budgets.
- Ensure that the induction process for all new employees in their area includes:
 - The Council's Risk Management Policy and Strategy.
 - The Risk Profile of the Functional Unit and key risk management practices.
- Provide timely assistance and requested information in relation to any insurance claim or Risk Management issue.
- Ensure that the Council responds immediately to any report of a hazard or incident received from a resident, employee or visitor.
- Promote Risk Management as a vital business principle.

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6. All Staff

All staff are Risk Owners of their own individual risks within a Department / Functional Unit and are responsible for ensuring the individual risk is controlled and monitored appropriately, with changes escalated where appropriate.

All staff members are to:

- Understand and observe the Risk Management Policy, Strategy and related procedures.
- Assist their manager in the development and maintenance of the Risk Management Action Plan.
- Develop agreed and measurable risk management performance measures to support the Operational Plan's objectives.
- Assist their manager in the identification and management of risks to be entered into the Council's Risk Register.
- Contribute to the development and implementation of Risk Action Plans and strategies within their jurisdiction.
- Identify, evaluate and mitigate risks associated with their agreed performance measures.
- Provide timely assistance and requested information in relation to any insurance claim or Risk Management issue.
- Make loss control/prevention a priority whilst undertaking daily tasks in the Council's operations.
- Perform their duties in a manner which does not represent an unacceptable level of risk to the health and safety of:
 - Themselves
 - Other employees
 - The Council's customers or visitors
 - Contractors
 - The wider community
- Report any illness, injury, hazard, near miss or incidents and losses as soon as they are detected to their manager or supervisor.
- Encourage the public to respect Council property.

7. Event and Project Managers/Engineers

This category relates to those persons identified on the risk register as responsible for ensuring that controls, further actions and specific monitoring of risks is carried out. These persons are not necessarily the persons responsible for performing the specific actions, but must have necessary authority to ensure others carry out the required actions.

In addition to their generic responsibilities under this Strategy, Event and Project managers/engineers are to undertake and document a formal risk assessment for all proposed events/projects, prior to their submission for funding consideration. This assessment must:

- Consider known risks identified for similar events/projects.
- Identify unique risks associated with a particular event/project.
- Where possible, modify the event/project's design to eliminate or at least minimise these known risks.
- Where risks cannot be eliminated through redesign or re-engineering, establish plans to mitigate the risk to an acceptable level during an event or after a project's completion/implementation.

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8. Contract/Tender Managers

This category relates to those persons identified on the risk register as responsible for ensuring that controls, further actions and specific monitoring of risks is carried out. These persons are not necessarily the persons responsible for performing the specific actions, but must have necessary authority to ensure others carry out the required actions.

In addition to their generic responsibilities under this Strategy, Contract/Tender managers are to:

- Ensure that tenders issued and contracts let by the Council comply with the risk management, insurance and indemnity requirements of the Conditions of Contract (controlled documents managed and updated from time to time by the Contracts and Tenders Manager) and conform with the intent of the Council's Risk Management Policy and Strategy with particular regard to contract management practice which enshrines:
 1. consideration of known identified risks
 2. identification of unique risks
 3. elimination or at least minimisation of known or identified risks.
- Manage contracts to ensure their compliance with the above.

- G h d w h g = the relevant Australian Standards
- G h d w h g = AS 4000/1997 General Conditions of Contract
- G h d w h g = 10
- I r u p d w h g = # g g h q w # D h i w # 3 1 9 6 # f p / # k d q j l q j = # B 1 9 6 # f p
- I r u p d w h g = # E x a w # f i g g Q x p e h u i q j
- G h d w h g = 2
- G h d w h g = 4

9. Risk Management Co-ordinator

The Risk Management Co-ordinator will be the linchpin in the Council's Risk Management Framework. They will co-ordinate the risk management framework 'in house' and be responsible for the training of departmental managers and operational staff in risk management.

The Risk Management Co-ordinator will be responsible:

- for ensuring that the Council's Risk Management Framework is used effectively to deliver the risk management outcomes desired by the Council.
- for assisting the General Managers and Strategic Managers in identifying, assessing, treating, controlling and reporting on all risks associated with their areas of responsibility.
- for the safe custody of and maintenance of the Council's Risk Register including the regular review of its use and content and associated reporting.
- for the maintenance of a risk management knowledge base within the Council, including the development and continuous improvement of the Risk Management Manual. i.e. to be a point of contact for colleagues with questions on risk management.
- for supporting the Executive Leadership Team and General Managers by regularly reporting to appropriate management forums on risk related issues.
- for convening the Risk Management Co-ordinating Committee to discuss and evaluate the effectiveness of the Council risk process.
- for initiating and facilitating ongoing improvement to the Council's Risk Management Framework and its processes and procedures.
- for the co-ordination of risk management reporting for internal management and external compliance and information purposes.

In addition to their generic responsibilities under this Strategy, the Risk Management Co-ordinator will:

- Provide advice and assistance to all the Council staff in relation to the implementation and continuous improvement of an effective Risk Management culture within the organisation.
- Encourage all Council staff, business partners, contractors and volunteers to actively employ Risk Management in their decision making processes.
- Assist all staff with the procedural aspects of Risk Management.

- I r u p d w h g = # E x a w # f i g g Q x p e h u i q j
- G h d w h g = Council Meeting, 28 April 2009
- G h d w h g = 2010

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- Under the direction of the Executive Leadership Team:
 - Seek to continuously improve the Council's Risk Management Policy and Strategy.
 - Develop a suitable methodology to establish "tolerance" ratings for key areas of Council's Risk Profile.
 - Review and respond to annual Risk Management Audit Reports.
 - Develop a Risk Management training program for the Council.
 - Develop a report on Council's achievements against its Risk Management Policy and Strategy over the previous year, for inclusion in Council's Annual Report.

10. Risk Management Co-ordinating Committee (RMCC)

The Risk Management Co-ordinating Committee will act as the steering committee for the Council's approach to risk management and provides assurance to Council of the adequacy of the risk management process within the operational areas of Council.

Members of the Risk Management Co-ordinating Committee will be persons experienced in the Council risk process. The role of RMCC meetings will be to evaluate the effectiveness of the Council's risk management processes. This team provides bottom up comments on the effectiveness of the process and makes recommendations on further improvements for consideration by ELT and the Council.

The RMCC will have scope to:

- Identify where they believe the risk process could be handled more effectively.
- Identify specific ideas for improvements to the risk management process and procedures of the Council.
- Review the Council's risk register and suggest methods to improve the effectiveness of its use.
- Co-ordinate initiatives for continuous improvement of the Risk Management Framework or any of its elements.
- Assist the Risk Management Co-ordinator in devising training and awareness programs.
- Review Risk Management Action Plans to monitor their progress and assist where necessary with co-ordination.

The Risk Management Co-ordinating Committee will meet as required to monitor the Council's risk environment, but not less than quarterly. Members of the Committee will receive training appropriate to their role.

11. Risk Management Co-ordinating Committee Composition

The Risk Management Committee will be comprised of individuals selected to ensure coverage of the Council's key risk areas. Broadly, these risk areas are:

- Physical Assets
- Recreation / Open Space
- Corporate Governance
- Human Services
- Fiduciary Control
- Contract Management
- Operations
- Planning and Compliance
- Information Management

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Representation on the Committee should be at least at Team Leader level and it will be chaired by the Risk Management Co-ordinator.

12. WHS Responsibilities

WHS and Risk Management are closely linked, but separate functions within the Council. All WHS responsibilities are detailed in the Council's WHS Policy and Procedure. The two Committees can be strategically linked, through the joint membership of the Manager Operations and the Risk Management Co-ordinator.

13. Internal Audit

Risk Management is a key element of the corporate governance and overall internal controls of the Council. The main aim of the Council is to embed a transparent and effective risk management culture within the Council at all levels, to ensure all decisions have appropriate consideration of the opportunities and threats involved.

As part of the Council's system of internal control the risk management process will be subject to periodic review by the Internal Audit Unit and the Audit and Risk Management Committee. Results of these audits are reported to Council to assess the overall effectiveness of the internal control system.

Internal Audit is essential to the management of financial risk. The Council's Audit and Risk Committee is separately constituted by the Council and is strategically linked to the Risk Management Committee through the reporting co-ordination of the Risk Management Co-ordinator.

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SECTION: Reform and Innovation

Approved at Council Meeting, 28 April 2009
Approved 2010

RISK MANAGEMENT PROCEDURE

1. Risk Management Manual

Procedures for the conduct of risk assessment, risk profile development, risk treatment and management and maintenance of the Council's Risk Register will be approved by the Executive Leadership Team as management directives that will be mandatory for all staff who are assigned roles and responsibility within the risk management framework.

The initial procedures contained in the corporate document Risk Management Manual shall be the basis for further development of the Council's Risk Profile procedures and Risk Register compilation and review.

All documents generated and retained as templates or records of corporate risk management data or reporting shall be held as controlled documents within Council's document management system and appropriately secured from loss or unauthorised amendment.

2. Risk Management Reporting

Procedures for the compilation and distribution of risk management reports as required to support the risk management framework will be approved by the Executive Leadership Team as management directives that will be mandatory for all staff who are assigned roles and responsibility within the risk management framework.

3. Communicate and Consult

Has everybody who needs to know been contacted, involved, informed and kept up to date?

Communication and consultation are important considerations at each stage of the Risk Management process. They should involve a dialogue with all stakeholders (both internal and external) with a focus on consultation, rather than a one way flow of information from the decision maker to the stakeholders. All Stakeholders must be confident that their views have been appropriately considered and that they have been kept informed of the actions being taken and the reasons behind those actions.

This may extend to sending a report to all Stakeholders, regarding the success or otherwise of risk controls put in place as a result of the Risk Assessment being conducted. Broad "ownership" of the risk and the plans to manage it is essential to a successful Risk Management outcome.

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Rockhampton Regional Council

Audit

Alterations to the Risk Policy and Strategy

Attachment 2 - Alterations to Risk Policy

20 May 2010

Attachment 2

Pages 5

RISK MANAGEMENT

1. Scope:

The Councillors, executives, managers and staff of the Rockhampton Regional Council are committed to the identification and management of all risks associated with the performance of Council functions and the delivery of Council services. This Policy, therefore, applies to elected members, staff, contractors, suppliers, volunteers and others engaged on Council premises or Council projects.

The Framework for the application of this Policy is described in the attached diagram illustrating the key organisational components participating in the framework.

2. Purpose:

The Rockhampton Regional Council recognises that as a constituted local government it has a responsibility to identify and address all threats and opportunities associated with:

- ... The provision of a safe and healthy operating environment for all employees, the general public and other stakeholders involved with the provision and use of Council services.
- ... The prudent management of Council property and resources on behalf of ratepayers.

To that end, this Policy establishes the framework for the governance and management of Council's Risk Management responsibilities.

The objective of this Policy is to ensure that sound Risk Management practices and procedures are fully integrated into the Council's strategic and operational planning processes in a clear and transparent manner which increases Council's ability to achieve its objectives and maximise its potential opportunities by managing threats to acceptable levels. This Policy will be supported by a complementary Risk Management Strategy. Together, these documents will ensure that the outcomes described in Section 5 below are achieved.

3. Reference (eg Legislation, related documents):

This Policy is to be read in conjunction with the following documents:

- ... International Standard ISO 31000:2009 Risk Management – Principles and Guidelines
- ... All relevant State and Commonwealth Acts and Regulations appropriate to Risk Management
- ... The Council's Risk Management Strategy referred to below
- ... All relevant Risk Management Procedures and Practice Manuals approved by the Executive Leadership Team

Deleted: Australian Standard AS/NZS 4360:2004 Risk Management

Deleted: Council Meeting, 28 April 2009

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4. Definitions:

To assist in interpretation, the following definitions shall apply:

Risk: “The effect of uncertainty on objectives”. ISO 31000:2009 Risk Management-Principles and Guidelines. Consequently, it is the threat or probability that an action or event, will adversely or beneficially impact on Council’s ability to achieve its objectives or in simple terms the “Uncertainty of Outcome” from pursuing, either a future positive opportunity or an existing negative threat, in trying to achieve a current objective. It is measured in terms of Consequences and Likelihood.

Deleted: chance of something happening that will have an impact
Deleted: AS/NZS 4360:2004 Risk Management

Risk Management: “Coordinated activities to direct and control an organisation with regard to risk”. ISO 3100:2009 Risk Management,- Principles and Guidelines For the purposes of this Policy, Risk Management is defined as “the planned and systematic approach to manage risk within Council’s risk appetite and risk tolerance levels and provide reasonable assurance regarding the achievement of Council’s aims, objectives and opportunities within the Council by the identification, assessment and control of uncertainties which may impact on the achievement of Council’s aims, objectives and opportunities.”

Deleted: z
Deleted: The culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects
Deleted: AS/NZS 4360:2004 Risk Management

Risk Appetite: “The amount and type of risk Council is willing to pursue or retain”. The underlying premise of risk management is that Council exists to provide value for its stakeholders. The challenge for Council is to determine how much uncertainty to accept as it strives to grow stakeholder value as uncertainty presents both risk and opportunity, with the potential to erode or enhance value. It refers to the totality of risk Council is prepared to accept.

Deleted: accept in pursuit of value

Risk Tolerance: “Council/stakeholder readiness to bear the risk, after risk treatment, in order to achieve our objectives.” Value is maximised when strategy and objectives are set to strike an optimal balance between growth and return goals and related risks, and Council efficiently and effectively deploys resources in pursuit of Council’s objectives. This tolerance may vary with each predefined objective and refers to the amount of specific risk associated with each objective Council is prepared to accept.

Deleted: The willingness of
Deleted: o take
Deleted: in order to achieve a predefined objective

5. Context:

5.1 Responsibilities of Management and Staff

Council expects its management to co-operate and consult with employees and external stakeholders, to ensure that the risks associated with all Council services and facilities are formally identified, assessed and managed in accordance with the principles outlined in ISO 31000:2009 Risk Management – Principles and Guidelines.

Deleted: Australian Standard AS/NZS 4360:2004 Risk Management

The Council’s Chief Executive Officer will implement, through the Executive Leadership Team, a Risk Management Strategy to govern the operational aspects of the Risk Management function across the organisation.

Rockhampton Regional Council staff members also have a duty of care under this Policy to each other and the general public. Staff are accountable for the care of their own health and safety and that of others affected by their actions whilst they are engaged on Council business. They are also accountable for the proper and prudent management of property and assets in their control, in order to minimise loss, theft and damage.

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This includes, but is not restricted to, observing all relevant Workplace Health and Safety and wider Risk Management procedures put in place by the Council. Contractors, committees and volunteers engaged in the provision of Council services, or the management of Council facilities and assets are also required to comply with this Policy.

5.2 Practical Outcomes to be achieved in the application of this Policy

- ... All Council Risk Management activities are clearly linked to and support one or more of the Strategic Objectives outlined in the Rockhampton Regional Council Corporate Plan 2009-2014.
- ... Agreed Risk Management performance measures are established for all Council activities and incorporated into Council plans, position descriptions and annual staff evaluations as appropriate.
- ... The threats and opportunities associated with all identified performance measures are identified, evaluated, treated, monitored and communicated, in accordance with the processes described in ISO 31000:2009 Risk Management – Principles and Guidelines.
- ... The equipment and facilities used for the provision of Council services are fit for their intended purpose.
- ... Safe and secure systems of work are implemented and maintained.
- ... Adequate Risk Management information, training and supervision are provided to all staff, contractors, committees and volunteers.
- ... The Council's services are provided in compliance with all relevant Acts Regulations, Codes and Standards.
- ... All incidents and hazards are reported, investigated and addressed.
- ... Remedial actions identified as a result of incident investigations are adopted and communicated to prevent recurrence.
- ... The Risk Management program is effectively supported by consultation and communication at all levels.
- ... Council staff members with specific risk management responsibilities are aware of and effectively exercise those responsibilities.
- ... All Council staff members, committees, contractors, business partners, volunteers and the public co-operate to create a safe environment and preserve our assets for the future.
- ... The Council's Audit and Risk Committee provides assurance of the effectiveness of Risk Management throughout the organisation by means of its inclusion in the Audit Program.

Deleted: AS/NZS 4360:2004 Risk Management.

6. Evaluation Process:

This Policy is reviewed when any of the following occur:

1. The related information is amended or replaced.
2. Other circumstances as determined from time to time by the Council.

Notwithstanding the above, the Council's Audit and Risk Management Committee is to review this Policy and its accompanying Strategy annually. Suggested revisions are to be submitted to the Council's Chief Executive Officer for attention.

Deleted: Council Meeting, 28 April 2009

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7. Responsibilities:

Sponsor	Chief Executive Officer
Business Owner	All General Managers
Policy Owner	All Strategic Managers
Policy Compliance	Strategic Manager, Reform and Innovation

8. Changes to Policy:

This policy is to remain in force until otherwise determined by the Council.

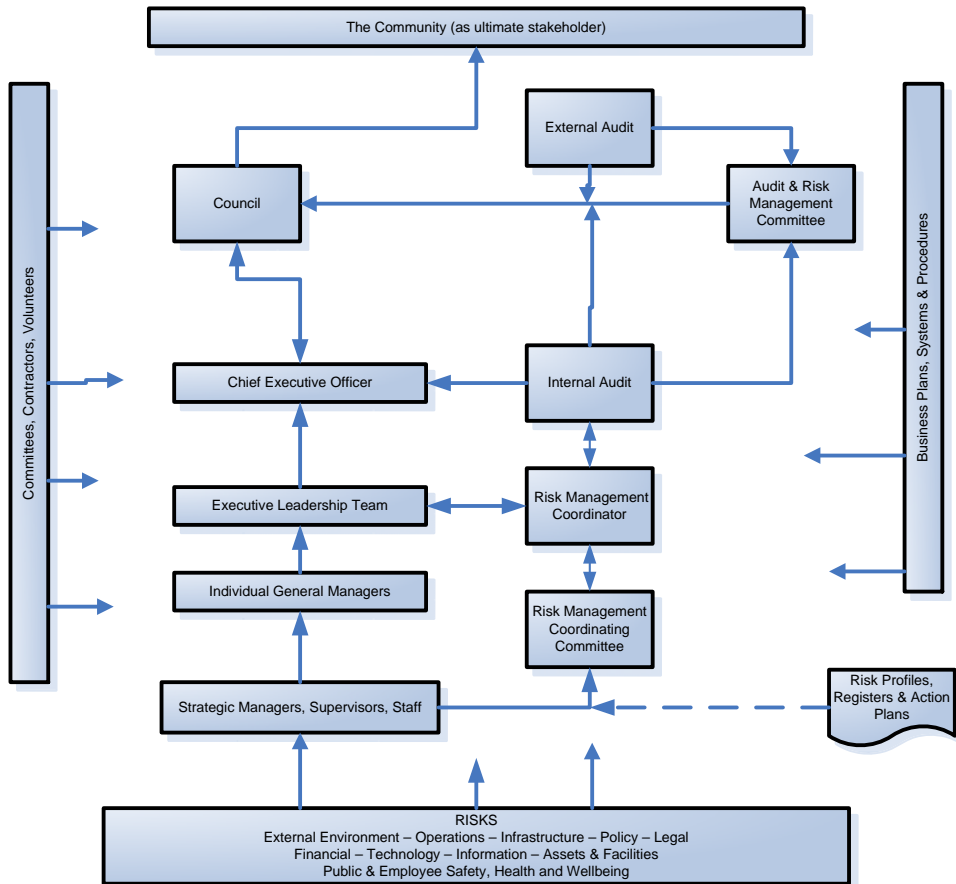
ALASTAIR DAWSON
CHIEF EXECUTIVE OFFICER

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DIAGRAM OF RISK MANAGEMENT FRAMEWORK

Integrated Risk Management Framework



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 SECTION:

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7.1.2 Audit Committee Chairperson Review

File No: 7678

Responsible Officer: John Wallace
Chief Audit Executive

Author: John Wallace
Chief Audit Executive

Proposed Meeting Date: 20 May 2010

SUMMARY

As per item dated 5 February 2009 in Business Arising from Previous Minutes, consideration now needs to be given as to Chairperson Arrangements for the Committee.

OFFICER/COMMITTEE RECOMMENDATION:

That Carolyn Eagle continue as Chairperson for the remainder of the current term of the Audit Committee finishing in 2012.

COMMENTARY

At the first Audit Committee meeting on 5 February 2009, discussion was held on who would like to take on the role of Audit Committee Chair with both Mr Bradley McCosker and Ms Carolyn Eagle showing interest. It was decided that Ms Eagle would be elected as Chairperson with a review to take place, along with the Charter, in six months time with a view to rotating the role.

The Charter has now been reviewed and adopted, however finalisation of the role of Audit Committee Chair is still an outstanding matter waiting to be resolved.

7.1.3 Internal Audit Status Update

File No: 5207

Attachments: [Progress report against the Annual Audit Plan-3](#)
[Report to Audit Committee meeting 20 May 2010 - Internal Audit Status](#)

[Internal Audit Projects Update](#)
[Report to Audit Committee 20 May 2010 - Internal Audit Status Update -...](#)

Responsible Officer: John Wallace
Chief Audit Executive

Author: John Wallace
Chief Audit Executive

Proposed Meeting Date: 20 May 2010

SUMMARY

Provided for your information, *attached*, is:

- the updated Annual Audit Plan 2009-3, July 2009 – June 2010, identifying planned work to be undertaken and the progress made against it; and
- a status update on the work undertaken by Internal Audit Unit covering the period 27 November 2009 – 30 April 2010.

Also provided is preliminary advice on this year's Australian Local Government Internal Audit Conference (ALGIAC).

Chief Audit Executive advised that an Internal Audit Plan would be available for review at the next Audit Committee meeting to be held on 22 July 2010. It was suggested that Councillors be approached through the Chief Executive Officer to see if they had any issues that they would like investigated.

OFFICER/COMMITTEE RECOMMENDATION:

That the report be 'received'.

COMMENTARY

PROGRESS OF ANNUAL AUDIT PLAN

Effectively, due to the cancellation of a planned June Audit Committee (fourth meeting) this Annual Audit Plan update is therefore an END OF YEAR UPDATE:

Internal Audit has completed all of its annual audit planned and approved activities except for –

- Pound Animal Destruction Review (25dd+); approximately 50% completed.
-

The inability to complete this was a result of higher priority being allocated by the CEO to internal audit to undertake an unscheduled and unplanned CMC investigation, not in the annual audit plan.

But for this requested unplanned investigation, IA would have achieved its annual audit plan objectives. This achievement is in spite of the following additional severe impacts on the Unit –

- Resignation of Senior Internal Auditor (26th March) – impact is loss of 3 months audit activity. There was additional considerable impacts of having to rework up to 4 audits which were incomplete at the time of this staff departure.
- Reschedule of June Audit Committee to July – impact was loss of 1 annual audit committee meeting (and 1 month available audit activity x 3 staff).

But for these impacts, Internal Audit would have exceeded its annual audit planned activity without question.

ALGIAC

This year's annual Australian Local Government Internal Audit Conference will be organised by Rockhampton Regional Council and held in Yeppoon, 10-11 November 2010. This is the first time that this conference has been held outside of Southeast Queensland and it is hoped that people in Central and Northern Queensland will take this opportunity to attend, especially with the new Local Government Act coming into force where Local Government is now required to have an Internal Audit function.

Rockhampton Regional Council

Audit

Internal Audit Status Update

Progress report against the Annual Audit Plan-3

20 May 2010

Attachment 1

Pages 1



INTERNAL AUDIT UNIT

2009-3

INTERNAL AUDIT ANNUAL AUDIT PLAN ³ July 2009-June 2010

The Annual Work Program details the half year in which reports will be completed and the status of each audit. The 2009-3 Audit Plan is an updated plan (based on the original plan) which includes details of requested audits – showing application of total audit days available.

Audit Area (Dependency on periodic Risk Profile Update)	Time Est.	July-Dec 2009	Jan-June 2010	Status
YEAR – 1 AUDITS including requests				
Yes – signifies activity period				
YEAR-0 PLANNED audits brought forward to Yr-1				
▪ QAO Follow-up review	*9d	Yes		C
YEAR-0 REQUESTED incomplete audits b f/wd				
▪ Customer Service-Receipting Process	**30d	Yes		C
▪ Corporate Governance AS8000	**23d	Yes		C
YEAR-1 NEW REQUESTED audits (unallocated time)				
▪ QAO IT Review – security	**51d+	Yes		C
▪ Payroll Process	**30d	Yes		C
YEAR-1 PLANNED AUDITS				
▪ Amenities & Grounds (public safety)	**25d(1)		Yes	Z
▪ Zoo – Biosecurity (compliance review)	**30d		Yes	P
▪ Disaster Management Plans (BCC)	**30d(2)		Yes	P
▪ M Rowe- VFM reviews - ongoing	**30d(3)			D
▪ LG Bill	**39d(4)			Z
▪ Pound – Money handling (added JW)	15d		Yes	P
▪ Livestock management (added JW)	10d		Yes	P
▪ Pound – animal destruction (add CEO)	25d+		Yes	P

NOTES:

- (1) New estimate is for this to take about 25 days vs 15 days originally planned.
- (2) New estimate is for this to take about 30 days as originally planned.
- (3) VFM no longer valid in this period. impact of IT & Payroll review.
- (4) LG Bill release has been delayed. No longer valid in this period.

TIME EST – DAYS:

- * Actual (best estimate of actual days) as per timesheets
- ** Planned / Forecast (original estimate of days as per SAP)
- *** Actual Elapsed time in days (NB this includes other non-audit activities)

STATUS DESCRIPTIONS:

Scheduled Audit - (S) In Progress - (P) Audit Completed - (C)
Proposed only - (X) Cancelled - (Z) Deferred to future period - (D)

Reviewed by CEO on: **6 April 2010** [Plan 2009-3 signifies 2009 update #3]

To be reviewed by Audit Committee: **20 May 2010**

This Updated Plan Reviewed and Approved by Alastair Dawson (Chief Executive Officer)

Signed: _____

Date: 6/04/2010

In the event internal audit function receives a request to perform a special audit or task.....Internal Audit may obtain the approval of the Chief Executive Officer or Audit Committee to amend the annual audit schedule to reflect the approved modification. [IA Charter: S 6.1.13]

Rockhampton Regional Council

Audit

Internal Audit Status Update

Internal Audit Projects Update

20 May 2010

Attachment 2

Pages 1

Project Title	Scope & Engagem't Letter	Field Work Underway	Field Work Completed	Draft Report Issued to Mgmt	Mgmt Comments Received	Final Report Issued	Provided to Audit Committee	Comments
Corporate Governance Framework	- June	July-Sep	July-Sep	July-Sep	July-Sep	July-Sep	July-Sep	
Customer Service - Receiving Process	- June	- June	July-Sep	July-Sep	July-Sep	July-Sep	July-Sep	
IT Governance, Logical Security, Change Control and Data Migration Review	July-Sep	July-Sep	Oct- Dec	Oct-Dec	Oct-Dec	Oct-Dec	Oct-Dec	Added June 2009 from CEO
QAO - 2007/08 Financial Statements High Risks Review	July-Sep	July-Sep	July-Sep	July-Sep	July-Sep	July-Sep	July-Sep	Follow-up review
Financial Services - FRW 2008 Income Tax Equivalents Return	- June	- June	- June	- June	- June	- June		Consultancy Work
Financial Services - Payroll Process Audit	July-Sep	July-Sep	Oct-Dec	Oct-Dec	Oct-Dec	Interim Report only Oct-Dec	Interim Report Oct-Dec Final Report Jan-May '10	Added July 2009 from CEO
Reform & Innovation - VFM and Service-Level Reviews								2.3.10 - Deferred to Future Period
Local Government Act - Annual Reviews required by LG Bill 2008								2.3.10 - Cancelled
Parks & City Maintenance - Zoo Biosecurity Report Review	Jan-May	Jan-May	Jan-May	Jan-May	Jan-May	Jan-May	Jan-May	
Community Standards & Compliance - Pound - Destruction of Animals	Jan-May	Jan-May						Added Jan 2010 from Chief Executive Officer
Community Standards & Compliance - Pound Money Handling	Jan-May	Jan-May	Jan-May	Jan-May	Jan-May	Jan-May	Jan-May	Management request
Infrastructure - Disaster Management Plans	Jan-May	Jan-May	Jan-May	Jan-May	Jan-May	Jan-May	Jan-May	Proposed BCC arrival 22 Mar
Community Standards & Compliance - LiveStock Management	Jan-May	Jan-May	Jan-May	Jan-May	Jan-May	Jan-May	Jan-May	Added by JW
Community Facilities - Potential Injuries from Failure to Upgrade Amenities and Grounds								Note-1 Cancelled by CEO

Note 1 - Community facilities discussed with C Philips and was not rated a high priority vs other priorities
Subsequently agreed cancelled by CP & JW & CEO

Note 2 - Payroll now reviewed and issued as Draft and then Final.

7.1.4 Results of Audit Committee Self Assessment

File No:	7678
Attachments:	<u>Audit Committee Self Assessment - Results</u> <small><u>Report to Audit Committee meeting 20 May 2010 - Results of Audit Commi...</u></small>
Responsible Officer:	John Wallace Chief Audit Executive
Author:	John Wallace Chief Audit Executive
Proposed Meeting Date:	20 May 2010

SUMMARY

Attached for the Committee's information are the results of the recent Audit Committee Performance Evaluation self assessment.

External Member, Mr McCosker advised that he would like to review the Audit Charter against the Internal Audit Plan for 2010/2011 when the Strategic Manager Internal Audit presents this at the next meeting, to ensure that the Committee is meeting its obligations and responsibilities. Again it was stressed the importance of the Governance of Council being left to the Chief Executive Officer and Councillors, and that the Audit Committee remains inquisitorial to ensure the organisation stays on track. External Member, Mr McCosker also commented on Councillor Mather's report from her attendance at the Local Government Risk Management Summit in Sydney on 28-29 April 2010. He suggested that it may be a useful exercise to compare the charter against the discussion points raised in the report.

The External Member, Mr McCosker advised that he would like to see the Audit Committee members take a closer role with the Risk Management Co-ordinating Committee. He suggested that an independent member attending the RMCC meetings be considered.

12.01PM His Worship the Mayor left the meeting
12.02PM His Worship the Mayor returned to the meeting

OFFICER/COMMITTEE RECOMMENDATION:

That the report be "received".

COMMENTARY

It was resolved at the 10 December 2010 Audit Committee Meeting that a self assessment questionnaire be circulated to Committee Members prior to the 22 April 2010 meeting. This has been completed and the results have been provided (*attached*) for the information of the Committee.

Rockhampton Regional Council

Audit

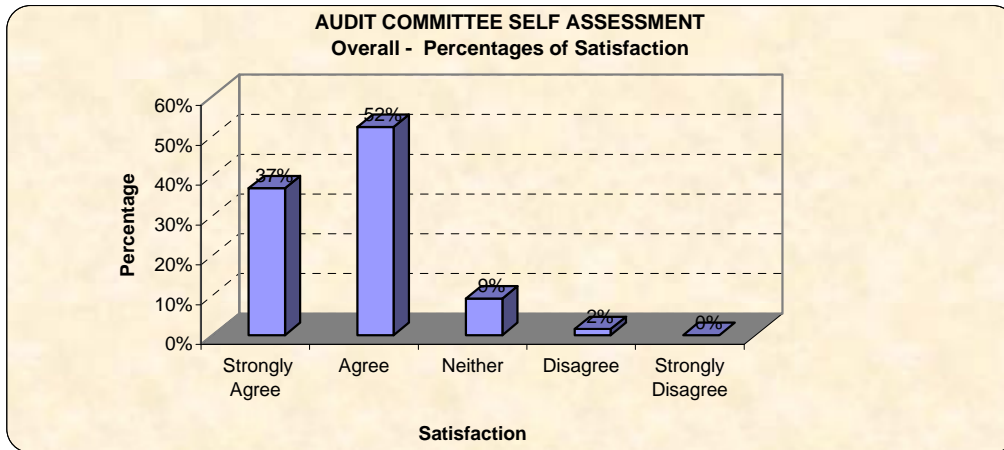
Results of Audit Committee Self Assessment

Audit Committee Self Assessment - Results

20 May 2010

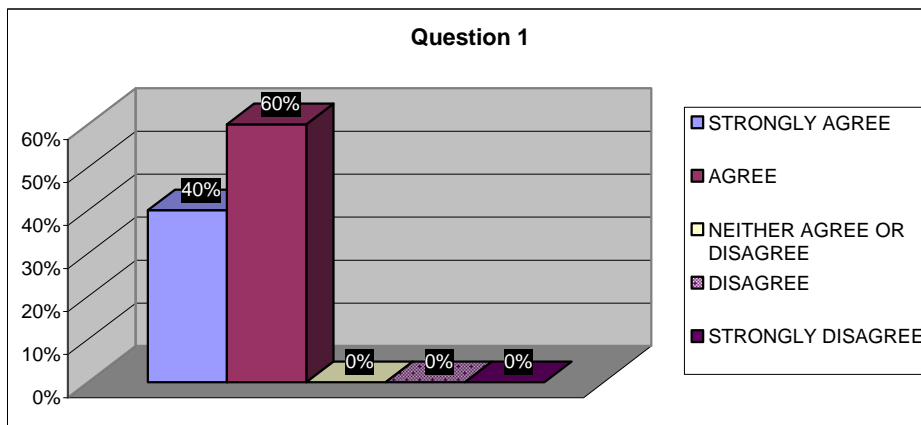
Attachment 1

Pages 6

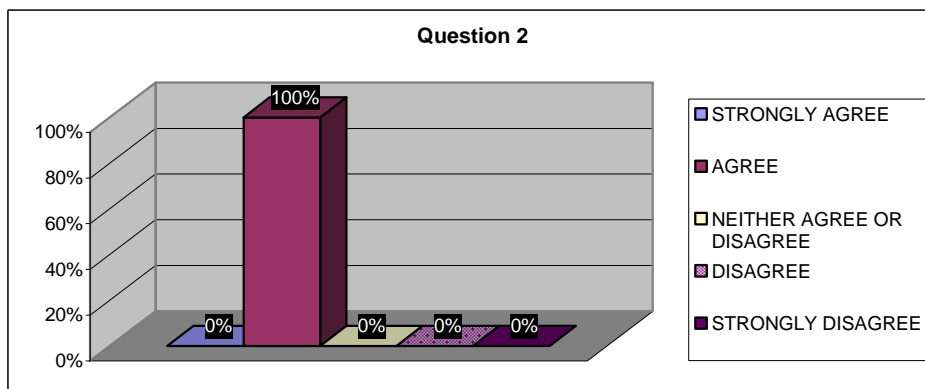


OVERALL	
Strongly Agree	37%
Agree	52%
Neither	9%
Disagree	2%
Strongly Disagree	0%

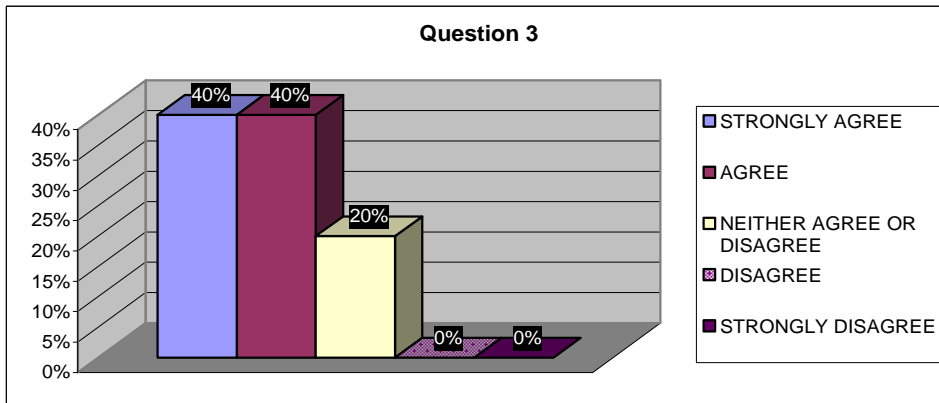
Q1. I understand the Audit Committee's role in governance within the organisation?



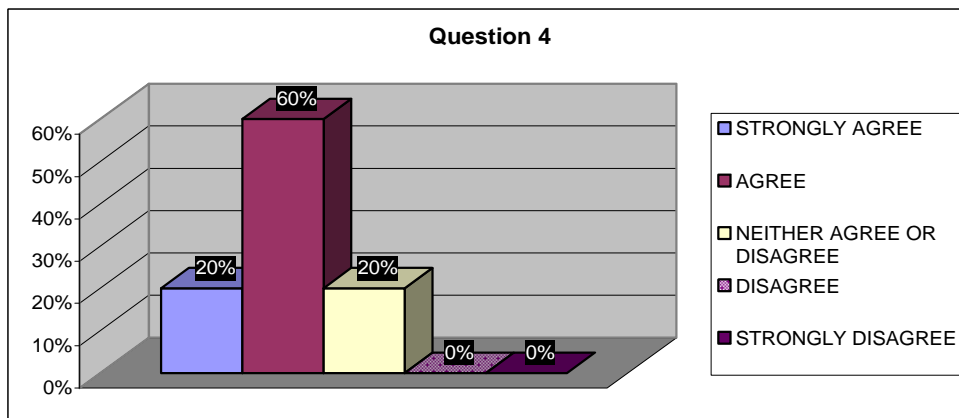
Q2. I understand my role on the Audit Committee and the value I bring to the governance of the organisation?



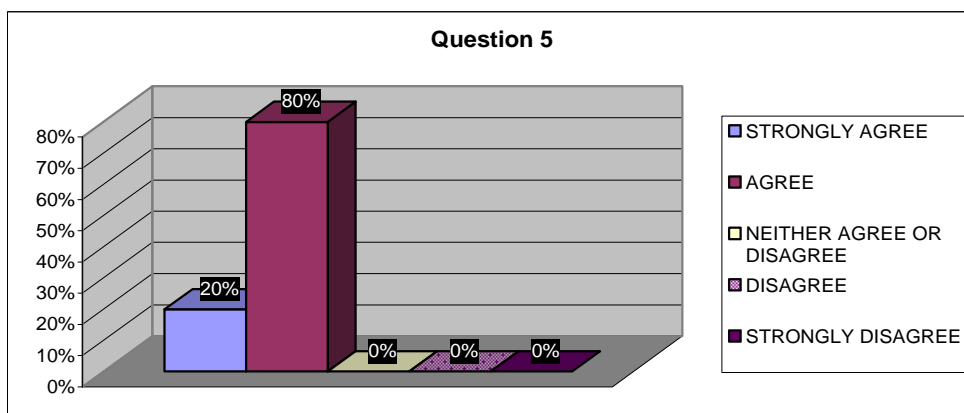
Q3. Do all members arrive on time for the commencement of Committee Meetings?



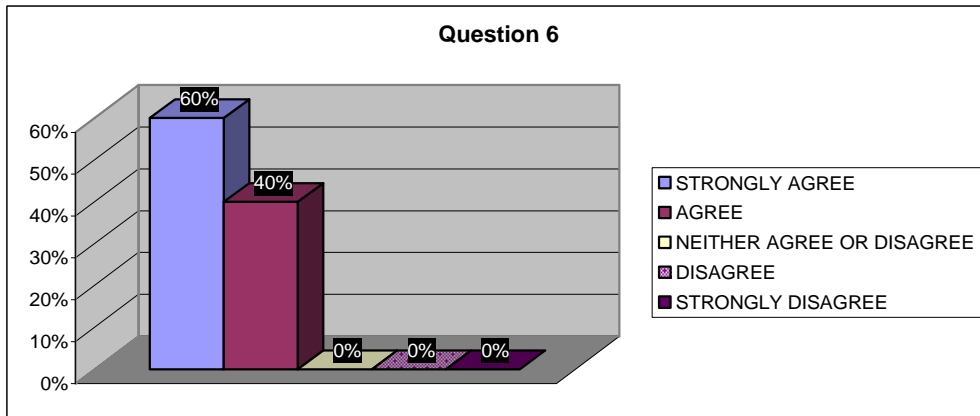
Q4. Are the outcomes of the meetings clear and concise?



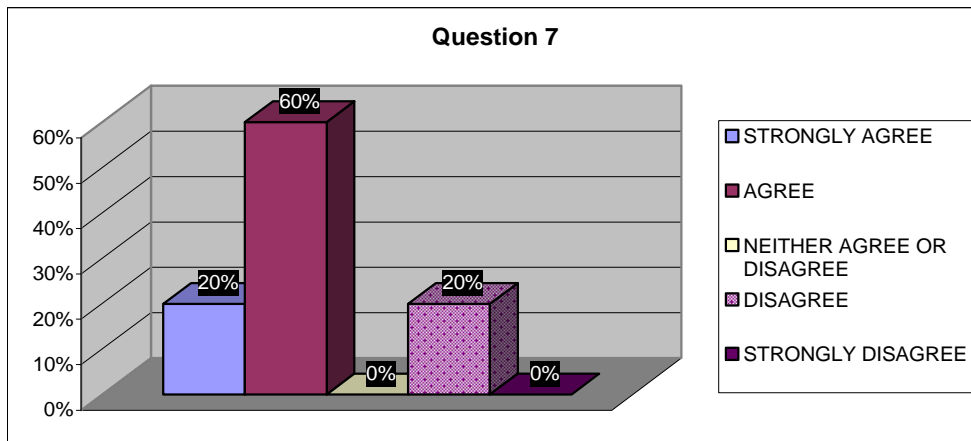
Q5. Do members of the Committee maintain respect and a workable relationship with other members of the Committee?



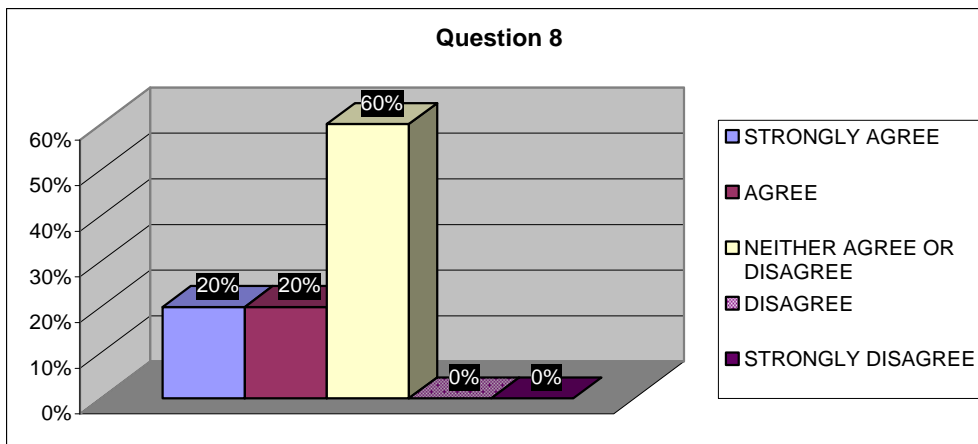
Q6. Is the involvement of all Committee members sought by the Chairperson?



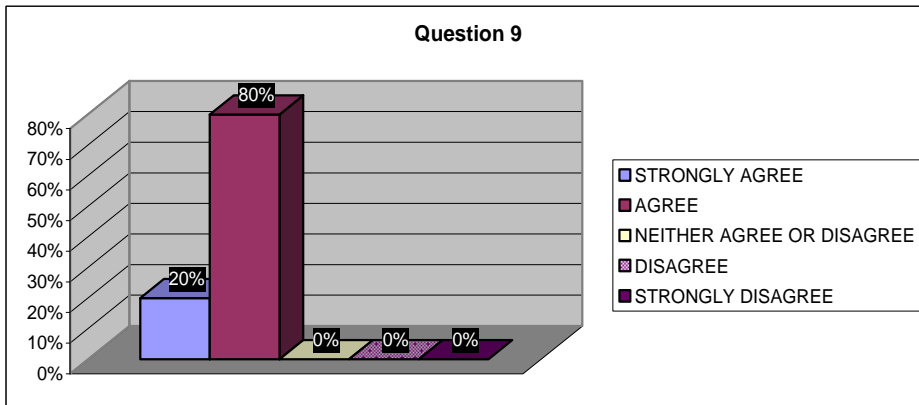
Q7. Do all members attend and actively contribute at meetings?



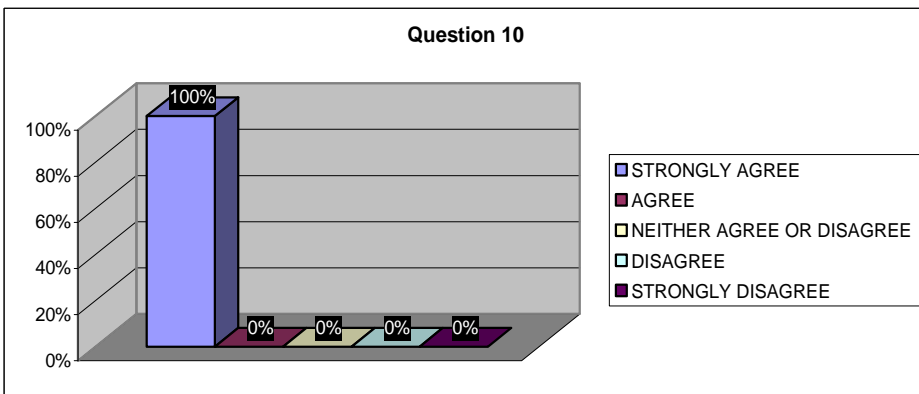
Q8. Does the Committee engage outside experts as appropriate?



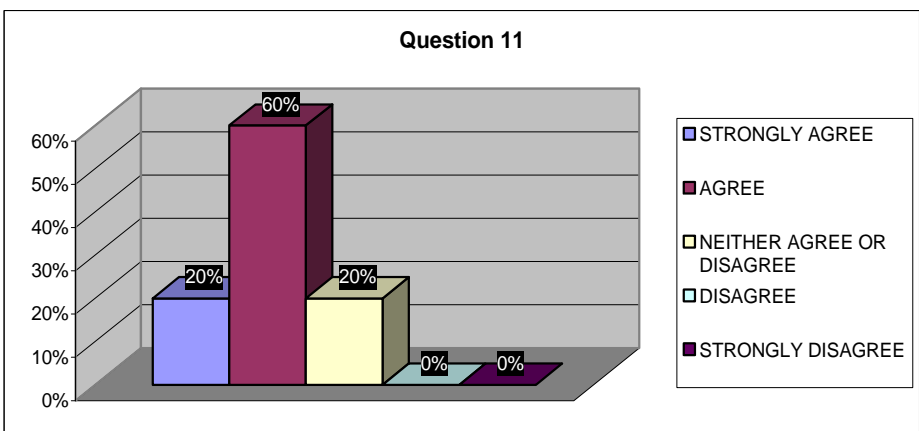
Q9. Is the agenda prepared and distributed to all members with sufficient background information and time for review in advance of the meeting?



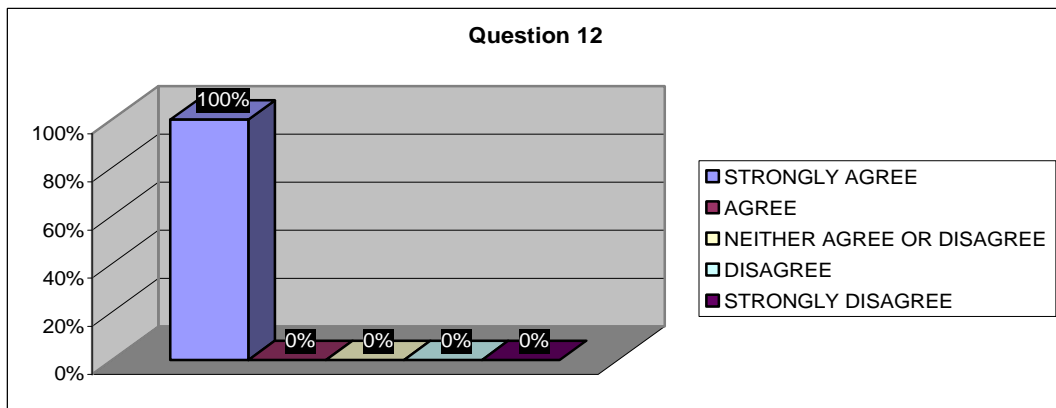
Q10. Does the committee monitor and critique management's response to audit findings and recommendations?



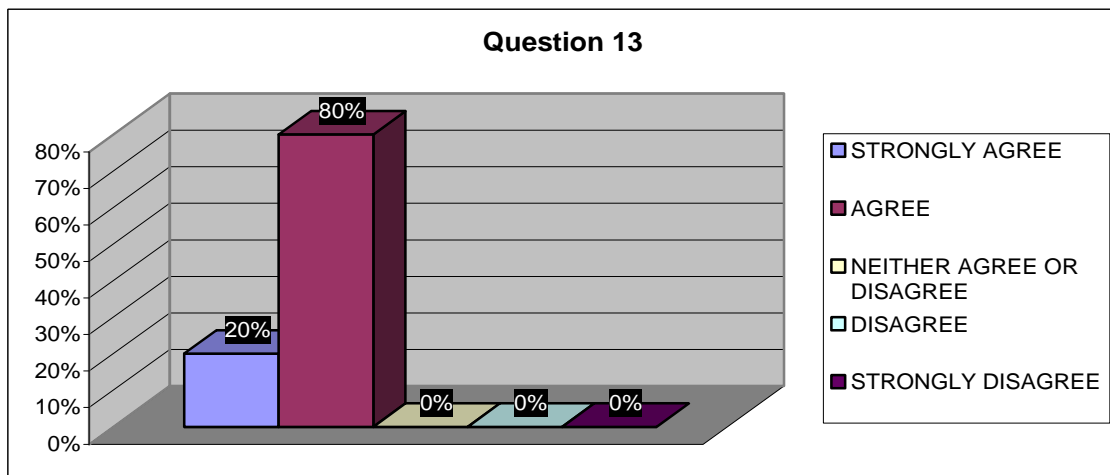
Q11. Does the committee monitor and report on the continued effectiveness of risk management?



Q12. During the past twelve months, did the committee adequately address all of its responsibilities as detailed in the charter/terms of reference?



Q13. Internal Audit has completed Committee's requests within the nominated timeframes?



Comments

Q14. Other comments / suggestions:

1. When committee report goes to Ordinary Council meeting the report is never questioned. Not sure if councillors are satisfied or do not like to question.
2. ...facing local government today, but is handling them in a very responsible and strategic manner. I rely on the more experienced members
3. My answer to 11 reflects the relatively early stage of risk management. I also think we need to actively monitor # 10.
4. -
5. -

Q15. The strengths of the Committee are:

1. Openness of the consultant members of the committee and their frankness.
2. A cohesive team with honest input and a common goal.
3. -
4. Strong commitment and support for the Audit Committee. Members and staff are generally well prepared for meetings. A growing knowledge of the terms of reference of the Audit Committee is evident.
5. Strategic Approach. Independent Chair

Q16. Improvement opportunities for the Committee are:

1. May be update of Director's Course.
2. ...be addressed, we must ensure that we have sufficient staff to undertake our recommendations - whether they be casual, part-time or permanent. As we set ourselves goals and timelines, we must be sure we have the staff to undertake the tasks at hand. I would like the staff to feel comfortable about voicing their concerns, and ways to improve/streamline Council's operations.
3. Prioritisation of issues.
4. Contributions from all members of the committee is sought to ensure that a wide variety of views on governance issues are considered. A largely standing agenda with headings linked to the AC Terms of Reference could improve information flow/management reporting and enable the committee to see how it is covering off on its responsibilities at each meeting. The new agenda/minute system may more readily enable this functionality.

8 GENERAL BUSINESS

8.1 Dates for Audit Committee Meetings

File No: 8563
Responsible Officer: Evan Pardon
Position of Author: Chief Executive Officer

SUMMARY

The meeting dates for Audit Committee for the remainder of 2010 will be 22 July 2010, 7 October 2010, and 16 December 2010.

8.2 QAO Audit Strategy

File No: 8151

Responsible Officer: Michael Clerc

Position: Strategic Manager Financial Services

SUMMARY

Strategic Manager Financial Services provided an update on the QAO Review regarding Chairpersons queries regarding staff turnover in the Finance Department, Council debt levels, and litigations.

Discussion continued around the possible review of financial statements by the Audit Committee. Strategic Manager Financial Services advised that his team were currently looking at the process and timeline of the creation of Financial Statements and advised that there was an extremely small window of opportunity between the completion and signing off by the CEO and Mayor.

The Strategic Manager Financial Services will outline the process of the creation of the financial statements along with the accompanying quality control measures and bring this to the Audit Committee meeting to be held in July.

The meeting adjourned at 12.47pm for lunch.

The meeting resumed at 1.20pm

9 PRESENT

Members Present

Ms C Eagle, External Member (Chairperson)
His Worship the Mayor, Councillor B N Carter
Councillor G K Brady
Mr B McCosker, External Member

In Attendance:

Mr E Pardon – Chief Executive Officer
Mr J Wallace – Chief Audit Executive
Mr M Rowe – Executive Manager Reform and Innovation
Mr B Harper - Risk Management Co-ordinator
Mr M Clerc – Strategic Manager Financial Services
Ms A Cutler – Corporate Projects Accountant
Mrs V Taylor – Committee Support Team Leader

10 APOLOGIES

Councillor G M Mather

1.21PM

RESOLVED

THAT Standing Orders be resumed.

MOVED: His Worship the Mayor
MOTION CARRIED

11 CLOSED BUSINESS

11.1 General

11.1.1 0906 - Payroll Analysis

File No: 5207

Responsible Officer: John Wallace
Chief Audit Executive

Author: John Wallace
Chief Audit Executive

Proposed Meeting Date: 20 May 2010

PURPOSE

In accordance with Section 463 of the *Local Government Act 1993*, it is considered necessary to close the meeting to discuss this matter in closed business.

OFFICER/COMMITTEE RECOMMENDATION:

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

Moved by: Carolyn Eagle
Seconded by: Councillor Brady
MOTION CARRIED

11.1.2 1001-Zoo Biosecurity Report Review

File No: 5207

Responsible Officer: John Wallace
Chief Audit Executive

Author: John Wallace
Chief Audit Executive

Proposed Meeting Date: 20 May 2010

PURPOSE

In accordance with Section 463 of the *Local Government Act 1993*, it is considered necessary to close the meeting to discuss this matter in closed business.

OFFICER/COMMITTEE RECOMMENDATION:

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

Moved by: Carolyn Eagle
Seconded by: Councillor Brady
MOTION CARRIED

11.1.3 1003 - Pound Money Handling Analysis

File No: 5207

Responsible Officer: John Wallace
Chief Audit Executive

Author: John Wallace
Chief Audit Executive

Proposed Meeting Date: 20 May 2010

PURPOSE

In accordance with Section 463 of the *Local Government Act 1993*, it is considered necessary to close the meeting to discuss this matter in closed business.

OFFICER/COMMITTEE RECOMMENDATION:

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

Moved by: Carolyn Eagle
Seconded by: Councillor Brady
MOTION CARRIED

11.1.4 1004 - Disaster Management Plan Review

File No: 5207

Responsible Officer: John Wallace
Chief Audit Executive

Author: John Wallace
Chief Audit Executive

Proposed Meeting Date: 20 May 2010

PURPOSE

In accordance with Section 463 of the *Local Government Act 1993*, it is considered necessary to close the meeting to discuss this matter in closed business.

OFFICER/COMMITTEE RECOMMENDATION:

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

Moved by: Carolyn Eagle
Seconded by: Councillor Brady
MOTION CARRIED

11.1.5 1005 - Livestock Management Analysis

File No: 5207

Responsible Officer: John Wallace
Chief Audit Executive

Author: John Wallace
Chief Audit Executive

Proposed Meeting Date: 20 May 2010

PURPOSE

In accordance with Section 463 of the *Local Government Act 1993*, it is considered necessary to close the meeting to discuss this matter in closed business.

OFFICER/COMMITTEE RECOMMENDATION:

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

Moved by: Carolyn Eagle
Seconded by: Councillor Brady
MOTION CARRIED

11.1.6 Follow up on Assorted Audit Recommendations

File No: 5207

Responsible Officer: John Wallace
Chief Audit Executive

Author: John Wallace
Chief Audit Executive

Proposed Meeting Date: 20 May 2010

PURPOSE

In accordance with Section 463 of the *Local Government Act 1993*, it is considered necessary to close the meeting to discuss this matter in closed business.

OFFICER/COMMITTEE RECOMMENDATION:

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

Moved by: Carolyn Eagle
Seconded by: Councillor Brady
MOTION CARRIED

11.1.7 Loss/Theft items reported to Auditor-General

File No: 3911

Responsible Officer: Ross Cheesman
General Manager Organisational Services

Author: Kellie Anderson
Operations Manager Property & Insurance

Proposed Meeting Date: 20 May 2010

PURPOSE

In accordance with Section 463 of the *Local Government Act 1993*, it is considered necessary to close the meeting to discuss this matter in closed business.

OFFICER/COMMITTEE RECOMMENDATION:

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

Moved by: Carolyn Eagle
Seconded by: Councillor Brady
MOTION CARRIED

11.1.8 Update on Major Business Systems Project

File No: 7678

Responsible Officer: Ross Cheesman
General Manager Organisational Services

Author: Prem Vattoli
Project Manager
Business Systems Project

Proposed Meeting Date: 20 May 2010

PURPOSE

In accordance with Section 463 of the *Local Government Act 1993*, it is considered necessary to close the meeting to discuss this matter in closed business.

OFFICER/COMMITTEE RECOMMENDATION:

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

Moved by: Carolyn Eagle
Seconded by: Councillor Brady
MOTION CARRIED

11.1.9 Quarterly Risk Report for Period January to March 2010

File No: 7660

Responsible Officer: Michael Rowe
Executive Manager Reform and Innovation

Author: Barry Harper
Risk Management Co-ordinator

Proposed Meeting Date: 20 May 2010

PURPOSE

In accordance with Section 463 of the *Local Government Act 1993*, it is considered necessary to close the meeting to discuss this matter in closed business.

OFFICER/COMMITTEE RECOMMENDATION:

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

Moved by: Carolyn Eagle
Seconded by: Councillor Brady
MOTION CARRIED

CLOSED SESSION

1.24PM

RESOLVED

THAT the meeting moves into Closed Session.

MOVED: Carolyn Eagle
SECONDED: Councillor Brady
MOTION CARRIED

2.12PM His Worship the Mayor out
2.14PM Chief Executive Officer out
2.24PM His Worship the Mayor returned

3.19PM

RESOLVED

THAT the meeting moves out of Closed Session and is opened to the public.

MOVED: Carolyn Eagle
SECONDED: Councillor Brady
MOTION CARRIED

12 CONFIDENTIAL REPORTS

12.1 General

12.1.1 0906 - Payroll Analysis

File No: 5207

Responsible Officer: John Wallace
Chief Audit Executive

Author: John Wallace
Chief Audit Executive

Proposed Meeting Date: 20 May 2010

SUMMARY

Presented for the information of the Audit Committee (*attached*) is the Payroll Analysis Final Report conducted by the Internal Audit Unit.

ADVISORY COMMITTEE RECOMMENDATION

That the Committee receives the report and that an update from Management on the status of the recommendations of the Payroll Audit be provided to the next Audit Committee being held on 22 July 2010;

And, that a ballpark figure of the dollar value to which Council has been exposed through payroll errors be provided;

And further, that an Audit Issues matrix be developed which will capture all Internal Audit recommendations and their status, to be facilitated by Internal Audit and the Chief Executive Officer.

Moved by: Councillor Brady

Seconded by: Brad McCosker

MOTION CARRIED

12.1.2 1001-Zoo Biosecurity Report Review

File No: 5207

Responsible Officer: John Wallace
Chief Audit Executive

Author: John Wallace
Chief Audit Executive

Proposed Meeting Date: 20 May 2010

SUMMARY

Presented for the information of the Audit Committee (*attached*) is the Zoo Biosecurity Report Review conducted by the Internal Audit Unit.

External Member, Mr McCosker raised concerns that relevant Strategic Managers were not submitting reports regarding issues raised by relevant authorities eg Biosecurity Australia.

OFFICERS RECOMMENDATION

That the Committee receives the report.

Moved by: Councillor Eagle
Seconded by: His Worship the Mayor
MOTION CARRIED

12.1.3 1003 - Pound Money Handling Analysis

File No: 5207

Responsible Officer: John Wallace
Chief Audit Executive

Author: John Wallace
Chief Audit Executive

Proposed Meeting Date: 20 May 2010

SUMMARY

Presented for the information of the Audit Committee is the Pound Money Handling Analysis conducted by the Internal Audit Unit.

OFFICERS RECOMMENDATION

That the Committee receives the report.

Moved by: His Worship the Mayor
Seconded by: Carolyn Eagle
MOTION CARRIED

12.1.4 1004 - Disaster Management Plan Review

File No: 5207

Responsible Officer: John Wallace
Chief Audit Executive

Author: John Wallace
Chief Audit Executive

Proposed Meeting Date: 20 May 2010

SUMMARY

Presented for the information of the Audit Committee, *attached*, is the Disaster Management Plan Review, conducted on behalf of the Internal Audit Unit by Brisbane City Council's Assurance Services.

OFFICERS RECOMMENDATION

That the Committee receives the report.

Moved by: Carolyn Eagle
Seconded by: Brad McCosker
MOTION CARRIED

12.1.5 1005 - Livestock Management Analysis

File No: 5207

Responsible Officer: John Wallace
Chief Audit Executive

Author: John Wallace
Chief Audit Executive

Proposed Meeting Date: 20 May 2010

SUMMARY

Presented for the information of the Audit Committee (*attached*) is the Livestock Management Analysis conducted by the Internal Audit Unit.

OFFICERS RECOMMENDATION

That the Committee receives the report.

Moved by: His Worship the Mayor
Seconded by: Councillor Brady
MOTION CARRIED

12.1.6 Follow up on Assorted Audit Recommendations

File No: 5207

Responsible Officer: John Wallace
Chief Audit Executive

Author: John Wallace
Chief Audit Executive

Proposed Meeting Date: 20 May 2010

SUMMARY

Internal Audit has undertaken a follow-up on the status of the audit recommendations actions made in its reports since 1 July 2009 to ascertain the status of those actions, as per *Local Government Finance Standard 2005 S14(2)(d)(ii)*.

OFFICERS RECOMMENDATION

That the Committee receives the report.

Moved by: Carolyn Eagle
Seconded by: Councillor Brady
MOTION CARRIED

12.1.7 Loss/Theft items reported to Auditor-General

File No: 3911

Responsible Officer: Ross Cheesman
General Manager Organisational Services

Author: Kellie Anderson
Operations Manager Property & Insurance

Proposed Meeting Date: 20 May 2010

SUMMARY

Operations Manager Property & Insurance reporting on Loss/Theft items reported to Auditor-General from 1st July 2009.

COMMITTEE RECOMMENDATION

That the report be received and a further report be brought back to the Committee regarding the loss of standpipes from Fitzroy River Water, detailing the process of the granting and receiving of such items and also the procedures and processes followed when a loss occurs.

And also that a response from Fitzroy River Water Management be sought detailing what steps have been taken to prevent further loss to be provided through the Chief Executive Officer

Moved by: Councillor Brady
Seconded by: His Worship the Mayor
MOTION CARRIED

12.1.8 Update on Major Business Systems Project

File No: 7678

Responsible Officer: Ross Cheesman
General Manager Organisational Services

Author: Prem Vattoli
Project Manager
Business Systems Project

Proposed Meeting Date: 20 May 2010

SUMMARY

General Manager Organisational Services providing an update on the Business Systems Project.

OFFICERS RECOMMENDATION

That the report be "received".

Moved by: Carolyn Eagle
Seconded by: Brad McCosker
MOTION CARRIED

12.1.9 Quarterly Risk Report for Period January to March 2010

File No: 7660

Responsible Officer: Michael Rowe
Executive Manager Reform and Innovation

Author: Barry Harper
Risk Management Co-ordinator

Proposed Meeting Date: 20 May 2010

SUMMARY

The Risk Management Coordinator is providing the Quarterly Risk Management Report for the period January to March 2010.

OFFICERS RECOMMENDATION

That the Quarterly Risk Management Report for the period January to March 2010 be received and that Management reconsider whether it is appropriate to the remove the Saleyards from the risk register altogether;

And further, that the Top 20 risks including a more detailed report on Risk 10 - increased climate change effects impacting on Council Business Operations and Operational costs, including energy costs, be brought back to the table for consideration at the next Committee meeting to be held on 22 July 2010.

Moved by: Carolyn Eagle
Seconded by: Councillor Brady
MOTION CARRIED

13 CLOSURE OF MEETING

There being no further business, the meeting terminated at 3.21pm.

MS CAROLYN EAGLE
CHAIRPERSON

DATE