AGENDA

AUDIT AND RISK COMMITTEE

THURSDAY, 9 APRIL 2020

The Audit and Risk Committee Meeting of the Central Desert Regional Council will be held via teleconference on Thursday, 9 April 2020 at 11:00am.
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<td>AUDIT AND RISK COMMITTEE REPORTS</td>
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<td>7</td>
<td>GENERAL BUSINESS</td>
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<td></td>
<td><em>Nil</em></td>
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<td>8</td>
<td>CLOSE OF MEETING</td>
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CONFIRMATION OF PREVIOUS MINUTES

ITEM NUMBER 4.1
TITLE Confirmation of Previous Minutes
REFERENCE 574334
AUTHOR Leslie Manda, Director Corporate Services
DUE DATE Not Applicable

LINKS TO STRATEGIC PLAN
Theme 4: Sustainable Communities

RECOMMENDATION:
That the Audit and Risk Committee confirm the minutes of the meeting held 12 December 2019.

SUMMARY: The Audit and Risk committee is being asked to review the previous minutes to ensure they are a true and correct record of the meeting.

BACKGROUND
The Audit and Risk Committee needs to consider the unconfirmed minutes of the previous meeting before they confirm that they are accurate and truthfully reflect the discussions held during the meeting.

ISSUES, CONSEQUENCES AND OPTIONS
Nil

FINANCIAL IMPLICATIONS
Nil

ATTACHMENTS:
1 Audit & Risk Committee minutes - 12 December 2019
MINUTES
AUDIT AND RISK COMMITTEE
THURSDAY, 12 DECEMBER 2019

The Audit and Risk Committee Meeting of the Central Desert Regional Council was held in the Alice Springs Council Office on Thursday, 12 December 2019 at 11:00am.
Meeting started at 11:04am.

1. PRESENT
   Fran Kilgariff (Chair)
   Cr Adrian Dixon
   Cr William Liddle
   Cr David McCormack via phone

   Staff present
   Leslie Manda (Director Corporate Services)
   Maria de Dios (Governance Officer)

2. APOLOGIES
   Diane Hood (CEO)

   Cr Freddy Williams was absent without apology.

3. CONFLICT OF INTEREST
   Nil

   Cr D McCormack joined the meeting via phone at 11:07am.

4. CONFIRMATION OF MINUTES

4.1 CONFIRMATION OF PREVIOUS MINUTES

   SUMMARY: The Audit and Risk committee is being asked to review the previous minutes to ensure they are a true and correct record of the meeting.

   AR008/2019 RESOLVED (Cr A Dixon/Cr W Liddle)
   That the Audit and Risk Committee confirm the minutes of the meeting held 29 August 2019.
5. ACTIONS FROM PREVIOUS MINUTES

5.1 ACTIONS FROM PREVIOUS MINUTES

SUMMARY: Audit & Risk Committee monitors progress on actions that are open.

**AR009/2019 RESOLVED** (Cr W Liddle/Cr A Dixon)
That the Audit & Risk committee:
1. Close the outstanding action updating the strategic risks document to include a column showing changes in risk status.

6. AUDIT AND RISK COMMITTEE REPORTS

6.1 STRATEGIC RISKS

SUMMARY: The Audit and Risk Committee review strategic risks and actions each meeting.

**AR010/2019 RESOLVED** (Cr A Dixon/Cr D McCormack)
That Committee endorse the strategic risks register.

2 GENERAL BUSINESS

Cr A Dixon asked for an update regarding water in Laramba because it tastes funny. Cr. Liddle mentioned that the water in Atitjere is sometimes not drinkable.

The meeting closed at 11:24am.


________________________________________
Chairperson
AUDIT AND RISK COMMITTEE REPORTS
ITEM NUMBER  6.1
TITLE        Strategic Risks
REFERENCE    574336
AUTHOR       Leslie Manda, Director Corporate Services

LINKS TO STRATEGIC PLAN
Theme 1: Advocacy
Theme 2: Customer Service
Theme 3: Liveability
Theme 4: Sustainable Communities
Theme 5: Economic Growth

RECOMMENDATION:
That Committee endorse the strategic risks register.

SUMMARY: Central Desert Regional Council has adopted its Strategic Risk Plan and endorsed the Audit and Risk Committee review of risks at each meeting.

BACKGROUND
The strategic risks were reviewed and debated by the Audit and Risk Committee and endorsed by Council.

Both the Audit and Risk Committee and Council have agreed the reporting format for ongoing review of the strategic risks.

ISSUES, CONSEQUENCES AND OPTIONS
The Audit and Risk Committee may suggest additional actions.

FINANCIAL IMPLICATIONS
Financial management is negatively impacted if risks are not identified and managed. Poor risk management can have an impact on insurance as well as on asset management.

ATTACHMENTS:
1  3-20 Risk Analysis Report
## 3-20 Risk Analysis Report

<table>
<thead>
<tr>
<th>Goal</th>
<th>Risk</th>
<th>Type</th>
<th>Risk Rating</th>
<th>Risk Direction</th>
<th>Actions</th>
<th>Control (C) / KPI</th>
<th>March 2020 Status / Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advocacy</strong></td>
<td>Council advocacy platform contradicts or is at odds with NT Government policy and/or Federal policy</td>
<td>Relationship</td>
<td>HIGH</td>
<td>STATIC</td>
<td>Relationships maintained with open and transparent communications. Ensure issues are communicated to and known by other tiers of government. Upfront engagement</td>
<td>C: Advocacy plan actions KPI: Coverage increasing</td>
<td>Advocacy evaluation matrix developed and adopted by Council at Jan 2020 OICM</td>
</tr>
<tr>
<td><strong>Customer Service</strong></td>
<td>Council does not have the ICT capacity or capability to provide services</td>
<td>Financial</td>
<td>HIGH</td>
<td>REDUCING</td>
<td>Council Biz participation. Ongoing</td>
<td>C: Customer Service plan actions KPI: Council Biz annual report, ICT on budget. Systems availability</td>
<td>Council Biz strategy development ongoing - Council Biz SLAs in development and Council is working with Telstra to improve connectivity</td>
</tr>
<tr>
<td><strong>Livability</strong></td>
<td>Council has insufficient staffing levels to deliver on the ground service requirements</td>
<td>Financial</td>
<td>HIGH</td>
<td>STATIC</td>
<td>Review and re-engage HR policies and procedures, by June 30th 2019</td>
<td>C: HR policy and procedure KPI: Voluntary staff turnover &lt; 15%</td>
<td>HR Policies update in progress and on target as per Council Policy Review Schedule. Vacancies in key management roles and succession planning. Turnover rate approximately 6.5%. Work has been focused due to COVID-19 and we have been able to re-deploy staff into critical needs</td>
</tr>
<tr>
<td><strong>Sustainable Communities</strong></td>
<td>Council is unable to deliver services within available funding</td>
<td>Financial</td>
<td>HIGH</td>
<td>STATIC</td>
<td>Service plans in place. Checkpoint each budget review / adoption.</td>
<td>C: Financial management KPI: Current ratio - target &gt;2</td>
<td>2018/19 Audited Financial Statements, Council reported a profit. Current ratio is between $1.50 and $1.99</td>
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<td></td>
<td>There is insufficient water availability to sustain a community</td>
<td>Physical</td>
<td>EXTREME</td>
<td>INCREASING</td>
<td>Advocacy</td>
<td>C: Sustainable communities action plans KPI: # of communities - maintain</td>
<td>Council has applied the $1m Drought Relief funding which is made up of 5 community resilience projects. Continuing to lobby Power and Water to actively investigate current sources and advise Central Desert communities how this will meet future water supply demand. Updating impacted communities on Power and Water’s Drought program e.g. Yulara. Power and Water continue to update Local Authorities on Community signage installed that give the residents awareness of the community’s overall water consumption e.g. Enngawa, Yularu and Vuurlu.</td>
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<td><strong>Economic Growth</strong></td>
<td>Council fails to establish reserves to fund asset replacement</td>
<td>Financial</td>
<td>EXTREME</td>
<td>REDUCING</td>
<td>Develop asset management plans - by June 2020.</td>
<td>C: Financial management KPI: Depreciation ratio - target 1.2</td>
<td>Depreciation ratio is 1.85 including NRDRA and 1.51 without NRDRA. For the 2021/22 Budget Council has transferred an amount of $398,000 from the Fixed and Plant Replacement Reserve, $200,000 to the Capital/Projects Reserve and $230,000 to the Waste Management Reserve.</td>
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<td>Road funding is insufficient to maintain trafficable roads to Australian standards</td>
<td>Financial</td>
<td>HIGH</td>
<td>REDUCING</td>
<td>Document and publish road maintenance plan by June 2019. Advocacy</td>
<td>C: Road maintenance plan KPI: Baseline by June 2019 % of roads meeting standards</td>
<td>Asset Management Plan for sealed and sealed roads developed</td>
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<td>Environment drives lower population</td>
<td>Environment</td>
<td>HIGH</td>
<td>STATIC</td>
<td>Advocacy</td>
<td>C: Livability plan actions KPI: Population is stable or growing by 30 June 2021.</td>
<td>2016 Census data indicates a population of 4,222 NT Electoral Office and DUSKHIC continue to visit communities to register residents on the electoral roll.</td>
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<td>Communities fail to develop new businesses or attract companies</td>
<td>Environment</td>
<td>HIGH</td>
<td>STATIC</td>
<td>C: Economic growth plan actions KPI: Available jobs and # residents employed has increased by 30 June 2021.</td>
<td>Baseline 2016 census = 1672 jobs in region, 1383 residents employed. CDP continues to meet its employment targets and work towards smooth pathways to employment, with Council and others.</td>
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