



**AUDIT & RISK MANAGEMENT COMMITTEE MEETING
HELD AT THE CIVIC CENTRE – KATHERINE
Monday, 7 September 2020**

MINUTES

1 PRESENT

- CHAIRPERSON : Mr Ian Swan
- MEMBERS : Alderman Jon Raynor
: Alderman John Zelle
: Mr Lokesh Anand – Independent (Via Zoom)
- OFFICERS : Mr Ian Bodill (Chief Executive Officer)
: Ms Claire Johansson (Chief Operations Officer)
: Ms Rosemary Jennings (Executive Manager for Community Services)
: Mr Brendan Pearce (Executive Manager for Infrastructure and Environment)
: Ms Donna Jones (Finance Manager)
: Mr Jherry Matahelumual (Executive Assistant/Minutes Taker)

2 OPENED

The meeting was opened at 10.03am

3 APOLOGIES

- Mayor Fay Miller
- Mr Ireneo Lalim

4 CONFIRMATION OF PREVIOUS MINUTES

MOVED : Alderman Jon Raynor
SECONDED : Mr Anand

That the minutes of Audit Committee Meeting held on Thursday, 11 June 2020 be confirmed as a true and accurate record.

CARRIED 4/0

5 BUSINESS ARISING

- Mr Swan mentioned that the date of the next meeting has now been changed to Monday, 9 November 2020

6 ITEMS FOR DISCUSSION

6.1 Review any assets revaluation schedules undertaken

- COO Johansson explained that any assets revaluation schedules undertake every three (3) years which last occurred 30 June 2019. Council is proposing to undertake rolling revaluation of assets by category e.g. roads, buildings and improvements and plant and equipment.



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6.2 Review timing of major financial reviews, LTFP, Annual Business Plan, Budget, quarterly results, Assets Management Plan

- COO Johansson informed that the auditor is currently undertaking the Financial Statements Audit.
- Mr Swan requested more explanation about the KPI of the LTFP 2019/2020. COO Johansson mentioned that KPI of LTFP was predicted to increase, however it did not occur as the impact of the COVID-19 outbreak.
- Mr Swan queried if KTC has also increased the rates? COO Johansson responded that KTC did not increase rates however because of UCV variations some properties individual rates increased or decreased.
- Annual Business Plan/Municipal Plan has been approved by the Council and is available on KTC website.
- Mr Anand queried why operating Grants, subsidies and contributions on year 2019/2020 or 2020/2021 is -3% on the assumptions variable. XCS Jennings explained that there has been a reduction of 3% on NT Government funding that KTC received for the Library and Visitor Information Centre.
- Mr Anand queried when should we review quarterly results. COO Johansson explained that financial statement will be made available after KTC received 2019/2020 financial statement from the auditor. Meanwhile the quarterly report to be prepared for 2020 October Financial Report.
- Mr Anand requested further details on Assets Management Plan. COO Johansson explained that KTC has included asset renewals in the LTFP however further work is required on the asset identification planning.

6.3 Review format of budgetary, financial performance and management reports provided to Council

- FM Jones advised that the format of budgetary, financial performance and management of reports provided to Council is in accordance with the *Local Government (Accounting) Regulations 18*. Annual reports are made in line with the Local Government Association NT (LGANT)'s expectation. KTC is preparing to comply by identifying operational, maintenance and unplanned repair costs.

6.4 Review treasury management performance and recommendations

- COO Johansson informed that KTC does a (NT) grants commission report and is included in our financial statements, and we also have various grants audited e.g. mosquito grant (\$24K).

6.5 Review quarterly budgets and financial reports

- Mr Swan queried what impacted the debts. FM Jones explained that Sundry Debtors > 90 Days is majority held by two Debtors which are currently being sorted. One is rates' charge and the other is a cleaning company that was overpaid for 12 months with the value of \$42k. Both will be repaid in the near future.

6.6 Review cyber security systems and reporting

- Mr Swan queried what would be the next step after the termination of a user. XCS Jennings advised that KTC has the ability to recover all information.



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- Alderman Zelley queried do we keep all information in Australia? If we store all information on cloud then it may not be stored in Australia. We need to store all data in Australia. It is informed that Darwin is going to build a data centre and at this stage we are not aware of the completion of this project.
- Committee noted and received the following recommendation from eMerge IT Solutions Pty Ltd:
 - That all user accounts have password changes at forced regular intervals of 90 days
 - That a user account audit be undertaken every three months
 - That a standard notification form be developed for user additions, changes and deletions, authorised by the appropriate position desired by KTC
 - That a user termination process be developed to include advice to eMerge IT as to how to handle old user data
 - That KTC work with EIT to complete a Business Impact Analysis.
 - That KTC consider the enhanced End Point Detection and Response which will provide recovery position and instantly cut threats from the network
 - Implement Backups for Microsoft 365 and OneDrive accounts
 - Review requirement for Firewalls for the future state Azure and Microsoft 365 environment
 - Investigate options for Software Defined WAN for the future state environment

A motion was raised that Audit and Risk Management Committee receive, note and review the following reports inclusive:

- 6.1 Any asset revaluation schedules undertaken
- 6.2 Timing of major financial reviews, LTFP, Annual Business Plan, Budget, quarterly results, Asset Management Plan, etc
- 6.3 Format of budgetary, financial performance and management reports provided to Council
- 6.4 Treasury management performance and recommendations
- 6.5 Quarterly budgets and financial reports
- 6.6 Cyber security systems and reporting

MOVED : Mr Lokesh Anand
SECONDED : Alderman Jon Raynor

CARRIED 4/0



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A Motion was raised to move a confidential item for discussion in relation to Tender 19/05 Katherine Hot Springs Remedial Repairs and Landscaping Stage 1 and 2

- This matter is considered to be confidential under Section 65(2) - 8(c)(iv) of the Local Government Act, and the Council is satisfied that discussion of these matters in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to prejudice the interests of council or some other person.

MOVED : Alderman Jon Raynor

SECONDED : Mr Anand Lokesh

CARRIED 4/0

9 NEXT MEETING

The next meeting is on Monday, 9 November 2020

10 CLOSURE OF MEETING

The Meeting was closed at 11.25 AM

Unconfirmed