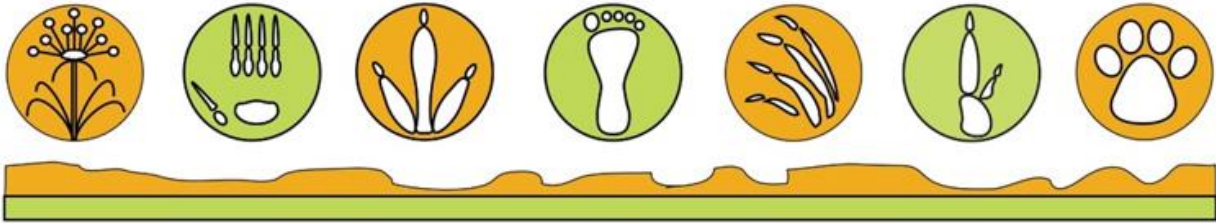


BARKLY REGIONAL COUNCIL



MINUTES AUDIT & RISK COUNCIL MEETING

The meeting of the Audit & Risk committee Meeting of the Barkly Regional Council was held in Council Chambers, 41 Peko Road, Tennant Creek on Thursday 8 August 2024 at 12:04 pm.

Chris Kelly
Chief Executive Officer

OUR VISION

We strive to be a responsive, progressive, sustainable council which respects, listens to and empowers the people to be strong.

The Way We Will Work

We will make it happen!

We will be engaged and have regular opportunities to listen.

We will have strong policies and budgets to ensure our programs and services are progressive and sustainable.

Respect is shown in everything we do, and we have acceptance of all cultures in the Barkly Region and their practices through a culturally competent Council.

We are a responsible Council.

We will be a responsive Council.

We want to empower local decision making.

We want to ensure that our services are sustainable and that our region has a standard consistent level of services.

We want to be able to sustain our environment – our communities, our physical places, our people, and our organisational culture.

We will aggressively pursue additional funding from both levels of government to improve the standard of living of people across the region.

We need to be realistic, transparent, and accountable.

1 OPENING AND ATTENDANCE

1.1 Committee Members Present

- Shane Smith - Chair
- Noel Clifford - Member
- Karan Hayward - Member
- Gareth Muchinguri - Member

1.2 Staff Members And Visitors Present

- Chris Kelly - Chief Executive Officer
- Jeff MacLeod- Official Manager
- Romeo Mutsago – Chief Finance Officer
- Murray Davies - Director of Corporate Services
- Paul Hyde Kaduru - Local Authority Coordinator

1.3 Apologies

- Nil

1.4 Absent Without Apology

- Nil

1.5 Disclosure of Interest

- Nil

2 ACTIONS FROM PREVIOUS MINUTES

Nil

3 CONFIRMATION OF COMMITTEE MEETING MINUTES

Confirmation Of Committee Meeting Minutes

3.1 Confirmation Of Committee Meeting Minutes

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<p>MOTION</p> <p>That the committee receives and confirms the minutes from the Audit and Risk committee meeting of council held on 31/05/2024.</p> <p>RESOLVED Moved: AC Member Shane Smith Seconded: Noel Clifford</p> <p style="text-align: right;">CARRIED UNANIMOUSLY</p>

4 REGISTER OF MOTIONS

Nil

5 GENERAL BUSINESS

General Business

5.1 Updates regarding the Finance and Risk

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<p>MOTION</p> <p>That the Audit & Risk Committee, (ARC) receives and notes information and updates regarding Finance and Risk.</p> <p>Following are the discussion items during Romeo's report:</p> <p>1. Annual Report Timeline:</p> <p>The ARC noted that last year the Auditor's Report was provided to the Committee extremely late with insufficient time to review and discuss the financial statements. The Finance team is to work with the Auditor to ensure that the audited financial reports are received by the ARC with sufficient time for review prior to its next meeting, for adoption at the September/October Council meetings. This process is aimed at ensuring the inclusion of the financials in the annual report, which is due to be delivered to the Minister by 15 November, to be approved no later than the October OCM. Meeting this deadline will avoid any delays similar to those experienced last year.</p>

2. Work Program Update:

There has been a structural change in the work program where the risk management function has been shifted from the Finance Directorate to the Corporate Directorate; no other changes to the work program have been noted.

3. Community Project Fund Audit:

The audit of the Community Project Fund has been completed, confirming the correct allocation and use of the \$2,000,000 contributed. The audit report is attached, and it was noted that any expenditure exceeding this amount will be treated as an additional contribution from Barkly Regional Council. The Chief Minister's office has been involved in the discussions, and the audit report will be presented at the next governance meeting for ratification.

4. Procurement Policy Review:

In line with earlier instructions, the review of the procurement policy has been deferred to the second half of the year unless any immediate changes are necessary. The policy remains unchanged as of the current date.

5. Barkly Regional Deal (BRD) Withdrawal:

Extensive work has been done regarding the BRD, particularly collaborating with the Department of the Chief Minister and Cabinet. Concerns were raised about the procurement process and other practices within the BRD that were deemed unacceptable and possibly in breach of the Local Government Act. As a result, the Council is proceeding with its withdrawal from all administrative and operational aspects of the BRD. While the Council will remain a partner until the completion of the deal in five years, it will no longer auspice nor provide administrative support, which will be managed by the Barkly Backbone Team. Most of the Council's projects under the BRD have been completed or are nearing completion.

6. Contingent Liabilities:

Two contingent liability issues were discussed:

- Elliott Land Issue: This issue has been resolved, and it was clarified at the recent Local Authority meeting that there has never been a resolution from the Council to gift or transfer the land at a nominal value. Any expenses incurred by Northern Interest were at their own risk.

- Harvey Developments Liability: The \$454,000 AUD associated with the Harvey Developments Ali Curung Youth Centre has been placed in a court trust account and will be reclassified from a contingent liability to an actual liability in the financial statements. This reclassification is under discussion with the auditors.

7. Fair Work Claim:

The Council is addressing a Fair Work claim that arose after 30th June. Due to a procedural matter, particularly the omission of the show cause stage during the dismissal process, the Council may be slightly exposed. The legal advice received recommends offering a settlement of two to four weeks' salary to resolve the claim. The solicitors will present this offer at the upcoming Commission hearing.

8. Insurance Claims Update:

- Stolen Vehicle Claim: A stolen Landcruiser, considered a write-off, has resulted in an insurance settlement of \$53,000. The Council has decided to keep the salvage, valued at \$11,000, for parts, with a cash settlement of \$37,477 after GST deductions (which the Council will be able to claim on the next BAS report).

- Malicious Damage Claim: A vehicle in Alpururulam was damaged maliciously. The insurance claim is in progress, with the immediate focus on replacing the glass. The insurance will only cover costs exceeding the \$2,500 excess.

- Elliott Land Claim: This matter has been reported to the insurer, but it is not expected to proceed further. However, the claim related to Harvey Developments is ongoing, with a potential insurance contribution of \$100,000 toward the Council's costs.

9. Reportable Incidents:

There were no reportable incidents during this period.

10. Audit Progress:

The audit for the FY2024 financial year is nearing completion. The auditors have not identified any significant concerns during the audit process.

11. Building Better Regions Fund (BBRF) Acquittal:

The issues concerning the BBRF raised at the last meeting have been resolved. The fund has been audited, with the audit report attached, confirming that all issues have been addressed and expenses paid. This matter is now considered closed.

12. Unaudited Financials:

The unaudited financial statements for the year indicate a deficit due to overspending. This deficit is expected to increase by approximately \$454,000+ as the liability for Harvey Developments is reclassified from a contingent to an actual liability. All anticipated grant funding up to 30 June has been received as expected.

General Business

5.2 Other matters discussed

5.2 Other matters discussed

1. Next Meeting Date:

- All members agreed that the next meeting will be held on the 12th of September.

2. Unpaid Rates:

- There was concern among some ratepayers who had not paid their rates on time. The committee discussed the options available to these ratepayers and the importance of recovering rates payable each year.

Discussion:

- Karan raised concerns about the ratepayers who had not yet addressed their unpaid rates.
- Chris responded that the matter is being investigated with the Local Government Unit and the Northern Territory Government (NTG) to ensure proper procedures are followed before progressing further.
- Romeo added that following the Council's July meeting, invitations were sent out to ratepayers through local platforms to address any issues they had. This approach has been effective, and many vocal ratepayers have had their issues resolved.
- Karan inquired about efforts to reach out to those who have not yet come forward, especially given the interest charges accumulating on unpaid rates.
- Romeo assured that efforts are ongoing to engage with all aggrieved ratepayers, with a clear communication that the Council's doors are open to resolve any issues.

3. Investigator's Report:

- Jeff reported that an action plan has been created to address the items raised in the investigator's report. This action plan will be a standing item in the monthly Council meetings and will be reported quarterly to the Local Government Unit.
- A significant portion of the action items relates to training and development for Councillors. A stringent training program is being developed for new elected members, in collaboration with the Local Government Unit.

4. Grants and Projects:

- Chris mentioned the recruitment of an Infrastructure Director, which has allowed for a greater focus on grants and projects. He noted that significant progress is being made in this area.
- Jeff mentioned that he also negotiated with the department regarding Local Authority (LA) funds, some of which date back to 2017. Normally, these funds would have been reclaimed by the department if not expended within two years. However, the department has granted an extension in writing, allowing the Council to retain these funds, including last year's funding, which had been withheld. The Council now has until 30th June next year to expend all these funds, and work is underway to ensure that all projects and funding are fully utilized.

6 CLOSE OF MEETING

The meeting terminated at 12:54 pm.

THIS PAGE AND THE PRECEDING XX PAGES ARE THE MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 08/08/2024 AND ARE UNCONFIRMED.

UNCONFIRMED

