

**MINUTES OF THE WAVERLEY COUNCIL
AUDIT COMMITTEE MEETING HELD AT THE
WAVERLEY COUNCIL CHAMBERS ON
FRIDAY, 1 MARCH 2013**

Voting Members Present:

Mr N Hall	Independent Member (Chair)
Mr M Bass	Independent Member
Cr B Mouroukas	Waverley Council

Also Present:

Cr T Kay	Waverley Council
Ms B Kelly	Director, Corporate & Technical Services
Mr S Helweh	Senior Internal Auditor
Mr S Kidnapillai	Senior Internal Auditor
Ms J Reid	Governance & Integrated Planning Officer / Assistant Committee Secretary
Mr R Russo	Governance Manager / Committee Secretary

Invitees:

Mr R Esdaile	Divisional Manager – Maintenance & Construction (for Item A-1303.3 – Confidential Internal Audit Report – Asset Management – Kerb and Gutter)
Mr S Field	Divisional Manager, Business & Services (for Item A-1303.2.1 – Confidential Internal Audit Report – Fleet Management)
Mr D Joannides	Divisional Manager – Technical Services (for Item A-1303.3 – Confidential Internal Audit Report – Asset Management – Kerb and Gutter)

At the commencement of proceedings at 10.03am, those present were as listed above.

At 11.58am Cr Kay left the meeting and did not return.

**A-1303.A
Apologies**

Apologies were received and accepted from:

Mr T Reed	General Manager
Mr I Mead	Divisional Manager, Finance & Information Systems & Services
Mr G Mottau	Director, Hill Rogers Spencer Steer

A-1303.DI
Declarations of Interest

The Chair called for Declarations of Interest and none were received.

A-1303.1
Confirmation of Minutes of Previous Meeting – 7 December 2012

DECISION: That the Minutes of the Waverley Council Audit Committee Meeting held on 7 December 2012; a copy of which was distributed to each Committee member, be received and that such Minutes be confirmed as a true record of the proceedings of that meeting.

A-1303.2
Matters Arising from Previous Minutes – 7 December 2012

A-1303.2.1
Confidential Internal Audit Report – Fleet Management (A11/0693)

At the last meeting of the Audit Committee held on 7 December 2012 the Committee considered the confidential Audit Internal Report on Fleet Management. At that meeting the Committee resolved the following:

“In regard to the internal audit report on Fleet Management the Committee believes that there are many ineffective management processes that could be improved including restricting petrol cards to biofuel purchases only, the fleet size and composition mix of the fleet, and the structure and pricing of lease back vehicles, and that these issues be addressed with the Divisional Manager, Business and Services.”

The Committee has requested that the previously considered confidential internal report be included on this agenda and the responsible Executive Officer be invited to attend the meeting.

Confidential Internal Audit Report on the review of the Fleet Management issued October 2012 was distributed separately with the agenda.

Mr S Field, Divisional Manager, Business & Services was in attendance for this Item.

DECISION: That:

1. The Committee receive and note this information.
2. The Committee receive and note the Confidential Internal Audit Report on the review of the Fleet Management, which has been distributed separately with the agenda.
3. The Internal Audit Report on the review of the Fleet Management be treated as confidential in accordance with the provisions of Section 6.4(d) of Waverley Council's Audit Committee Charter for the following reasons:

- (a). The report contains commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.
 - (b). It is not in the public interest to reveal commercially sensitive information about Council's internal operations and business interests, which if disclosed may prejudice Council's effective operation of its functions.
4. The correspondence and reports relevant to the subject business be withheld from the public as provided by Section 6.4 of the Audit Committee Charter.
 5. Based on the documents tabled, the Committee does not see evidence of any significant analysis being undertaken, on a very high cost decision in this instance, to incrementally purchase back the fleet at the end of the current lease for each item of plant.
 6. Generally, for all Internal Audit Reports submitted to the Committee, Management are requested to indicate in the "Management Action Plan" column, whether they disagree with the detailed findings and accept the risk identified or provide an action plan to address the issue.

A-1303.3
Internal Audit's Progress Report (A10/0345)

Report dated 19 February 2013 from Internal Audit providing an update on progress with FY13 Audit Plan.

Messrs Esdaile and Joannides were in attendance for the Internal Audit Report on Asset Management – Kerb and Gutter.

DECISION: That:

1. The Committee receive and note this progress report.
2. The Committee receive and note the following confidential Internal Audit reports which have been distributed separately with the agenda, on the review of:
 - (a). Business Continuity Management
 - (b). Accounts Payable
 - (c). Asset Management – Kerb and Gutter
 - (d.) Property Management – Follow up
 - (e). On Street Parking – Follow up
3. The above Internal Audit reports be treated as confidential in accordance with the provisions of Section 6.4(d) of Waverley Council's Audit Committee Charter for the following reasons:
 - (b). The reports contain commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.
 - (c). It is not in the public interest to reveal commercially sensitive information about Council's internal operations and business interests, which if disclosed may prejudice Council's effective operation of its functions.

4. The correspondence and reports relevant to the subject business be withheld from the public as provided by Section 6.4 of the Audit Committee Charter.

5. In regard to the Internal Audit Report on:

(a). Business Continuity Management

THAT:

- (i). The report be received and noted.
- (ii). The Committee expressed its concern on the considerable time it has taken to reach the progress to date and the target dates proposed.

(b). Accounts Payable

- (i). That the report be received and noted.

(c). Asset Management - Kerb and Gutter

THAT:

- (i). The report be received and noted.
- (ii). The Committee expressed its appreciation to Messrs Esdaile and Joannides for their attendance and the information provided.

(d). Property Management – Follow up

THAT:

- (i). The report be deferred to the May meeting of the Committee.
- (ii). The original date of the review and the follow-up date be included in the report.
- (iii). Revised implementation dates be included in the report.
- (iv). Updated commentary be included in the report.
- (v). The lead Directors and relevant support staff be invited to attend.

(e). On Street Parking – Follow up

THAT:

- (i). The report be deferred to the May meeting of the Committee.
- (ii). The original date of the review and the follow-up date be included in the report.
- (iii). Revised implementation dates be included in the report.
- (iv). Updated commentary be included in the report.
- (v). The lead Directors and relevant support staff be invited to attend.

6. The Committee requests the General Manager to attend the May Audit Committee meeting.

A-1303.4

Council's response to ICAC on Operation Jarek

At the last meeting of the Committee the General Manager advised that ICAC had released its report about Operation Jarek, an investigation into allegations that staff from a number of local councils and other public authorities accepted secret benefits from suppliers and that staff from two local councils facilitated payment of false invoices from suppliers.

The General Manager advised that Council had received the recommendations contained in the ICAC report and was required to respond to the ICAC about the actions we have taken in regard to the recommendations. He said that Council's response to the ICAC would be submitted to this meeting of the Audit Committee.

At the time of printing the agenda Council's response to the ICAC was still to be finalised.

A copy of Council's response was to be tabled at the meeting or forwarded by email prior to the meeting, if available.

DECISION: That:

1. The Committee receive and note this information.
2. In the absence of the report that this matter be deferred to the May meeting of the Audit Committee.

A-1303.5

Schedule of Meeting Dates for 2013 (A09/1105)

At its last meeting the Committee adopted the following schedule of meeting dates for 2013.

- 10.00am, Friday, 24 May 2013
- 10.00am, Friday, 26 July 2013
- 10.00am, Friday, 18 October 2013
- 10.00am, Friday, 6 December 2013

DECISION: That the Committee receive and note this information.

A-1303.6

GENERAL BUSINESS

There were no items of General Business.

THE MEETING CLOSED AT 1.45PM