

Waverley Council

PO Box 9, Bondi Junction, NSW 1355 DX 12006 Bondi Junction.
Telephone: 9369 8000 Fax: 9387 1820 TTY: 9389 9827 (For hearing impaired)
Website: www.waverley.nsw.gov.au



27 November 2012

A meeting of the **WAVERLEY COUNCIL AUDIT COMMITTEE** will be held in the Bronte Room, Level 2, Waverley Council Chambers, Corner Bondi Road & Paul Street, Bondi Junction at:

10.00AM, FRIDAY, 7 DECEMBER 2012

COMMITTEE MEMBERS:

Independent Members: Mr M Bass (Chair)
Mr N Hall

Councillor Member: Cr B Mouroukas
Cr T Kay (Alternate)

ATTENDEES:

Mr T Reed – General Manager
Mr I Mead – Divisional Manager, Finance & Information
Systems & Services
Mr S Helweh – Senior Internal Auditor
Mr S Kidnapillai – Senior Internal Auditor

INVITEE: Mr G Mottau – Director, Hill Rogers Spencer Steer:

QUORUM: Two Committee members.

APOLOGIES: By telephone or email to the following:

Tony Reed, General Manager
Ph: 9369 8056 or email tonyr@waverley.nsw.gov.au

Robert Russo, Governance Manager
Ph: 9369 8121 or email robertr@waverley.nsw.gov.au

AGENDA

A-1212.A Apologies

A-1212.DI Declarations of Interest

The Chair will call for Declarations of Interest.

A-1212.1 Confirmation of Minutes of Previous Meeting – 27 July 2012

PAGE 4

Recommendation: That the Minutes of the Waverley Council Audit Committee Meeting of 27 July 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-1212.2 Matters Arising from Previous Minutes

There were no matters arising from previous Minutes.

A-1212.3 Internal Audit's Progress Report (A10/0345)

PAGE 9

Report dated 23 November 2012 from Internal Audit providing an update on progress with both FY12 and FY13 Audit Plans respectively.

Recommendation: 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). Fleet management (carried forward from 2012 Plan)
 - (b). Cash management – Part 2 (carried forward from 2012 Plan)
 - (c). Property management – 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:
 - (a). The reports contain 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.

A-1212.4
Proposed Schedule of Meeting Dates for 2013 (A09/1105)

Following is the proposed schedule of meeting dates for the Audit Committee for 2013. The proposed schedule takes into consideration the Committee's reporting requirements to Council in May and November 2013.

- 10.00am, Friday, 22 February 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

Recommendation: That the Committee adopts the schedule of meeting dates for 2013.

A-1212.5

GENERAL BUSINESS

**MINUTES OF THE WAVERLEY COUNCIL
AUDIT COMMITTEE MEETING HELD AT THE
WAVERLEY COUNCIL CHAMBERS ON
FRIDAY, 27 JULY 2012**

Voting Members Present:

Mr M Bass	Independent Member (Chair)
Mr N Hall	Independent Member

Also Present:

Mr Tony Reed	General Manager
Mr S Helweh	Senior Internal Auditor
Mr S Kidnapillai	Senior Internal Auditor
Mr I Mead	Divisional Manager, Finance & Information Systems & Services
Ms J Reid	Governance Officer / Committee Secretary

Invitees:

Mr P Spyve	Divisional Manager, Governance & Integrated Planning
Ms Linda Bathur	Divisional Manager, Library & Customer Services

At the commencement of proceedings at 10.05am, those present were as listed above.

**A-1207.A
Apologies**

Apologies were received from:

Cr Kerryn Sloan
Cr Prue Cancian
Mr G Mottau, Director, Hill Rogers Spencer Steer

**A-1207.DI
Declarations of Interest**

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

A-1207.1

Confirmation of Minutes of Previous Meeting – 11 May 2012

DECISION: That the Minutes of the Waverley Council Audit Committee Meeting of 11 May, 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-1207.2

Matters Arising from Previous Minutes

A-1207.2.1

Internal Auditor's Progress Report – May 2012

At the May meeting of the Audit Committee, the Committee requested that the General Manager and, at his discretion, Council's Directors be invited to attend this meeting of the Committee to discuss the Committee's concerns regarding the will of the organisation to implement changes that emanate from the internal and external audit process.

The General Manager gave an undertaking to the Committee that when he is unable to attend Audit Committee meetings he will delegate a representative to attend the meeting on his behalf.

DECISION: That the Committee receive and note this information.

A-1207.3

Internal Auditors' Progress Report – June 2012

Report dated 17 July 2012 from the Internal Auditors providing an update on progress with both the 2011/12 and 2012/13 Audit Plans respectively.

A copy of the Confidential Internal Audit Reports was distributed separately with the agenda.

DECISION:

That:

1. The Committee receive and note this progress report.
2. The Committee receive and note the Confidential Internal Audit Reports of Delegations of Authority and Customer Complaints and Request Handling which have been distributed separately with the Agenda.
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:
 - (a). The reports contain 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.

A-1207.4 Audit Committee's Report to Council (A09/1105)

Section 5 of the Audit Committee Charter adopted by Council requires that the Committee report to Council twice yearly, preferably in May and November, on its activities.

The report for the period November 2011 to May 2012 has been prepared by the Committee's Chair and is presented for endorsement by voting members of the Committee prior to tabling at the Council meeting to be held on 21 August, 2012.

DECISION:

That:

1. The report is endorsed by voting members of the Committee and is to be tabled at the August Council Meeting.
2. As previously resolved by the Committee, the 2012/13 Audit Plan and the Three Year Audit Plan will be submitted to Council as part of the Committee's report.

A-1207.4 Schedule of Meeting Dates for 2012

At its last meeting the Committee adopted the following schedule of meeting dates for 2012. The schedule takes into consideration the Committee's reporting requirements to Council in November 2012.

- 10.00am, Friday, 12 October 2012
- 10.00am, Friday, 7 December 2012

DECISION:

That the Committee receive and note this information.

A-1207.7.1**Audit implementation (A09/0284)**

The General Manager informed the Committee that the following resolution was made by Council at the Council Meeting held on 19 June 2012:

“MOTION / UNANIMOUS DECISION (Cancian / Sloan)

That:

1. The General Manager develops an Audit Implementation Plan to ensure that Audit Committee findings and recommendations are effectively translated into Council operations.
2. The Audit Implementation Plan specifically addresses effective implementation of audit by including the following:
 - (a). Responsibilities for audit and governance in Waverley Together 3 Strategic Plan.
 - (b). Responsibilities for audit in Council operations and staff performance management.
 - (c). Any required staff training.
 - (d). Any IT infrastructure upgrading necessary.
3. The Audit Implementation Plan includes identification of barriers and obstacles to the plan, and strategies to address them.
4. A regular six monthly confidential Audit Implementation progress report be presented to Council by the General Manager.”

DECISION: That the information be received and noted.

A-1207.7.2**Audit Report Outcomes (A09/0284)**

In instances where Internal Audit reviews touch on cross organisational issues, complexities in ownership and accountability of the report are created. To ensure the outcomes of the report are achieved, the Committee recommends that in such instances, a lead director be assigned by the General Manager.

DECISION: That the General Manager be requested to appoint a lead director who is responsible to deliver the outcomes of each Internal Audit report.

A-1207.7.3

Independent external members of the committee re-appointment (A09/0284)

The independent external members of the Committee advised that they are available for re-appointment as independent external members of the Waverley Council Audit Committee, if required, for the Council term 2012 to 2016.

DECISION: That the information be received and noted.

THE MEETING CLOSED AT 12.45PM.

REPORT TO AUDIT COMMITTEE

Internal Audit's Progress Report (A10/0345)

Report dated 23 November 2012 from Internal Audit providing an update on progress with both FY12 and FY13 Audit Plans respectively.

Recommendation: 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). Fleet management (carried forward from 2012 Plan)
 - (b). Cash management – Part II (carried forward from 2012 Plan)
 - (c). Property management – 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:
 - (a). The reports contain 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.
-

Overview

As per the last Audit Committee meeting held in July 2012, the stages of Internal Audit reporting will continue to be tabled to the Audit Committee in accordance with the defined tabular format below.

Progress on FY13 Audit Plan

Since the last meeting held in July 2012, the Senior Internal Auditor has compiled a summary of the reviews and their status in the table below:

REPORT TO AUDIT COMMITTEE

Audit Name	Status				
	Planning	Fieldwork	Reporting	Completed	Finalised
Accounts Payable	✓	✓	✓	x	x
Asset Management - Kerb and Gutter	✓	✓	✓	x	x
Business Continuity Management	✓	✓	✓	x	x
Waverley Pavilion	✓	x	x	x	x
Consultants & Contractors	✓	✓	✓	x	x

Follow Ups

A total of one follow up review has been finalised as per the FY13 Audit Plan and one follow up review completed, these are respectively Property Management and On-Street Parking.

Planning FY14 Audit Plan

Internal Audit is to meet in due course to begin discussions regarding the Audit Plan for the FY14. In the absence of an embedded risk management framework, it is anticipated that planning will be conducted on a high-risk methodology basis. A draft audit plan for approval will be presented at future audit committee meeting.

Recommendation: 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). Fleet management (carried forward from 2012 Plan)
 - (b). Cash management – Part II (carried forward from 2012 Plan)
 - (c). Property management – 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:
 - (a). The reports contain 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.

REPORT TO AUDIT COMMITTEE

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.

Seyonne Kidnapillai
Senior Internal Auditor