

**MINUTES OF THE WAVERLEY COUNCIL
AUDIT COMMITTEE MEETING HELD AT THE
WAVERLEY COUNCIL CHAMBERS ON
FRIDAY, 7 DECEMBER 2012**

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
Mr T 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 & Integrated Planning Officer / Assistant Committee Secretary
Mr R Russo	Governance Manager / Committee Secretary

Invitee:

Mr G Mottau	Director, Hill Rogers Spencer Steer
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At the commencement of proceedings at 10.00am, those present were as listed above.

Cr Kay left the meeting at 11.30am.

**A-1212.A
Apologies**

There were no apologies.

**A-1212.DI
Declarations of Interest**

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

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

DECISION: 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 – 27 July 2012

A-1212.2.2
Audit Implementation Plan (A09/0284)

Mr Hall referred to Item A1207.7.1 on the previous minutes about a resolution made by Council at its meeting held on 19 June 2012 in regard to an Audit Implementation Plan. Mr Hall said he was pleased that Council had resolved, in part, that *“a regular six monthly confidential audit implementation progress report be presented to Council by the General Manager”*

DECISION: That the Committee recommends that the six monthly confidential audit implementation progress report be referred to Council for consideration at the same time as the Committee’s bi annual report to Council.

A-1212.3
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.

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 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.
5. All Internal Audits that are waiting for Management’s responses be tabled at the next Committee meeting.

6. The Internal Auditors are to table internal audit reports, which were tabled at the previous Committee meeting, at the subsequent meeting, regardless of whether or not there has been a Management response. Where there is no Management response the responsible Executive Officer be invited to attend the meeting.
7. 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.
8. Once the Executive Team's has considered the Cash Handling Policy, a follow-up report be submitted to the Committee as part of the Action Plan in process for Cash Management.
9. The Committee recommends that the Executive Team should ensure that all staff positions which have a cash handling function have that function included in the relevant Position Description.
10. The Property Management Follow-up Report be deferred to the next Committee meeting and that the General Manager invite the responsible Executives and support staff, if appropriate, to attend.

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

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

A-1212.5

GENERAL BUSINESS

A-1212.5.1

ICAC Report – October 2012 - Operation Jarek

The General Manager advised that ICAC has released its report about the 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 has received the recommendations contained in the ICAC report and was in the process of responding to the ICAC about the actions we have taken in regard to the recommendations. He said that Council's response would be forwarded to the ICAC and submitted to the next meeting of the Audit Committee.

DECISION: That the Committee receive and note this information.

THE MEETING CLOSED AT 12.47PM