



W A V E R L E Y
C O U N C I L

AUDIT COMMITTEE MEETING

10.00AM, FRIDAY 10 JUNE 2016

Waverley Council
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AUDIT COMMITTEE MEETING

A meeting of the Waverley Council Audit Committee will be held in the Bronte Room, Level 2, Waverley Council Chambers, Corner Bondi Road and Paul Street, Bondi Junction at:

10.00am, Friday 10 June 2016

COMMITTEE MEMBERS:

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

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

ATTENDEES: Mr P Brown – General Manager
Mr F Rombola – Executive Manager, Financial Waverley
Mr S Helweh – Senior Internal Auditor

INVITEE: Nil

QUORUM: Two Committee members.

APOLOGIES: By telephone or email to the following:

Al Johnston, Governance Officer
Ph: 9083 8107 or email alan.johnston@waverley.nsw.gov.au

AGENDA

A-1606.A Apologies

A-1606.DI Declarations of Interest

The Chair will call for Declarations of Interest.

A-1606.1 Confirmation of Minutes of Previous Meeting – 11 December 2016

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Recommendation: That the Minutes of the Waverley Council Audit Committee Meeting of 11 December 2016; 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-1606.2 Internal Audit's Progress Report (A10/0345)

The Internal Auditor will provide a verbal update on progress with the FY15-16 Audit Plan.

Recommendation: That the Committee receive and note this progress report on the FY15-16 Audit Plan.

A-1606.3 Internal Audit FY16-17 Audit Plan (A10/0345)

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The Internal Auditor will present the revised FY16-17 Audit Plan.

Recommendation: That the Committee adopt the revised FY16-17 Audit Plan.

A-1606.4**ISSUED SEPARATELY****CONFIDENTIAL REPORT - Internal Audit Follow Up Report on Fleet Management**

Confidential Internal Audit Follow Up Report on Fleet Management issued February 2016.

Recommendation: That:

1. The Committee receive and note the Confidential Internal Audit Internal Audit Follow Up Report on Fleet Management.
2. The Confidential Internal Audit Internal Audit Follow Up Report on 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.
3. 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-1606.5**ISSUED SEPARATELY****CONFIDENTIAL REPORT - Internal Audit Report Review of Store Cards**

Confidential Internal Audit Report Review of Store Cards issued May 2016.

Recommendation: That:

1. The Committee receive and note the Confidential Internal Audit Report Review of Store Cards.
2. The Confidential Internal Audit Report Review of Store Cards 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.
3. 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-1606.6

Next Meeting of the Committee (A09/1105)

The next meeting of the Committee is scheduled to be held at:

- 10.00am on Friday 9 September 2016

Recommendation: That the Committee receive and note this information.

A-1606.6

GENERAL BUSINESS

**MINUTES OF THE WAVERLEY COUNCIL AUDIT
COMMITTEE MEETING HELD AT THE WAVERLEY
COUNCIL CHAMBERS ON FRIDAY 11 DECEMBER 2015**

Voting Members Present:

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

Also Present:

Mr A Kyron	General Manager
Mr S Helweh	Internal Auditor
Cr T Kay	Waverley Council (Alternate Council Representative)
Mr F Rombola	Executive Manager, Financial Waverley
Ms E Scott	Acting Director, Waverley Renewal
Ms S Cassidy	Acting Executive Manager, Creating Waverley
Ms M Diebert	Acting Cemetery Manager
Mr A Johnston	Committee Secretary

At the commencement of proceedings at 10.01 am, those present were as listed above.

A-1512.A

Apologies

There were no apologies.

A-1512.DI

Declarations of Interest

There were no declarations of interests.

A-1512.1

Confirmation of Minutes of Previous Meeting – 16 October 2015

DECISION: That the Minutes of the Waverley Council Audit Committee Meeting of 16 October 2015, 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-1512.2

Internal Audit's Progress Report (A10/0345)

The Internal Auditor provided a verbal report on progress to date and advised the meeting that a follow up review on fleet management and a lifeguard services review will be presented to the Committee at its March 2016 meeting.

DECISION: That the Committee receives and notes the verbal progress report from the Internal Auditor.

A-1512.3

CONFIDENTIAL REPORT - Internal Audit Report - Follow Up Report on Asset Management – Kerb and Gutter (A12/0554)

Subsequent to the publishing of the Audit Committee Agenda, an updated report on this matter was provided to the Committee by the Internal Auditor at the request of the General Manager. The updated report was issued as an additional agenda item and considered by the Committee at item A-1512.6.

This matter was previously considered by the Committee at its meeting in October 2015.

At that meeting the Committee resolved in part to defer the matter to this meeting to allow the Director, Waverley Renewal and the Executive Manager, Creating Waverley in consultation with the General Manager to prepare an evidence based response to each section of the action plan identified as unsatisfactory and present the responses to the Committee.

This matter is classified as confidential under the provisions of Section 6.4(d) of Waverley Council's Audit Committee Charter.

Confidential Report issued September 2015 from the Internal Auditor on the Kerb and Gutter Asset Management.

DECISION: That:

1. The Committee receives and notes the Confidential Internal Audit Follow-Up Report on Asset Management – Kerb and Gutter.
2. The Confidential Internal Audit Follow-up report on Asset Management – Kerb and Gutter 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.
3. 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-1512.4

Audit Committee's Annual Report to Council (A09/1105)

Part 5 of the Audit Committee Charter adopted by Council requires that the Committee report to Council annually on its activities.

A copy of the report prepared by the Committee's Chairs was attached to the Agenda. The report was considered by Council at its meeting on 15 December 2015.

DECISION: That the Committee receives and notes the Audit Committee's Annual Report to Council.

A-1512.5

GENERAL BUSINESS

There were no items of general business.

A-1512.6

CONFIDENTIAL REPORT - Internal Audit Report – Updated Follow Up Report on Asset Management – Kerb and Gutter (A12/0554)

This report is an updated version of the confidential report at item A-1512.3 on the Agenda.

This matter is classified as confidential under the provisions of Section 6.4(d) of Waverley Council's Audit Committee Charter.

Confidential Report issued in December 2015 from the Internal Auditor on Kerb and Gutter Asset Management.

DECISION: That:

1. The Updated Confidential Internal Audit Follow-up Report on Asset Management – Kerb and Gutter 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.
2. 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.
3. The Committee receives and notes the report.
4. The Asset Management – Kerb and Gutter review be included in the 2016-17 Audit Program with a view to a further assessment in June 2016.

A-1512.7

CONFIDENTIAL REPORT – Internal Audit Report – Special Request – Review of Waverley Cemetery (incl. South Head Cemetery) (A15/0292)

Subsequent to the publishing of the Audit Committee Agenda, this report was provided to the Committee as an additional agenda item by the Internal Auditor at the request of the General Manager.

This matter is classified as confidential under the provisions of Section 6.4(d) of Waverley Council's Audit Committee Charter.

This matter was previously considered by the Committee at its meeting in October 2015. At that meeting the Committee resolved in part that the Final Report and Action Plan as well as the response by the Director, Waverley Renewal be presented to the Committee at its December 2015 meeting.

Confidential Report issued December 2015 from the Internal Auditor on a review of Waverley Cemetery, including South Head Cemetery.

DECISION: That:

1. The Confidential Internal Audit report on a review of Waverley Cemetery, including South Head Cemetery 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.
2. 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.
3. The Committee receives and notes the report.
4. The Waverley Cemetery review be included in the 2016-17 Audit Program with a view to a further assessment in June 2016.

THE MEETING CLOSED AT 11.35 AM.



Waverley Council

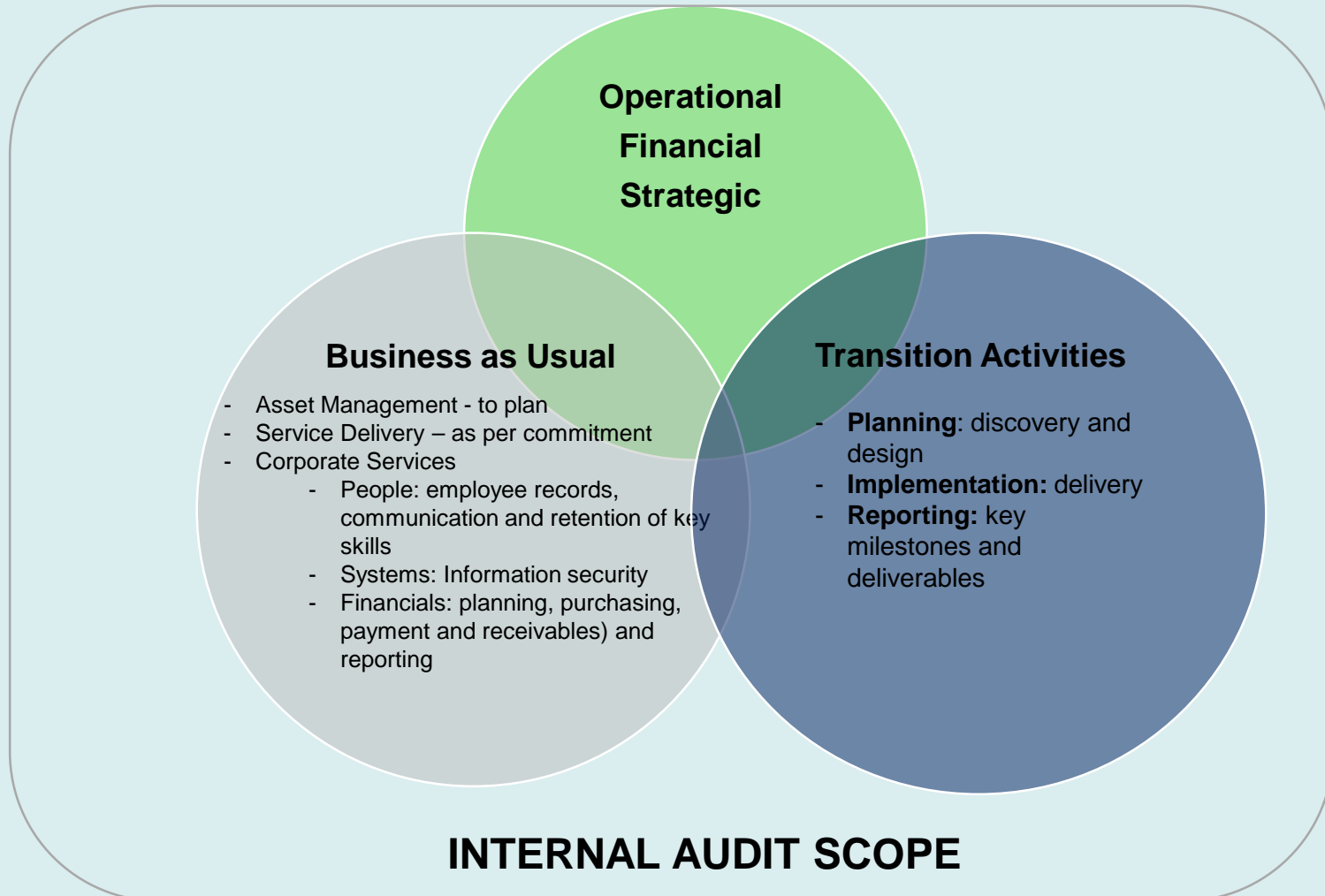
Revised Annual Audit Plan 2016/17

Internal Audit: 2016/17



- Councils are required to continue to implement and operate in accordance with their adopted Community Strategic Plan, Delivery Program, Operational Plan and Resourcing Strategy
- Internal Audit to provide assurance in relation to everyday business and transitional project activities associated with the proposed merger of Waverley, Woollahra and Randwick Councils
- The current business environment will be affected by significant change, potentially altering the risk profile of the organisation as it may be impacted by volatility and change

Internal Audit Scope



2016/17 Revised Plan



AUDITABLE AREA	PERCEIVED RISK*	KEY RISK	SCOPE	RELEVANT AND RECENT AUDIT ACTIVITY	DIRECTORATE
Asset Management		Failure to maintain and develop infrastructure as per plans and needs	Maintenance of council assets or council capital project plans	Asset- Roads follow up	Waverley Renewal
Service Delivery		Failure to deliver services as per agreed commitments	End to End customer service review	Customer service review	Waverley Life
Finance		Fraud corruption	Accounts payable including requisitions	Store Card review	Waverley Corporate
		Inability to meet expenses when and as they fall due			
		Failure to operate withing approved budget			
Follow up		Management not addressing agreed risk exposures	Follow up on management action plans from previous (finalised) reviews	Various follow up activity	All
Transitional Projects		Failure to meet key milestones and deliverables	Key project phases including planning , implementation, reporting and monitoring	N/A	Project Committee
Reserve					
Human resources		Loss of key staff and disturbed workforce	Resourcing planning, communication plans	Payroll	Waverley Corporate
Information Systems		Unauthorised access, comprimised data security and integrity	Information management	N/A	Waverley Corporate

* As perceived by management