

AUDIT, RISK &
IMPROVEMENT COMMITTEE
MEETING

MINUTES

5 OCTOBER 2016

commencing at 3.00pm in the
Level 1 Conference Room
Mona Vale Customer Service
1 Park Street, Mona Vale

M J Ferguson
General Manager

Attendance

Voting Members of the Committee, namely

Mr John Gordon (Chairperson)
Mr Robert Dobbie
Ms Liezel Preller
Mr Brian Hrnjak

The following Council Officers (non-voting)

Mr Mark Ferguson, General Manager
Mr John Warburton, DGM, Corporate Services
Ms Helen Lever, Executive Manager, Governance & Enterprise Risk
Mr David Walsh, Chief Financial Officer
Mr Adam Vine, Executive Manager, Corporate Governance & Procurement
Ms Marnie van Dyk, Risk Officer
Mr Allan Yates, Acting Internal Ombudsman
Mr Anthony Robinson, Internal Auditor
Ms Pamela Tasker, Administration Officer
Ms Annie Laing, Governance Support Officer

Council Auditors (non-voting)

Mr Michael Quirk, Head of Internal Audit
Mr Will Asher, Internal Audit Manager
Ms Melissa Broadhead, Internal Audit Partner
Mr Brett Hanger, External Auditor

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1.0 Introduction

Those present at the meeting provided a brief biographical introduction.

2.0 Apologies

Notes:

The Programme Management Officer sent apologies as he was unable to attend the meeting.

3.0 Declarations of Conflict / Pecuniary Interest

Notes:

1. Mr Gordon and Mr Dobbie made a precautionary disclosure in relation to their participation on Advisory Committees for other Councils and advised that they would not take part in any discussion on confidential issues arising.
 2. The Internal Audit Coordinator to provide forms to the Committee members.
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4.0 Audit, Risk & Improvement Committee Charter

Proceedings in Brief:

The Internal Audit Coordinator addressed the meeting on this item.

ACTION ITEMS:

- Arrangements for review of ARIC performance to be clarified.
- Appropriate references to be made to the Local Government Amendment (Governance & Planning) Bill 2016.
- Seek further clarity over the ARIC's responsibilities in regards to 'improvement'.
- Annual report of the ARIC to be combined with the Internal Audit Annual Report to be tabled to Council in open session.
- Minor amendments to be made to the Charter as identified by the Chair.

Notes:

1. Hill Rogers confirmed as auditors for Northern Beaches Council.

RECOMMENDATION OF THE DEPUTY GENERAL MANAGER, CORPORATE SERVICES

That the ARIC endorses the attached ARIC Charter, subject to any necessary revisions.

(Mr John Gordon / Mr Robert Dobbie)

5.0 Action Items from Minutes

Notes:

1. Internal Audit Reports will be published 12 months after finalisation to Council's website, in accordance with the ARIC Charter provisions.

6.0 Transformation Report

Proceedings in Brief:

The General Manager addressed the meeting on this item.

ACTION ITEMS:

- Project Discovery Phase Report, including particulars of process mapping procedures to be provided at the next meeting.
- IT Risk Report regarding integration/migration controls and risks to be provided at the next meeting.
- ARIC members to be given an NBC induction tour, including inspections of major works projects.
- Results of Staff Engagement Survey to be provided at the next meeting.
- Consideration of Committee Meeting dates to align with implementation milestones.

Notes:

1. The contents of this report were noted.
2. The Northern Beaches Council Implementation Plan was noted.
3. The General Manager left the meeting at 4.23pm.

7.0 Governance & Risk Management

7.1 Transition Risk Management Report

Proceedings in Brief:

Executive Manager, Corporate Governance and Procurement addressed the meeting on this item.

ACTION ITEMS:

- **WorkCover KPI's progress overview to be provided at next meeting.**
- **Executive Reports regarding Risk & Insurance to be provided at the next full ARIC meeting.**

Notes:

1. That the ARIC note and endorse the work undertaken to date to ensure that NBC is adequately managing transition risks.

7.2 Governance & Enterprise Risk Management Report

Proceedings in Brief

Executive Manager, Governance and Enterprise Risk addressed the meeting on this item.

Notes:

The report was noted by the Committee.

7.3 Verbal Update of the Acting Internal Ombudsman

Proceedings in brief

The Acting Internal Ombudsman addressed the meeting providing a verbal update.

8.0 Verbal Update from the External Auditor (Hill Rogers)

Proceedings in Brief:

The External Auditor, Hill Rogers addressed the meeting on this item.

ACTION ITEMS:

- **Year-end financial statement audits of the former Councils to be completed by Hill Rogers and reported to the Council Meeting to be held on Tuesday, 8 November 2016.**

Notes:

1. The Auditor General is working on accrediting former Auditors, this has almost been completed.
2. The Auditor General is also considering which 12 councils they will take in-house.
3. The External Auditor, Hill Rogers left the meeting at 5.14pm.
4. The meeting adjourned at 5.14pm and recommenced at 5.20pm.

9.0 Internal Audit Matters

9.1 Draft Internal Audit Charter

Proceedings in Brief:

The Internal Audit Coordinator addressed the meeting on this item.

ACTION ITEMS:

- **Clarify the reporting/accountability relationship between IA and 'Council'.**
- **Organisational chart to include the General Manager, the ARIC and Council.**
- **Local Government Amendment (Governance & Planning) Bill 2016 to be referenced.**
- **Advice to be provided at the next full meeting as to whether or not the DA probity audit service done on request by the Internal Auditor should continue (this is currently only done for North).**
- **Minor amendments to be made to the Charter as identified by the Chair.**
- **That the revised Draft Internal Audit Charter be brought to the next full ARIC meeting for endorsement.**

Notes:

1. That the ARIC noted the Draft Internal Audit Charter, subject to any necessary revisions.

9.2 Draft Internal Audit Plan 2016/17

Proceedings in Brief:

Internal Audit Coordinator addressed the meeting on this item.

ACTION ITEMS:

- **Further consultation of the DIAAP with key stakeholders to ensure the plan is flexible and appropriately scheduled, as there are concerns regarding workload of new Executive Strategic Managers.**
- **Priority scoring for internal audits to be brought back to the next meeting.**
- **Consideration to be given to the Internal Audit Coordinator assisting the PMO with the discovery phase of the transformation project.**
- **This item to be brought back to the extraordinary meeting, date TBC.**

Notes:

1. Risk Register for BAU will begin being formulated as soon as managers have determined their structures (by next meeting).
2. That the ARIC noted the DIAAP and accompanying information, subject to any necessary revisions.

9.3 Implementation of Audit Recommendations

Proceedings in Brief:

Internal Audit Coordinator addressed the meeting on this item.

ACTION ITEMS:

- **Consolidate all issues / recommendations from the three former Councils for the next meeting.**

Notes:

1. The ARIC noted the report.
2. It was confirmed that reporting will be done on issues not recommendations.

9.4 Pittwater Council Final Internal Audit Report – Asset Management

Proceedings in Brief:

Internal Audit Coordinator addressed the meeting on this item. The report has been provided to Council's Asset Strategy Manager.

ACTION ITEMS:

- **Asset Management briefing to be provided by the Asset Strategy Manager at the next full ARIC meeting.**

Notes:

1. The ARIC noted the report.
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9.5 Internal Auditor's Report on the former Manly Council Internal Audit Program

Proceedings in Brief:

Head of Internal Audit addressed the meeting on this item.

Notes:

The Internal Auditor's Report on the Internal Audit Program was received and noted.

9.6 Manly Council Final Internal Audit Report – Credit Cards & Store Cards

Proceedings in Brief:

Head of Internal Audit addressed the meeting on this item.

Notes:

The Internal Auditor's Report on Credit Cards at the former Manly Council was received and noted.

9.7 Manly Council Final Internal Audit Report – Leave & Attendance

Proceedings in Brief:

Head of Internal Audit addressed the meeting on this item.

Notes:

The Internal Auditor's Report on Leave and Attendance at the former Manly Council was received and noted.

9.8 Internal Auditor's Report on Accounts Payable Data

Proceedings in Brief:

Head of Internal Audit addressed the meeting on this item.

Notes:

1. The Internal Auditor's Report on Accounts Payable Data at the former Manly Council was received and noted; and
2. The Committee will receive feedback from the Internal Auditor at periodic intervals on how each of the recommendations is being implemented by Council.

10.0 General Business

ACTION ITEMS:

- **Schedule of meetings to be presented at the next meeting.**
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10.1 Verbal Update from General Manager

The General Manager provided his verbal update when addressing the Committee on Item 6.0 – Transformation Report.

11.0 Next Meeting

The next meeting of the Audit, Risk & Improvement Committee will be an extraordinary meeting for the purposes of reviewing the 2015/16 Draft Annual Financial Statements of each of the former Councils. Meeting date is to be confirmed.

**THERE BEING NO FURTHER BUSINESS THE AUDIT,
RISK & IMPROVEMENT COMMITTEE MEETING CLOSED
AT 6.32PM ON WEDNESDAY, 5 OCTOBER 2016**