

MINUTES OF AUDIT AND RISK COMMITTEE HELD ON THURSDAY, 8 JUNE 2017

Committee Members: John Gordon - External Independent Member - Chairperson
John Bartrop - External Independent Member
Councillor Duncan McDonald - Ku-ring-gai Council (arrived at 6.20pm at the commencement of discussion GB.3)

Also Present: Mayor, Councillor Jennifer Anderson
John McKee - General Manager
David Marshall - Director Corporate
Andrew Watson - Director Strategy & Environment
Angela Apostol - Manager Finance
Jennie Keato - Manager People & Culture
Amber Moloney - Manager Governance & Records
Rodney Kidd - Team Leader, Corporate Risk & Assurance
Nicole Gerschel - Major Projects Strategy & Environment

Observers: Michael Quirk - Internal Auditor
Mark Nicholaeff - External Auditor
Martin Sabanos - External Auditor

Apologies: Cr David Citer - Ku-ring-gai Council

The Meeting commenced at 5.01PM

DECLARATIONS OF INTEREST

AC129 **Declaration of Interest**
File: CY00458/5
Vide: New Item 1

John Gordon declared that he had been appointment to the Audit Committee for Central Coast Council.

That the Declaration of Interest by John Gordon be received and noted.

CONFIRMATION OF MINUTES

AC130 **Minutes of Audit and Risk Committee**

File: CY00458/5

Meeting held 6 April 2017
Minutes numbered AC117 to AC128

Action Item:

That Minutes numbered AC117 to AC128 circulated to the Committee were taken as read and confirmed as an accurate record of the proceedings of the Meeting.

GENERAL BUSINESS

A presentation was provided by Nicole Gerschel on project management for the Lindfield Hub (Item GB.7).

AC131 **Response to Project Management Audit**

File: CY00458/5
Vide: GB.7

To provide the Audit & Risk Committee with an update on Councils progress in addressing the recommendations resulting from the audit of Project Management.

Action Item:

- A. This report is received and noted by the Committee.
- B. A further update on the development of Council's Project Management Framework be brought to the next Audit & Risk Committee meeting.

AC132 **Outstanding Action Schedule**

File: CY00458/5
Vide: GB.1

To provide the Audit & Risk Committee with details of outstanding actions from previous meetings.

A further response is required regarding the reporting of asbestos. The Manager Regulation and Compliance advised in the report that where asbestos is discovered the resident or asset owner is directed to contact the Department of Fair Trading who then arrange for an inspector to visit the premises and report the presence (or not) of asbestos and if present will provide details for its removal to the resident of asset owner.

Committee Member Mr Bartrop raised concern about Council having knowledge of the presence of asbestos but not taking any direct action or following up to ensure the asbestos has been appropriated removed or managed.

Action Item:

- A. That a further response to this issue regarding asbestos management be requested from the Manager Regulation and Compliance.

AC133 **External Audit Client Service Plan**

File: CY00458/5

Vide: New Item 2

A presentation was provided by Martin Sabanos of UHY Haines Norton.

Action Item:

- A. The Committee received and noted the External Audit Services Plan.
- B. The Committee requested that when the Financial Statements are presented at the next Audit & Risk Committee meeting, a written summary be provided which includes significant judgements and key assumptions.
- C. The Committee confirmed their availability for a meeting to consider the Financial Statements on 31 August 2017.

AC134 **Investment Report as at 30 April 2017**

File: S05273

Vide: GB.2

Action Item:

- A. That the summary of investments performance for April 2017 be received and noted by the Audit & Risk Committee.
- B. The Committee requested that in future investment reports, Attachment A1 include a definition of the various investment ratings, including whether they are institutional or instrument specific and which ratings agency they are issued by.

AC135 **2016 - 2017 Budget Review - 3rd Quarter ended March 2017**

File: CY00458/5

Vide: GB.3

To present to the Audit & Risk Committee Council's quarterly budget report and inform of the results of the 3rd quarter budget review of 2016/17.

Action Item:

That the Audit & Risk Committee note the March 2017 Quarterly Budget Review adopted by Council.

AC136 **Compliance and Reporting Requirements March to May 2017**

File: S11015
Vide: GB.4

To provide the Audit and Risk Committee with a summary of actions taken in the past quarter against compliance and reporting requirements set out by the Office of Local Government.

Action Item:

That the Committee receives and notes the report.

AC137 **Summary of Relevant Circulars, Legislative Updates and Matters Arising - March to May 2017**

File: S11015
Vide: GB.5

To provide the Audit and Risk Committee with a summary of Councils actions in response to relevant circulars, legislative updates and other matters arising that impact the local government sector.

Action Item:

That the Committee receives and notes the report.

AC138 **Complaints and Compliments**

File: CY00458/5
Vide: GB.6

To update the Audit and Risk Committee on activities relating to complaints and compliments and a summary of Councils actions in response to applications received under (or other matters relating to) the Government Information (Public Access) Act 2009, Privacy and Personal Information Protection Act 1998, and Health Records and Privacy Act 2002.

Action Item:

That the report be received and noted.

AC139 **Risk Management Update**

File: CY00458/5

Vide: GB.8

To update the Audit and Risk Committee on the progress and actions undertaken on the Enterprise Risk Management (ERM) system and risk management projects.

Action Item:

- A. This report is noted by the Committee.
- B. The Committee requested that the next Risk Management Update report include a high level summary of the Lindfield Hub risk register.

AC140 **Workplace Health & Safety Performance**

File: CY00458/5

Vide: GB.9

To provide the Audit and Risk Committee with an overview of Council's WHS Performance.

Action Item:

That the report be received and noted.

AC141 **Internal Audit Status Report**

File: CY00458/5

Vide: GB.10

To update the Audit and Risk Committee on the progress of the shared Internal Audit service in Council.

Action Item:

That this report be received and noted.

AC142 **Internal Audit Report - Completed Audit**

File: CY00458/5

Vide: GB.11

To provide the Audit and Risk Committee with the results of an audit completed in

the period since the last Committee meeting.

Action Item:

That the Internal Auditor's Report from the completed Audit of Debtors Controls be received and noted.

AC143 **Internal Audit Implementation Report**

File: CY00458/5

Vide: GB.12

To provide the Audit and Risk Committee with updated information on the implementation of recommendations contained in previously completed Audit reports.

Action Item:

That Internal Audit Implementation Report be received and noted.

The Meeting closed at 7.23pm