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## WYONG SHIRE COUNCIL

### MINUTES OF THE WYONG SHIRE AUDIT COMMITTEE HELD IN WILFRED BARRETT AND TIM FARRELL ROOMS, WYONG CIVIC CENTRE, HELY STREET, WYONG ON WEDNESDAY, 21 FEBRUARY 2007 COMMENCING AT 12.05 PM

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#### PRESENT

Councillor N T Rose (Chairperson, Wyong Shire Council)  
Councillor R C Stevens (Wyong Shire Council)  
Councillor R E Stewart (Wyong Shire Council)  
Mr K Yates (General Manager)  
Mr J Simpson (Internal Auditor)

#### APOLOGIES

Councillor R L Graham (Wyong Shire Council)  
Councillor W J Welham (Wyong Shire Council)  
David Cathers (Director Shire Services)  
Gina Vereker (Director Shire Planning)

#### IN ATTENDANCE

James Brown (Director Corporate Services)  
Garry Teeson (Senior Management Accountant)  
Mellissa McKee (Corporate Planning Executive)  
Dennis Banicevic (External Auditor) (Arrived 12.20 pm)  
Jarrod Lean (Assistant Internal Audit)  
Cate Trivers (Manager, Financial Services)  
Darryl Rayner (Organisational Development Manager) (Arrived 1.27 pm)  
Ken Grantham (Manager Water & Waste) (Left 1.30 pm)

**WYONG SHIRE COUNCIL**

21 February 2007  
To the Wyong Shire Audit Committee

**AUC01****Disclosure of Pecuniary Interest**

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F2004/06507

The provisions of Chapter 14 of the Local Government Act, 1993 regulate the way in which Councillors and nominated staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public trust.

The Act prescribes that where a member of Council (or a Committee of Council) has a direct or indirect financial (pecuniary) interest in a matter to be considered at a meeting of the Council (or Committee), that interest must be disclosed as soon as practicable after the start of the meeting and the reasons for declaring such interest.

As members are aware, the provisions of the Local Government Act restrict any member who has declared a pecuniary interest in any matter from participating in the discussions, voting on that matter, and require that member to vacate the Chamber.

Council's Code of Conduct provides that if members have a non-pecuniary conflict of interest, the nature of the conflict must be disclosed. The Code also provides for a number of ways in which a member may manage non pecuniary conflicts of interest.

**RECOMMENDATION**

*That Councillors now disclose any pecuniary interests and reasons for declaring such interest in the matters under consideration by Committee at this meeting.*

COUNCILLOR ROSE DECLARED A NON-PECUNIARY INSIGNIFICANT CONFLICT OF INTEREST FOR THE REASON THAT HE IS A MEMBER OF THE CATCHMENT MANAGEMENT AUTHORITY BOARD.

**AUDIT COMMITTEE RECOMMENDATION**

*That the report be received and advice of disclosures noted.*

**WYONG SHIRE COUNCIL**

21 February 2007  
To the Wyong Shire Audit Committee

**AUC02****Minutes of Wyong Shire Audit Committee – 8 November 2006**

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F2004/07245

**SUMMARY**

The minutes for the Audit Committee held on 8 November 2006, were adopted by Council at its Ordinary Meeting held on 22 November 2006.

**RECOMMENDATION**

*That the report be received and the information noted.*

**AUDIT COMMITTEE RECOMMENDATION**

*That the report be received and the information noted.*

**WYONG SHIRE COUNCIL**

21 February 2007  
To the Wyong Shire Governance Committee

**AUC03**  
**Internal Auditor's Report**

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**SUMMARY**

Report on the activities of the Internal Audit Department.

**RECOMMENDATION**

*That the report be received and the information noted.*

**AUDIT COMMITTEE RECOMMENDATION**

- 1** *That the report be received and the information noted.*
- 2** *That Councillor Rose be appointed as the Councillor representative to undertake the evaluation process of Independent Members of Governance Committee with the General Manager and Mayor.*

**WYONG SHIRE COUNCIL**

21 February 2007  
To the Wyong Shire Audit Committee

Director's Report  
Corporate Services  
Department

**AUC04          Status of Council's Online Solution**

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F2004/00298 GJA

**SUMMARY**

Report to Audit Committee on the current position of the Council's Online Solution.

**RECOMMENDATION**

*That the report be received and the information noted.*

**AUDIT COMMITTEE RECOMMENDATION**

*That the report be received and the information noted.*

**WYONG SHIRE COUNCIL**

21 February 2007  
To the Governance Committee

General Manager's Report

**AUC05 2006/07 Management Plan – December 2006 Quarterly Review**

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F2004/07006

**SUMMARY**

Quarterly report on progress against Council's 2006/07 Management Plan.

**RECOMMENDATION**

- 1 *That the report be received and noted.*
- 2 *That the revised estimates of income and expenditure for 2006/07 be adopted.*

**AUDIT COMMITTEE RECOMMENDATION**

- 1 *That the report be received and noted.*
- 2 *That the revised estimates of income and expenditure for 2006/07 be adopted.*

THERE BEING NO FURTHER BUSINESS THE MEETING CLOSED AT 2.06 PM.

## **Significant Issues Discussed at the Wyong Shire Audit Committee held on 21 February 2007**

During the meeting the following issues were discussed in more detail:

### **AUC03 – Internal Auditor’s Report**

A Review of Pecuniary Interest Returns has reinforced the need to ensure that they are completed with full and accurate disclosure.

The Committee supported the need for disclosure of the reasons why a conflict of interest does not arise where there is a non-pecuniary interest in relation to a matter, for example, Election Funding. The declaration form, Council’s Code of Meeting Practice and Code of Conduct in respect of conflicts of interest will be updated accordingly.

It was noted that 11 applications have been received for the position of independent members of the Governance Committee. Councillor Rose was nominated by the Committee to join the Mayor and General Manager in the evaluation of the applicants. Their recommendations will then be considered by the full Council.

The Committee was advised that a number of initiatives to strengthen the financial management process will be effectively put in place for the 2007/08 financial year.

It was noted that good progress has been made with enterprise risk management and that key risks will be reported to future Governance Committee Meetings.

It was noted that the ability to complete the Internal Audit Plan for 2006/07 has been impacted by unplanned activities and delay in replacement of staff. A number of planned reviews will be deferred to 2007/08. Focus for the remainder of the current year will be on the higher risk areas identified in the plan and implementation of the Management Self Assessment process.

It was noted that a fraud risk assessment review is in progress in respect of Tourist Parks.

### **AUC04 – Status of Council’s Online Solution**

The status of the Councils Online solution was further discussed by the Committee. It was highlighted that it is important to stress that the implementation of the system was necessary as the previous system was no longer being supported. Council is leading the way at a syndicate level in finalising delivery and achieving a more favourable contractual position.

### **AUC05 – 2006/07 Management Plan – December 2006 Quarterly Review**

There was discussion on the extent of achievement of the 13 key focus areas and the 137 action plans in the 2006/07 Management Plan. A large majority of items are on target to be achieved. It was noted that the reason for some items not being achieved is due to factors outside of Council’s control.

The General Manager highlighted the significant budget changes and acknowledged a projected budget result of \$285K deficit for the full year. Management is proactively reviewing several key areas including Childcare, Roads and Drainage, Open Space and Recreation and Community Buildings Maintenance to ensure that the revised budget projection is achieved.