



CENTRAL COAST COUNCIL

MINUTES OF THE **AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING**

HELD IN THE SMART WORK HUB
LEVEL 2, 28 WILLIAM STREET, GOSFORD
ON 20 JUNE 2017
COMMENCING AT 2.00PM

PRESENT

Dr Colin Gellatly (Chairperson), Carl Millington, John Gordon (via telephone), Ian Reynolds and Rob Noble

IN ATTENDANCE

Mike Dowling	Group Leader Assets Infrastructure and Business
Brian Glendenning	Executive Manager Governance
Kellie Reeves	Executive Manager People and Culture
Sally Ingram	Executive Manager Transformation and Business Performance
Stephen Naven	Chief Financial Officer
David Kennedy	Chief Information Officer
Lily Mojsin	Internal Ombudsman
Tina Baker	Chief Internal Auditor
James Taylor	Governance Coordinator
Sonia Witt	Team Leader Governance and Councillor Services
Marion Peyser	PA to Unit Manager Governance and Business Services
Ian Goodwin	Auditor General
Steven Martin	Auditor General
Caroline Mara	PricewaterhouseCoopers

1.1 Disclosure of Interest

Recommendation:

That the Committee receive the report on Disclosure of Interest and note that no disclosures were submitted.

1.2 Address By Invited Speakers

Mr Steve Martin and Mr Ian Goodwin presented to the committee.

Recommendation:

- 1** *That the Committee receive the report on Invited Speakers.*
- 2** *That the Committee agree meeting practice be varied to allow reports from Group Leaders and/or the Chief Executive Officer to be dealt with following an Invited Speaker's address.*
- 3** *That the Committee note the presentation from the Auditor General.*

2.1 Audit Risk and Improvement Committee Draft Charter

Recommendation:

- 1** *That the Committee receive the report on the draft Audit Risk and Improvement Committee Charter.*
- 2** *That the Committee endorse the draft Audit Risk and Improvement Committee Charter with inclusion of amendments submitted by members.*

2.2 Capital Expenditure Compared to Budget

Recommendation:

That the Committee receive the year to date Capital Expenditure report and breakdown.

2.3 Finance Policies

Recommendation:

- 1** *That the Committee note the finance policies.*
- 2** *That the Committee recommend the Council reconsider the CCC Maximum Weighting Portfolio percentages.*
- 3** *That the Committee recommend the Council further review the policy for Debt Management.*

2.4 Transition Projects and Updates

Recommendation:

That the Committee receive the Transition Projects and Updates report.

2.5 Chief Internal Auditor Update

Recommendation:

- 1** *That the Committee receive the Chief Internal Auditor's report.*
- 2** *That the Committee approved the proposed timings and suite of reports to be presented to the Committee by the Chief Internal Auditor with the inclusion of amendments submitted by members.*

2.6 Internal Audit Charter

Recommendation

- 1** *That the Committee approve the Internal Audit Charter as presented to this meeting and aligned directly with the Office of Local Government's model Charter for IA.*
- 2** *That the Committee request in camera meetings with the Chief Internal Auditor be held annually.*

2.7 Implementation of Management Actions - May 2017

Recommendation:

- 1** *That subject to the CEO's review and comments the Committee approve the reinstatement of Internal Audit reports carrying formal IA recommendations with management responses, agreed actions, implementation dates and nominated officer to take forward the action.*

- 2** *That subject to the CEO's review and comments the Committee approve the reinstatement of the Internal Audit action tracker to help monitor and report to the Committee on the implementation of internal audit recommendations by management.*

- 3** *That subject to the CEO's review and comments the Committee approve the Audit Tracker to be populated with agreed actions from the 2017/18 audit programme and beyond rather than including all the outstanding actions from reviews of the two former Councils.*

2.8 Internal Audit Balanced Scorecard Report

Recommendation:

- 1** *That the Committee approve the continuation of a set of balanced scorecard measures for the IA function.*

- 2** *That the Committee approve the balanced scorecard measures for Internal Audit as attached in Appendix 1.*

2.9 Internal Audit Work Program 2017/18

Recommendation:

That the Committee approve the proposed IA schedule of business assurance audits for 1 July 2017 to 30 June 2018, as set out in Appendix 1.

2.10 Central Coast Demographic Details within the Local Government Area

Recommendation:

That the Committee note the Central Coast Demographic Details within the Local Government Area report.

2.11 Outstanding Action Item Log

Recommendation:

- 1 *That the Committee receive the Outstanding Action Item Log report.*
- 2 *That the Committee confirm that it will be updated with current meetings action list.*

2.12 Council's Cloud Usage

Recommendation:

That the Committee receive the Council's Cloud Usage report.

3.1 Report from Office of Internal Ombudsman

Recommendation:

That the Committee note the report from the Internal Ombudsman.

GB1/17 ARIC Members Tour

F2017/00092

"That the three independent members of the ARIC have a tour of the LGA and view major facilities, capital works and infrastructure in due course."

The Meeting closed at 4.03 pm.

Next Meeting: 2.00pm Tuesday 29 August 2017

Wyong Administration Building - 2 Hely Street, Wyong NSW

MINUTES OF THE AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING 20 JUNE 2017 contd

ACTION ITEM SCHEDULE		
ITEM	ACTION	RESPONSIBLE OFFICER
Item 2.1 20 June 2017 Meeting	ARIC Charter to be amended to reflect input from the Independent Members	Governance
Item 2.3 20 June 2017 Meeting	Finance Policies and Guidelines be reviewed to consider comments and input from the Independent Members	Finance
Item 2.4 20 June 2017 Meeting	Link to PMO to be resent to the Independent Members	PMO
Item 2.5 20 June 2017 Meeting	Internal Audit Reports to be amended to reflect input from the Independent Members	Internal Auditor
Item 2.7 20 June 2017 Meeting	Review implementation of Management Actions by CEO and Internal Audit and bring these matters back to the ARIC to confirm.	CEO and Internal Auditor
Item 2.11 26 May 2017 Workshop	Provision of significant overview of finance and asset identification and valuation <i>Briefing on revision of fixed assets, of methodology used, consistency of assessment and the level of confidence that all have been identified</i>	Finance Listed for 10 October 2017 meeting Agenda
Item 2.12 20 June 2017 Meeting	That the Committee request further information regarding data breach security.	IM&T
Item 3.1 20 June 2017 Meeting	Provide more details in the Code of Conduct report by identify trends and issues and how these are related back to the business	Internal Ombudsman
Item 3.1 20 June 2017 Meeting	Provide details of trends and issues of GIPA requests made to Council	Governance
GB1/17 20 June 2017 Meeting	A request that the three independent members of the ARIC have a tour of the LGA and view major facilities, capital works and infrastructure in due course.	CEO