



Central Coast Council

Minutes of the
**AUDIT RISK AND IMPROVEMENT COMMITTEE
MEETING**

Held in the Committee Room, 2 Hely Street, Wyong
on 19 June 2019

Present

Dr Colin Gellatly (Chairperson)
Carl Millington
John Gordon
Councillor Louise Greenaway

In Attendance

Evan Hutchings	Director Governance
Craig Norman	Chief Financial Officer
Boris Bolgoff	Director Roads Transport Drainage and Waste (left 2.40pm)
James Taylor	Section Manager Governance
Tina Baker	Chief Internal Auditor
Gordon Plath	General Counsel (arrived 3.38pm, left 3.53pm)
Kelly Drover	Advisory Group Support Officer
Aaron Green	Assistant Auditor-General, Audit Office of NSW
Cassie Malone	Audit Leader, Audit Office of NSW

Apologies

Councillor Doug Vincent
Gary Murphy Chief Executive Officer

The Chairperson, Colin Gellatly, undertook an Acknowledgement of Country.

GENERAL REPORTS

1.1 Disclosures of Interest

There were no disclosures of interest.

Resolution

- 1 That the Committee receive the report on Disclosures of Interest.**
- 2 That the Committee recommends that the report be made publicly available as the nature or content of the report do not fall within any listed exceptions pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

1.2 Confirmation of Minutes of Previous Meetings

Resolution

- 1 That the minutes of the Audit, Risk and Improvement Committee meeting held on 5 March 2019 be confirmed.**
- 2 That the Committee recommends that the report and supporting papers to this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

1.3 Outstanding Action Items

In regard to Action Item GB2/19 – CCGT presentation to Councillors, this item had been marked as completed.

It was noted by ARIC that Councillor Greenaway indicated that whilst the action had been completed, she considered that the briefing was not satisfactory and she still had number of unanswered questions.

Resolution

- 1 That the Committee notes the report.**
- 2 That the Committee recommends that the supporting papers to this report be made publicly available as the nature or content of this report do not fall within any listed exceptions, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**
- 3 That John Gordon liaise with the Senior Internal Ombudsman in regard to Outstanding Action Item 2.1 from 4 December 2018, to clarify exactly what the Committee is seeking in regard to a presentation on best practice.**

- 4** *That a report be provided to the Committee at the October meeting on GIPA applications discussing how many refusals have been referred to NCAT and the outcomes of these.*

1.4 Development of the IA Work Program

Tina Baker, Chief Internal Auditor provided a presentation on IA: The Audit Planning Process.

Resolution

- 1** *That the Audit, Risk and Improvement Committee receive the presentation.*
- 2** *That the Committee recommends that the cover report be made publicly available, as the nature or content of this report do not fall within any listed exceptions, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.*

1.5 Chief Internal Auditor's Quarterly Progress Report

Resolution

- 1** *That the Audit, Risk and Improvement Committee receive the Chief Internal Auditor's Report.*
- 2** *That the Committee recommends that the report be made publicly available, as the nature or content of this report do not fall within any listed exceptions, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.*

1.6 Implementation of Management Actions Arising From IA Reviews

Resolution

- 1** *That the Audit, Risk and Improvement Committee receive the report on the implementation of management actions arising from IA reviews.*
- 2** *The Committee recommends that pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter, a 'confidential' privacy marking be assigned to Appendix 1 to this report for the reasons that it contains information that could compromise the security of Council, Council Officials and Council property.*

Councillor Greenaway left the room at 3.03pm, returned 3.08pm

1.7 Deferred Management Actions, Risks and Solutions

Resolution

- 1** *That the Audit, Risk and Improvement Committee receive this report on Deferred Actions, Risks and Solutions.*

- 2 That the Audit, Risk and Improvement Committee agree to the process proposed in the report.**
- 3 That the Committee recommends that the report be made publicly available, as the nature or content of this report do not fall within any listed exceptions, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**
- 4 That a presentation be provided at the 1st October 2019 ARIC meeting on Council's:**
 - a. Risk Management Framework and Risk Register;**
 - b. Fraud and Corruption Controls; and**
 - c. Business Continuity Plan.**

1.8 Comparison of allowable Councillor Expenses

Resolution

- 1 That the Audit, Risk and Improvement Committee receive the report.**
- 2 That the Committee recommends that the report and supporting papers be made publicly available, as the nature or content of this report do not fall within any listed exceptions, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

1.9 Policy for Investment Report

Resolution

- 1 That the Committee note the Policy for Investment Management and provide comments and recommendations for consideration and for inclusion in a report to Council.**
- 2 That the Committee recommends that the report and supporting papers to this report be made publicly available as the nature or content of the report do not fall within any listed exception, pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter.**

1.10 Presentation on Asset Management

Boris Bolgoff provided a presentation on Asset Management. The Asset Management Strategy will be circulated to Committee members.

1.11 Co-Source Internal Audit Model

Evan Hutchings provided the Committee with an update on the Co-Source Model arrangements. It was noted that John Gordon offered his assistance to Council in the tender process given his experience in this space.

Resolution

That Council undertake a tender process via the Local Government Procurement pre-approved list for the co-source model for the internal audit function.

1.12 Update on the Gosford Cultural Precinct

Evan Hutchings provided the Committee with an update on the Gosford Cultural Precinct including project overview, probity matters and development of Terms of Reference. John Gordon indicated he could if requested provide contact details for two other NSW councils which were embarking on similarly complex projects. These councils had developed comprehensive probity and project management controls.

1.13 Funding Agreement between Central Coast Council and CCGT

It was noted that the funding agreement being referred to is between Central Coast Council (via the former Wyong Shire Council) and Central Coast Group Training (CCGT).

Evan Hutchings provided the Committee with an update on the funding agreement between Central Coast Council and CCGT.

CONFIDENTIAL ITEMS

2.1 Report from Audit Office of NSW

Aaron Green and Cassie Malone provided the Committee with an update on the Annual Engagement Plan and the Auditor General's report to Parliament.

Resolution

- 1 *That the Committee receive the Annual Engagement Plan for the audit of Central Coast Council's financial statements for the year ending 30 June 2019 that is Attachment 1 to this report.***
- 2 *The Committee recommends that pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter this report and supporting papers not be made publicly available and be kept "confidential" as these documents:***
 - a. May contain confidential information about matters affecting the security of Council, Council Officials and/or Council property; and***
 - b. Further, on balance, it would not be in the public interest to make this information available as Council does not disclose to the public any information from the NSW Audit Office to ensure the efficacy of its investigating, auditing or reporting functions.***

2.2 Update on Legal Matters

Gordon Plath provided the Committee with an overview of Legal Services.

Resolution

- 1 That the Audit, Risk and Improvement Committee receive the report on Update on Legal Matters.**
- 2 The Committee recommends that pursuant to Clause 6.4 of the Audit, Risk and Improvement Committee Charter this report and supporting papers not be made publicly available and be kept confidential as these documents:
 - a. May contain confidential advice or confidential communications concerning litigation or legal matters that may otherwise be privileged from production on the grounds of legal professional privilege.**
 - b. Further, on balance, it would not be in the public interest to make this information available as it may compromise Council's ability to ensure the optimum outcome for the community.****

GENERAL BUSINESS

GB5/19 Use of Roundup Weed Killer

The Committee discussed recent articles regarding Councils using Roundup weed killer, including Work Health and Safety concerns and whether there is Risk Mitigation in place.

Resolution

The Committee request an update on the use of Roundup weed killer in Council's operations at a future meeting.

GB6/19 Warnervale Airport

Councillor Greenaway raised concerns about various administrative actions undertaken by staff in relation to Warnervale Airport.

The Meeting closed at 3.58pm

Next Meeting: Ordinary Meeting
Tuesday 1 October 2019
2pm – 5pm
Gosford Committee Room