

MINUTES OF THE INTERNAL AUDIT COMMITTEE MEETING HELD IN THE GALLERY MEETING ROOM, COONABARABRAN ON TUESDAY, 17 SEPTEMBER 2019 COMMENCING 9.30AM

PRESENT: Grahame Marchant (Chair), Paul Nankivill, Cr Ambrose Doolan

IN ATTENDANCE: General Manager, Director Development and Environment Services, Director Technical Services, Acting Director Corporate and Community Services and Chief Financial Officer.

AGENDA ITEMS

1.0 Introduction: Chair formally welcomed those present.

1.3 Safety directions: Noted

1.4 Apologies: Nil

1.5 Declarations of Interest: Nil

2.0 Committee Matters

2.1 Confirmation of previous Minutes: Nil

2.2 Actions tracking: Nil

2.3 Committee Charter: Circulated and noted.

3.0 Audit Matters

3.1 2018-19 Financial Statements

A summary of the 2018-19 Financial Statements was provided by the Acting Director Corporate and Community Services.

3.2 External Audit update

Auditor, Mr Alex Hardy, joined meeting by telephone. Mr Hardy advised that:

- As the external auditor he is supportive of the creation of this Internal Audit Committee.
- Has attended Council for the conduct of the Interim Audit.
- Spoke of two important documents:
 - o Annual Engagement Plan (18 March 2019) presented to Council
 - o Interim Management Letter (issued July 2019)
- Year End Work:
 - o Management has been very supportive of the process.
 - o Focus of audit has been on infrastructure, property plant and equipment – Management is to prepare a positive paper on fair value. Management is to prepare a position paper on other assets e.g. footpaths.
 - o Focus on audit and RFS assets – Audit Office view is that councils control RFS assets. Warrumbungle Shire Council had not previously recognised these assets. This may be a multi million dollar adjustment.

Presentation of audit report to be completed by 25 October 2019.

RESOLVED:

That:

1. The presentation of the draft Financial Statements be noted.
2. The final Financial Statements and Audit Report be provided to Committee Members when available with Committee Members to provide any comments thought necessary for consideration by Council prior to final adoption.

MINUTES OF THE INTERNAL AUDIT COMMITTEE MEETING HELD IN THE GALLERY MEETING ROOM, COONABARABRAN ON TUESDAY, 17 SEPTEMBER 2019 COMMENCING 9.30AM

3. Management give consideration to a mechanism for the Committee to give consideration to a Pro Forma set of Financial Statements which will detail the basis of preparation of the Statements with regard to Accounting Standards and policies
4. Actions tracking in relation to Management Letters be provided to the Internal Audit Committee to enable monitoring of the progress in addressing matters that have been raised by the external auditor.

3.3 Internal Audit update: Nil

RESOLVED: That a report be provided by Management on how an internal audit function would be created within Council and who will be responsible for the internal audit process.

4.0 Management Presentations

4.1 General Manager's Update

General Manager presented staff information.

5.0 Risk Matters

5.1 WHS Update

The importance of the Internal Audit Committee receiving reports on WHS was outlined for the purposes of:

- Compliance around procedures.
- Providing a snapshot to the Committee on trends and how these are being managed.

5.2 Enterprise Risk Management Update

- Information Technology relies on linking Enterprise Risk or functions.
- ERM is in the early days.

RESOLVED: That at future meetings the Committee be provided with a report on what risk management framework will be put in place and timeline (prepare a policy and framework).

5.3 Project Risk Update

RESOLVED:

1. The Committee recommends that a project management framework be developed comprising at least a Policy and Procedure to be implemented by the organisation.

2. That at future meetings the Committee be provide with a snapshot report detailing the organisations performance in delivering project programs (on-time, on-budget, quality).

5.4 Fraud and Corruption Control Update

Committee noted the current policy and note that the policy is being reviewed and updated. The revised Policy to be provided to the Committee for consideration at a future meeting.

5.5 Emerging Risks & Probity Risks: Nil

5.6 Delegations

The committee noted the report and the Delegations register.

6.0 Compliance Matters

MINUTES OF THE INTERNAL AUDIT COMMITTEE MEETING HELD IN THE GALLERY MEETING ROOM, COONABARABRAN ON TUESDAY, 17 SEPTEMBER 2019 COMMENCING 9.30AM

RESOLVED: That management is to provide a report to the Internal audit Committee on compliance register and framework.

6.1 Declaration on any known breaches: Nil

6.2 Compliance Management Update

6.3 Section 430 Investigation

The Committee was provided with an update on the progress with the investigation.

7.0 Governance, Performance & Improvement Update

7.1 Governance Update

The information was noted.

7.2 Corporate Plan & Community Strategic Plan Progress Update

The information was noted.

7.3 Performance improvement initiatives update

The Committee was advised that reviews were being undertaken in relation to some service areas (waste). The Committee suggested that management give consideration to formalising a Service Review program aimed at improving service delivery.

8.0 Other Business

8.1 Office of Local Government Circular 19-20

The circular was noted and the members of the Committee are to provide comments on the proposal to General Manger so that if a submission from council on any particular matters is considered necessary the Draft Submission can be considered by the Committee at its next meeting.

General consideration of Council financial positions.

9.0 Next Meeting: December 2019 (preferably Tuesdays)

Meeting closed: 12.03pm