

APPENDIX A



SUMMARY REPORT

AUDIT COMMITTEE

MEETING HELD ON

26 AUGUST 2013

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**MINUTES OF THE AUDIT COMMITTEE MEETING OF THE
DAREBIN CITY COUNCIL HELD AT DAREBIN CIVIC CENTRE,
350 HIGH ST, PRESTON ON MONDAY, 26 AUGUST 2013**

THE MEETING OPENED AT 3.03PM

1. PRESENT

Members:

Mr David Ashmore – Chairperson
Mr Albert Zago – Independent External Member
Dr Bruce Carroll – Independent External Member
Cr Tim Laurence (Mayor) – Committee Member
Cr Gaetano Greco (Deputy Mayor) – Committee Member

Internal Auditors:

Mr Martin Thompson – Crowe Horwath

External Auditors:

Mr Mark Warren - DFK Collins
Mr Byron Filmalter – DFK Collins

Officers:

Mr Rasiah Dev – Chief Executive
Mr Paul Crapper – Director Corporate and Business Services
Mr Michael O’Riordan – Financial Accountant
Ms Gracie Valenti – Senior Coordinator Corporate Risk Management

Minutes:

Ms Marisa Schiavello

2. APOLOGIES

Mr Robert Wernli – DFK Collins
Ms Kerrie Jordan – Chief Financial Officer

3. DISCLOSURES OF CONFLICT OF INTEREST

Audit Committee members were asked to disclose any conflicts of interest on any matters listed on the Agenda. The following disclosures were made.

Item 26: Councillor Support and Expenses Report

Cr Laurence disclosed a conflict of interest on this item describing the type of interest as a direct interest and the nature of the interest being that the report related to expenditure incurred by him. Cr Laurence left the meeting prior to discussion of that item.

Cr Greco disclosed a conflict of interest on this item describing the type of interest as a direct interest and the nature of the interest being that the report related to expenditure incurred by him. Cr Greco left the meeting prior to discussion of that item.

4. REGISTER OF INTERESTS

Audit Committee members are asked to declare any items of pecuniary interest. The following record of members' disclosures will remain until amended by the member concerned. Mr Ashmore provided an update and the information below has been amended accordingly.

Mr David Ashmore

- Regional Kitchen Pty Ltd
- Moonee Valley City Council
- Boroondara City Council
- Hobsons Bay City Council
- Greater Dandenong City Council
- Safe Roads Ltd
- Victorian Responsible Gambling Foundation
- Essential Services Commission

Mr Albert Zago

- Nil

Dr Bruce Carroll

- Brighten Nominees Pty Ltd
- Reconnexion Inc
- Monash Surgical Private Hospital
- Royal Melbourne Institute of Technology (RMIT)

Cr Tim Laurence

- Bundoora Homestead
- Municipal Association of Victoria (MAV)

Cr Gaetano Greco

- Inner Northern Group Training Board (INGT)
- A-Plus
- Bundoora Homestead
- Municipal Association of Victoria (MAV)

5. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

COMMITTEE DECISION

MOVED: Dr Bruce Carroll
SECONDED: Cr Gaetano Greco

THAT the Minutes of the Audit Committee Meeting held on 3 June 2013 be confirmed.

CARRIED

[Mr Zago entered the meeting at 3.06pm]
[Mr Dev entered the meeting at 3.07pm]

6. DEVELOPMENTS IN THE CITY AND LEGISLATIVE COMPLIANCE MATTERS

The Chief Executive briefed the Audit Committee on recent important developments in the City of Darebin. Mr Dev briefed the Committee on:

- issues currently being dealt with;
- the importance of good governance; and
- the current situation with building works at the Preston Public Cemetery.

7. MATTERS ARISING FROM PREVIOUS MEETING/S

7.1 EQUITY AND SOCIAL INCLUSION – EIPAT TOOL DEMONSTRATION

Ms Linden demonstrated the Equity and Inclusion Planning and Audit Tool (EIPAT) and provided the Committee with a progress report and information on the roll out schedule. Ms Linden spoke of training, instructions for authors and security passwords.

With regard to Key Performance Indicators – EIPAT is part of the Council Plan and will be reported through that process.

On behalf of the Committee, Mr Ashmore thanked Ms Linden for her report.

7.2 MATERNAL & CHILD HEALTH SERVICES

At its meeting of 3 June 2013, Cr Greco requested information on tracking babies within the municipality that Council was not aware of and the effectiveness of the Outreach program.

Ms Knox informed the Committee that it was difficult to track babies mid stream. She advised that the Municipal Association of Victoria was working on a pilot program called 'Patchwork' and that the program held information on all interactions with a child from birth. Council staff could access the details once approval was sought from the family.

Babies are also monitored through Council services such as the Immunisation program and playgroups and the Outreach Nurse actively engages with aboriginal children.

On behalf of the Committee, Mr Ashmore thanked Ms Knox for her report.

[Ms Linden entered the meeting at 3.08pm and left the meeting at 3.16pm]

[Ms Smiley entered the meeting at 3.12pm and left the meeting at 3.16pm]

[Ms Knox entered the meeting at 3.15pm and left the meeting at 3.30pm]

[Mr Dev left the meeting at 3.35pm]

REPORTS

The following reports were tabled at the meeting:

- Risk Management Framework and Business Continuity Plan (Ms Gracie Valenti) – Refer Item 9
- Capital Works Multiple Year Projects Plan (Ms Kerrie Jordan) – Refer Item 22

The following reports are to be tabled at the November 2013 Audit Committee meeting:

- Audit Committee Self Assessment – Results of Survey (Mr Paul Crapper)
- Disclosure of Other Entities - Potential Implications (Ms Kerrie Jordan)
- IT Systems/Controls - Information Services is currently undertaking a review of the Information Services Strategy which will be provided for the Audit Committee's information (Mr Pradeep Agrawal)

8. AUDIT COMMITTEE MEMBERSHIP

AUTHOR: Director Corporate and Business Services – Paul Crapper

REVIEWED BY: Chief Executive – Rasiah Dev

SUMMARY:

The Audit Committee is an Advisory Committee appointed by the Council pursuant to section 139 of the Local Government Act 1989 to assist Council in fulfilling its requirements relating to internal control mechanisms and external reporting requirements. The Committee currently comprises two Councillors and three external members, one of whom is the Chair. The external members are appointed by Council resolution.

With the positions of Mr David Ashmore and Mr Albert Zago due to expire in December 2013 and one external member's initial term expiring in August 2013, a report was tabled at the Council Meeting of 5 August 2013 seeking a Council resolution on terms of office for Committee members.

At that meeting, Council resolved:

“THAT Council:

- (1) Receives and notes this report regarding membership of external Audit Committee members.
- (2) Reappoint Mr David Ashmore as a Committee member for a further one year term, expiring in December 2014.
- (3) Take up the option available and reappoint Dr Bruce Carroll for a further two year term, expiring in August 2015.
- (4) Authorises Council Officers to advertise and seek expressions of interest from suitably qualified people to fill the impending vacancy on Council's Audit Committee for a three year term until December 2016 to ensure a staggered membership expiring over the next three years.
- (5) Convenes a committee consisting of the Mayor, Deputy Mayor and Director Corporate and Business Services to short list, interview and recommend a suitable candidate.
- (6) Receive a further report that:
 - (a) Recommends a preferred applicant to Council for appointment to the Audit Committee; and
 - (b) Considers setting a maximum number of terms of reappointment for independent members.”

Terms of Office

In line with best practice principles, and to ensure the Audit Committee retains business continuity, it is proposed to stagger the terms of office of external Audit Committee members over the next three years.

Expressions of Interest

In the coming months, the Director Corporate and Business Services will call for expressions of interest to fill the impending vacancy on Council's Audit Committee. Due process will be undertaken to consider the applications, interview short listed candidates and determine the preferred applicant for recommendation for appointment to the Committee. Applicants would require skills in risk management, corporate governance, business management, financial and internal audit and first hand local government career experience at a Director level.

Selection Panel

Council has recommended that the selection panel consist of the Mayor, Deputy Mayor and Director Corporate and Business Services. The selection panel will short list, interview and recommend to Council a suitable candidate for appointment to the Audit Committee.

Remuneration

The current remuneration level remains unchanged.

CONSULTATION:

Cr Laurence
Cr Greco
Chief Executive

COMMITTEE RECOMMENDATION

MOVED: Mr David Ashmore
SECONDED: Mr Albert Zago

THAT

- (1) This report on Audit Committee Membership be received and noted; and
- (2) The Director Corporate and Business Services be commended for his innovation.

CARRIED

9. RISK MANAGEMENT FRAMEWORK AND BUSINESS CONTINUITY PLANNING

AUTHOR: Manager Corporate Risk – Gracie Valenti

DIRECTOR: Group Manager People and Performance – Fred Warner

SUMMARY:

As a regular requirement of the Audit Committee, the Manager Corporate Risk is responsible for providing progress briefings on the implementation of Council's Risk Management Framework and Business Continuity Planning.

This report provides an update of Council's current risk management status in relation to its Strategic and Operational Risks, Insurance Premiums and performance, risk management key performance indicators and Business Continuity Planning.

CONSULTATION:

Executive Management Team
Council Officers
External stakeholders

COMMITTEE RECOMMENDATION

MOVED: Dr Bruce Carroll

SECONDED: Mr Albert Zago

THAT this report regarding the Risk Management Framework and Business Continuity Planning be received and noted.

CARRIED

10. DRAFT 2012/2013 FINANCIAL STATEMENTS, STANDARD STATEMENTS AND PERFORMANCE STATEMENT**AUTHOR:** Financial Accountant– Michael O’Riordan**MANAGER:** Chief Financial Officer – Kerrie Jordan**FINANCIAL IMPLICATIONS:** Nil**SUMMARY:**

This report presents the draft Financial Statements, Performance Statement and Standard Statements for the 2012/13 year for Audit Committee review. Key elements in relation to the Statements are discussed together with commentary on the major variances from the previous year and budget in the Financial and Standard Statements respectively.

The report proposes that the Audit Committee recommend to Council that it approve in principle each of the Statements and authorise two Councillors to sign the Statements in their final form after any changes recommended, or agreed to, by the Auditor have been made.

CONSULTATION:

Rasiah Dev – Chief Executive Officer
Rob Wernli - DFK Collins (Auditor-General's contractor)
Paul Crapper – Director Corporate and Business Services

COMMITTEE RECOMMENDATION

MOVED: Dr Bruce Carroll
SECONDED: Mr Albert Zago

THAT the Audit Committee recommend to Council that it:

1. Approve in principle the Financial Statements, the Performance Statement and Standard Statements for the 2012/13 year subject to a management representation letter, minor amendments to the Statements and the Auditor-General’s review, and
2. Authorise two Councillors to sign the Statements in their final form after any changes recommended, or agreed to, by the Auditor have been made.

CARRIED

[Mr Freer entered the meeting during discussion of this item at 4.30pm]

11. EXTERNAL AUDITORS CLOSING REPORT / MANAGEMENT LETTER**AUTHOR:** Director Corporate and Business Services – Paul Crapper**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

Mr Warren of DFK Collins, representing the Victorian Auditor-General's Office, distributed the closing report to the audit committee for the financial year ended 30 June 2013 and the report was discussed.

CONSULTATION:

Senior Council Officers

COMMITTEE RECOMMENDATION**MOVED:** Dr Bruce Carroll**SECONDED:** Mr Albert Zago

THAT the closing report to the Audit Committee for the financial year ended 30 June 2013 from the Victorian Auditor-General's Office, be received and noted.

CARRIED

[Mr Warren and Mr Filmatter left the meeting at 4.40pm

12. INTERNAL AUDIT REPORT – FOLLOW UP OF SELECTED HIGHER RISK MATTERS RAISED IN PRIOR INTERNAL AUDIT REPORTS

AUTHOR: Director Corporate and Business Services – Paul Crapper

REVIEWED BY: Chief Executive – Rasiah Dev

SUMMARY:

The internal auditors, Crowe Horwath, has undertaken a number of projects for which a range of findings have been identified requiring remedial action. To ensure that those higher risk issues were dealt with, a follow up review was undertaken.

The audit strategy was to:

- Ensure management considered and responded to audit recommendations;
- Seek assurances from management as to the action taken with regard to audit recommendations;
- Identify any key recommendations not yet addressed by management; and
- Document and report on recommendations not yet actioned my management.

The review considered 22 recommendations, including all ‘high’ and a selection of ‘medium’ risk issues. The review identified that 12 recommendations had been completed and 10 recommendations had not been completed within the timeframe initially presented to the Audit Committee.

The audit was conducted primarily through discussions and documentation examination.

CONSULTATION:

Executive Management Team
 Manager Corporate Risk
 Manager Facilities Maintenance
 Manager Major Projects, Engineering & Transport
 Manager Economic Development & Civic Compliance
 Manager City Works
 Coordinator Health and Urban Protection
 Coordinator Infrastructure Maintenance & Support
 Infrastructure Inspection Officer
 Strategic Risk and Insurance Advisor

COMMITTEE RECOMMENDATION

MOVED: Mr Albert Zago
SECONDED: Dr Bruce Carroll

THAT this report titled ‘*Follow-Up of Selected Higher Risk Matters Raised in Prior Internal Audit Reports*’ prepared by the Internal Auditors be received and noted.

CARRIED

13. INTERNAL AUDIT REPORT – COMMUNITY GRANTS PROGRAM REVIEW

AUTHOR: Director Corporate and Business Services – Paul Crapper

REVIEWED BY: Chief Executive – Rasiah Dev

SUMMARY:

Following a request by management, Crowe Horwath undertook a review of Council's management of the community grant application and assessment process to assess whether the controls and processes were operating satisfactorily.

The review focussed on the application, assessment and awarding process to be undertaken for the 2013/2014 Community Grants Program.

The objectives of the audit were to review the adequacy of the processes with respect to the:

- Community notification and advertising process;
- Application process, including guidance to community groups and determination of eligibility criteria;
- Receipt of applications;
- Assessment of applications;
- Awarding and notification process; and
- Segregation of tasks to ensure that there is a separation in department assisting groups with the application process and the assessment and awarding recommendation process.

The audit was conducted primarily through discussion, observation and review techniques with limited detailed testing being undertaken. The approach focussed on:

- Understanding through discussion and observation of the management processes in place;
- Documenting and evaluating the methods associated with control and management; and
- Assessing the possibility of risk to Council.

Overall, the internal auditors found that the current controls in place over the Community Grants Program are adequate. However, the review identified a total of six issues (one high rated finding, four medium rated findings and one low rated finding) for which action plans and timeframes have been agreed to by management.

CONSULTATION:

Group Manager People and Performance
Director Corporate and Business Services
Manager Community Planning, Partnerships and Performance
Manager Family and Children's Services
Team Leader Community Wellbeing
Arts and Culture Coordinator
Leisure Development Officer
Community Grants Officer

COMMITTEE RECOMMENDATION

MOVED: Dr Bruce Carroll
SECONDED: Mr Albert Zago

THAT this report titled '*Community Grants Program Review*' prepared by the Internal Auditors be received and noted.

CARRIED

[Ms Valenti left the meeting at 4.42 pm and re-entered at 4.43pm]
[Ms Smiley left the meeting at 5.04pm]

14. INTERNAL AUDIT REPORT – PARKS PLAYGROUND MAINTENANCE REVIEW

AUTHOR: Director Corporate and Business Services – Paul Crapper

REVIEWED BY: Chief Executive – Rasiah Dev

SUMMARY:

Playgrounds represent a major investment by Council and over recent years Council has invested substantial time and funds in ensuring its playground facilities are safe and conform to Australian Standards.

Council has an extensive range of playground sites across the municipality located in public open space settings.

In accordance with Council's Internal Audit Plan, a review was completed of the parks playground maintenance practices and procedures that were put in place to minimise related exposures and risk.

The objectives of the audit were to review the adequacy of Council's parks playground maintenance practices and procedures in respect to Australian Standard 4486:

1. Equipment inspection and maintenance;
2. Safety management system;
3. Equipment registers;
4. Recording of incidents;
5. Corrective actions; and
6. Equipment alterations.

The audit was conducted primarily through discussion, observation and review techniques with limited detailed testing being undertaken. The approach focussed on:

- Understanding through discussion and observation and of the management processes in place;
- Documenting and evaluating the methods associated with control and management; and
- Assessing the possibility of risk to Council.

Overall, the internal auditors found that the current controls in place with respect to the playground maintenance maintained by Council can be further strengthened. The review identified 12 moderate rated findings and four low rated findings for which action plans and timeframes have been agreed to by management.

CONSULTATION:

Director City Design and Environment
Manager Parks and Vegetation
Coordinator Public Realm
Team Leader Infrastructure
Coordinator Horticulture and Open Space
Administration Officer Parks and Vegetation

COMMITTEE RECOMMENDATION

MOVED: Dr Bruce Carroll
SECONDED: Mr Albert Zago

THAT this report titled '*Parks Playground Maintenance Review*' prepared by the Internal Auditors be received and noted.

CARRIED

[Cr Laurence left the meeting at 5.15pm and did not return]
[Mr Freer left the meeting at 5.16pm]

15. INTERNAL AUDIT REPORT – FRAUD MANAGEMENT AND PREVENTION

AUTHOR: Director Corporate and Business Services – Paul Crapper

REVIEWED BY: Chief Executive – Rasiah Dev

SUMMARY:

Fraud control is a continuous process demanding awareness and proactive action from management to reduce the possibility and impact of losses through fraud.

In accordance with Council's Internal Audit Plan, a review was completed of the organisation's fraud management practices to assess whether the controls and processes are operating satisfactorily.

The objectives of the audit were to review the adequacy of the:

1. Fraud control policy and fraud control plan, including:
 - roles and responsibilities;
 - prevention, investigation, recovery;
 - organisational ethics; and
 - disciplinary action.
2. Process for identification of risks, including:
 - identification;
 - actioning; and
 - monitoring.
3. Internal and external reporting processes, including:
 - the adequacy;
 - employee and management obligations;
 - recording and follow-up; and
 - confidentiality.
4. Level of staff training, including:
 - induction process;
 - all levels; and
 - tailored.

Crowe Horwath reports that there is a comprehensive framework in existence for the identification and reporting of fraud and regular compliance training on fraud and protected disclosure. There have been no internally reported incidents of fraud.

The review identified one high rated finding, four medium rated findings and three low rated findings for which action plans and timeframes have been agreed to by management.

CONSULTATION:

Chief Executive
Director Corporate and Business Services
Group Manager People and Performance
Manager Corporate Risk
Chief Financial Officer
Manager Governance
Manager People and Development

COMMITTEE RECOMMENDATION

MOVED: Dr Bruce Carroll
SECONDED: Mr Albert Zago

THAT this report titled '*Fraud Management and Prevention*' prepared by the Internal Auditors be received and noted.

CARRIED

[Mr Crapper left the meeting at 5.20pm]

16. INTERNAL AUDIT REPORT – VICROADS CONFIDENTIALITY COMPLIANCE 2013

AUTHOR: Director Corporate and Business Services – Paul Crapper

REVIEWED BY: Chief Executive – Rasiah Dev

SUMMARY:

Council obtains information from VicRoads to identify owners of vehicles for traffic or local laws related infringements. Council is required to have a review undertaken with respect to its compliance with the VicRoads Confidentiality Agreement (the Agreement) as required by Section 92 of the Road Safety Act 1986.

The objective of this audit was to review the key controls surrounding access to VicRoads information in order for Council to provide an annual certification to VicRoads over its compliance with the Agreement for the review period.

The review considered points and obligations as governed under the issues confidentiality agreement by VicRoads. Crowe Horwath has provided Council with an independent audit certification which can be forwarded to VicRoads in accordance with its obligations under the Agreement.

The audit was conducted through reviewing relevant documentation, interviews and discussion with relevant Council staff, observation and limited sample testing.

The approach focussed on:

- Understanding through discussion and observation the management process in place;
- Documenting and evaluating the methods associated with control and management; and
- Assessing the possibility of risk to Council.

Crowe Horwath report that the review identified six issues (2 medium and 4 low rated findings) for which action plans and timeframes have been agreed to by management.

CONSULTATION:

Director Corporate and Business Services
Manager Economic Development and Civic Compliance
Coordinator Civic Compliance
Coordinator Records Management
Systems Administrator (Core Systems)
Acting Coordinator ICT Client Services

COMMITTEE RECOMMENDATION

MOVED: Mr Albert Zago
SECONDED: Dr Bruce Carroll

THAT this report titled '*VicRoads Confidentiality Compliance 2013*' prepared by the Internal Auditors be received and noted.

CARRIED

[Mr Crapper re-entered the meeting during discussion of this item at 5.23pm]

**17. INTERNAL AUDIT REPORT – INTERNAL AUDIT PROGRESS
REPORT****AUTHOR:** Director Corporate and Business Services – Paul Crapper**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

Crowe Horwath has prepared a report to update the Audit Committee on Council's internal audit activity. A further update will be provided for the Committee at its next meeting in November 2013.

CONSULTATION:

Senior Council Officers

COMMITTEE RECOMMENDATION**MOVED:** Dr Bruce Carroll**SECONDED:** Mr Albert Zago

THAT this report titled '*Internal Audit Progress Report as at 13 August 2013*' prepared by the Internal Auditors be received and noted.

CARRIED

**18. INTERNAL AUDIT REPORT – INTERNAL AUDITORS ANNUAL
DECLARATION OF AUDIT OBJECTIVITY****AUTHOR:** Director Corporate and Business Services – Paul Crapper**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

The Internal Auditors, Crowe Horwath, have provided an annual declaration of internal audit objectivity.

Crowe Horwath confirms that they have maintained their independence in fulfilling their role within Council in accordance with the guidelines and the provisions of the Rules of Conduct of the Institute of Internal Auditors (Aust.).

CONSULTATION:**COMMITTEE RECOMMENDATION****MOVED:** Dr Bruce Carroll**SECONDED:** Mr Albert Zago

THAT the attached statement titled *'Internal Audit Objectivity as at 13 August 2013'* prepared by the Internal Auditors be received and noted.

CARRIED

19. OUTSTANDING AUDIT ACTIONS STATUS REPORT**AUTHOR:** Director Corporate and Business Services – Paul Crapper**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

A report has been prepared to update the Committee on progress made to date by Council Officers on the implementation of recommendations made in previous internal and external reports since the last Audit Committee meeting on 3 June 2013.

CONSULTATION:

Senior Council Officers

COMMITTEE RECOMMENDATION**MOVED:** Dr Bruce Carroll
SECONDED: Mr Albert Zago

THAT this report titled '*Outstanding Audit Actions Status Report*' be received and noted.

CARRIED

**20. INVESTMENT PERFORMANCE REPORT – 12 MONTHS ENDED
30 JUNE 2013****AUTHOR:** Financial Accountant - Michael O’Riordan**MANAGER:** Chief Financial Officer – Kerrie Jordan**BUDGET****IMPLICATIONS:** Investments of \$36.8 million as at 30 June 2013 and interest earned on invested funds of \$1.83 million for the twelve months ended 30 June 2013.**SUMMARY:**

A comprehensive review of Council's investment portfolio has been undertaken for the twelve months ended 30 June 2013. The Council's investment portfolio has earned \$1.83 million in interest on investments with term deposits and cash investments earning an annualised rate of 4.36% (2012: 5.59%). As at 30 June 2013, the Council's investment portfolio was valued at \$36.8 million (June 2012 \$43.2 million).

CONSULTATION:

Oakvale Treasury

COMMITTEE RECOMMENDATION**MOVED:** Mr Albert Zago
SECONDED: Dr Bruce Carroll**THAT** the contents of this report relating to investment performance for 12 months ended 30 June 2013 be received and noted.**CARRIED**

21. CAPITAL WORKS PROGRAM – JUNE 2013 PERFORMANCE REPORT**AUTHOR:** Financial Accountant**MANAGER:** Chief Financial Officer**BUDGET
IMPLICATIONS:** Nil**SUMMARY:**

This report has been prepared to provide Council with further details regarding the achievement of the capital works program in 2012/13 in terms of both the physical completion of the program and the financial performance. It forms part of the ongoing reporting of capital works which has been in place since September 2006.

CONSULTATION:

EMT
Managers and Coordinators

COMMITTEE RECOMMENDATION**MOVED:** Mr David Ashmore
SECONDED: Dr Bruce Carroll**THAT:**

- (1) This report on the performance Capital Works Program for the year ended 30 June 2013 be received and noted.; and
- (2) Council should consider certain parameters and processes be established whereby projects go back to Council for re-endorsement if overspends of 50% or \$100,000, whichever is the lower, is evident.

CARRIED

[Cr Greco left the meeting at 5.34pm and the Chairperson declared the meeting inquorate.]

22. CAPITAL WORKS MULTIPLE YEAR PROJECTS PLAN**AUTHOR:** Chief Financial Officer – Kerrie Jordan**REVIEWED BY:** Director Corporate & Business Services – Paul Crapper**SUMMARY:**

Darebin Council has traditionally budgeted for a capital project that will be completed over several years in the first year funding is required. This has resulted in capital funding being carried forward from one year to the next and unfairly distorted the completion indicator for capital works.

It is proposed for the 2014-15 budget that only one year of funding for multi-year projects is included with funding sought in future budgets.

CONSULTATION:

Chief Executive
Manager Major Projects, Engineering & Transport
Manager Assets and Property
Finance Managers, Victorian Councils

COMMITTEE RECOMMENDATION**MOVED:** Mr David Ashmore**SECONDED:** Dr Bruce Carroll

THAT this item on Capital Works Multiple Year Projects Plan be deferred and tabled at the Audit Committee's next meeting in November 2013.

CARRIED

23. GOVERNANCE CHANGES

AUTHOR: Manager Corporate Governance– Jacinta Stevens

DIRECTOR: Director Corporate and Business Services – Paul Crapper

SUMMARY:

This report provides information on governance reviews and increased governance measures that have been put in place over the past six months across council.

COMMITTEE RECOMMENDATION

MOVED: Mr David Ashmore

SECONDED: Dr Bruce Carroll

THAT the Audit Committee note the recent governance reviews and enhancements to the overall governance practices across Darebin.

CARRIED

24. CALENDAR OF EVENTS

AUTHOR: Director Corporate and Business Services – Paul Crapper

REVIEWED BY: Chief Executive – Rasiah Dev

SUMMARY:

The Audit Committee has requested an update on the high level reports expected to be tabled at future meetings. A table has been prepared which shows the proposed reports for the next four meetings to be held in November 2013 and March, June and August 2014.

CONSULTATION:

RECOMMENDATION

MOVED: Dr Bruce Carroll

SECONDED: Mr Albert Zago

THAT this report outlining the Calendar of Events for the next four Audit Committee meetings be received and noted.

CARRIED

25. OTHER BUSINESS

25.1 PROPOSAL FOR PENETRATION TESTING OF INTERNAL AND EXTERNAL NETWORKS

Mr Crapper informed the Committee that he had requested the CIO to make arrangements for a penetration test of internal and external networks. Expressions of interest were sought from suitably qualified organisations and a reliable organisation has been chosen to perform the penetration testing of Council's networks.

Cloud computing will also be investigated as per Mr Zago's request.

The process was endorsed and a report will be provided at the Audit Committee's next meeting in November 2013.

Cr Laurence disclosed a conflict of interest on this item classifying the type of interest as a direct interest and the nature of the interest being that the report relates to expenditure incurred by him. Cr Laurence left the meeting at 5.15pm prior to discussion of this item.

Cr Greco disclosed a conflict of interest on this item classifying the type of interest as a direct interest and the nature of the interest being that the report relates to expenditure incurred by him. Cr Greco left the meeting at 5.34pm prior to discussion of this item.

26. COUNCILLOR SUPPORT AND EXPENSES REPORT

AUTHOR: Manager Corporate Governance– Jacinta Stevens

DIRECTOR: Director Corporate and Business Services – Paul Crapper

SUMMARY:

This report provides the summary of expenses and reimbursements made by Councillors for the period 1 April 2013 to 30 June 2013.

RECOMMENDATION

MOVED: Dr Bruce Carroll

SECONDED: Mr Albert Zago

THAT the Audit Committee receive and note the Summary of Councillor expenses and reimbursements attached as **Appendix A** to this report made by Councillors for the period 1 April 2013 to 30 June 2013.

CARRIED

27. NEXT MEETING

The next meeting is scheduled for Monday, 25 November 2013 at 3.00-5.30pm in the Conference Room. Audit Committee meeting dates for the 2014 year will be determined at this meeting.

28. IN CAMERA DISCUSSION

No in-camera discussion was held.

THE MEETING CLOSED AT 5.47PM