



AUDIT COMMITTEE MEETING SUMMARY

5 OCTOBER 2015

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**MINUTES OF THE AUDIT COMMITTEE MEETING OF
DAREBIN CITY COUNCIL HELD AT DAREBIN CIVIC CENTRE
350 HIGH ST, PRESTON ON MONDAY 5 OCTOBER 2015**

THE MEETING OPENED AT 2:30 PM

1. PRESENT

Members:

Mr Michael Said – Chairperson
Dr Bruce Carroll – Deputy Chairperson
Mr Terry Richards – Independent External Member
Cr Steven Tsitas (Mayor) – Committee Member
Cr Tim Laurence – Committee Member

Internal Auditor:

Mr Martin Thompson – Crowe Horwath

External Auditor:

Mr Tim Loughnan – Victorian Auditor General's Office

Officers:

Mr Rasiah Dev – Chief Executive
Mr Gavin Cator – Director Corporate Services
Ms Tiffany White – Communication and Marketing Manager
Mr Allan Cochrane – Chief Financial Officer
Mr Michael O'Riordan – Financial Accountant

Minutes:

Ms Melanie Nitchov

The Chairperson welcomed the newly appointed Director Corporate Services, Mr Gavin Cator to his first Audit Committee Meeting.

2. APOLOGIES

Ms Jacinta Stevens – Executive Manager Corporate Governance and Performance

3. DISCLOSURE OF CONFLICT OF INTEREST

Audit Committee members are required to disclose any conflicts of interest on any matters listed on the Agenda.

No disclosures were made.

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 Michael Said

- Manningham City Council
- Yarra City Council
- Whitehorse City Council
- Bayside City Council
- Whittlesea City Council
- Baw Baw City Council
- Colac Otway Shire Council
- Moorabool Shire Council
- Yarra Plenty Regional Library
- Chisholm Institute of TAFE

Dr Bruce Carroll

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

Mr Terry Richards

- None

5. CONFIRMATION OF PREVIOUS MEETING MINUTES

COMMITTEE RECOMMENDATION

MOVED: Cr Steven Tsitas

SECONDED: Dr Bruce Carroll

THAT the minutes of the Audit Committee Meeting held on Monday 31 August 2015 be confirmed.

CARRIED

6. MATTERS ARISING FROM PREVIOUS MEETING/S

- Explanation of Council's risk assessment tool requested – ie: whether harm and likelihood are measured the same way – refer item 14
- That clarity is sought on the outstanding internal audit action relating to expired property agreements for renewal as the action date and revised date listed by the officer are not clear – refer item 23. The agreed action date in the original audit report presented in November 2013 was July 2016. Revised due dates have reflected efforts to complete this action ahead of schedule.
- Terms of Reference for the Business Continuity Committee to be tabled at the next ordinary Audit Committee meeting – refer item 15
- In addition to the Non-Conformance Report, a short briefing paper on Council's procurement process and direction to be brought to the next ordinary Audit Committee meeting – refer item 27
- That a report on all of Council's governance and compliance policies and when they were last revisited be provided to the next ordinary Audit Committee meeting under the compliance section – refer item 28

COMMITTEE RECOMMENDATION

MOVED: Mr Terry Richards

SECONDED: Cr Steven Tsitas

THAT the Matters Arising from previous minutes of the ordinary Audit Committee Meeting held on Monday 1 June 2015 be noted.

CARRIED

7. AUDIT COMMITTEE WORK PLAN 2015**AUTHOR:** Acting Director Corporate Services – Tiffany White**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

The Annual Work Plan 2015 reflects reports to be tabled at the March, June, August, October and December 2015 meetings, cross referenced to the Audit Committee's Duties and Responsibilities under its Charter.

CONSULTATION:

Audit Committee

RECOMMENDATION

THAT the attached annual work plan outlining the reports to be tabled at the 5 Audit Committee meetings in 2015 be received and noted.

COMMITTEE RECOMMENDATION**MOVED:** Dr Bruce Carroll**SECONDED:** Mr Terry Richards**CARRIED**

THAT the attached annual work plan outlining the reports to be tabled at the 5 Audit Committee meetings in 2015/2016 be received and noted.

8. DECLARATION OF LEGAL COMPLIANCE BY CEO

The CEO confirms that Council is legally compliant in its operations. This is reported via the quarterly Director's Questionnaire, which requires all Directors to attest to the legal compliance of their Directorate's activities and to report any known instances of fraud, misappropriation or pending litigation. The questionnaire requires Directors to confirm full compliance with contractual agreements. All issues are disclosed via the questionnaire and a summary report is provided to the CEO. There are no issues to report to this meeting.

COMMITTEE RECOMMENDATION

MOVED: Mr Terry Richards

SECONDED: Cr Tim Laurence

THAT the Audit Committee receive the Declaration of Legal Compliance by the Chief Executive

CARRIED

9. CEO REPORT

The Chief Executive Officer, Mr Dev, briefed the Audit Committee on recent important developments in the City of Darebin outlined in his report which was distributed at the commencement of the meeting by Ms Nitchov.

The two vacant Director roles have now been filled and the successful candidates, Gavin Cator (Director Corporate Services) and Patti Wenn (Director Culture, Leisure and Works) both commenced with Darebin today.

Gavin Cator has more than 22 years of senior management experience in local government. He holds a Bachelor of Civil Engineering and a Graduate Diploma in Municipal engineering.

Gavin previously held the positions of CEO of Greater Shepparton City Council, Wodonga City Council, Moira Shire Council; was General Manager of Berrigan Shire Council (NSW) and Shire Manager of the Shire of Leigh. Gavin has also served in sector Leadership roles including President of Local Government Professionals (LGPro) in Victoria and National Director of Local Government Managers Australia (LGMA).

Patti Wenn will bring rich experience to the role of Director of Culture, Leisure and Works. She joins Darebin with over 18 years in senior management roles in Victorian Local and State Government.

During her 30 year career, Patti has been responsible for the diverse areas of strategic/corporate planning, civic and community services (including arts and culture, sports and leisure, open space/infrastructure planning and delivery), economic development, advocacy/policy, communications, and environmental sustainability. She has also been a Director of a family business in the construction industry for 27 years, specialising in project management of medium density developments and internal fit-outs for major commercial buildings.

External Governance Committee

On 21 September 2015 Council resolved to retire the External Governance Committee before its sunset clause of December 2015, after receiving a report from the Committee Chair. The Chair and members have been advised of Council's decision and the Mayor has written to all members to thank them for their service.

Multi-sports stadium and DCP

On 21 September 2015 Council resolved on a location for the multi-sports stadium project, which aims to use DCP funds. Further detailed planning for the stadium project, which will predominantly support women's sports in Darebin, can now proceed, increasing the likelihood that outstanding DCP funds will be used for this project. Darebin has already applied to the Minister for Planning for the required planning scheme amendment to enable this purpose.

External awards

Council's Solar Saver program is a finalist in the 2015 Premier's Sustainability Awards - excellent recognition of this innovative and cost-effective initiative.

COMMITTEE RECOMMENDATION

MOVED: Cr Steven Tsitas

SECONDED: Dr Bruce Carroll

THAT the Audit Committee note the report of the CEO.

CARRIED

10. COUNCILLOR SUPPORT AND EXPENSES REPORT

AUTHOR: Manager Corporate Governance and Performance – Jacinta Stevens

REVIEW: Chief Executive – Rasiah Dev

SUMMARY:

This report provides the summary of expenses and reimbursements made by Councillors for the period 1 April 2015 to 30 June 2015.

RECOMMENDATION

THAT the Audit Committee:

- (1) Receive and note the Summary of Councillor expenses and reimbursements attached as **Appendix A** for the period 1 April 2015 to 30 June 2015.
- (2) Receive and note the summary of officer mobile phone expenses and reimbursements including cumulative amounts attached as **Appendix B** to this report for the billing period April 2015 to June 2015.

COMMITTEE RECOMMENDATION MADE IN CONFIDENCE

11. GIFTS AND HOSPITALITY REPORT

AUTHOR: Manager Corporate Governance and Performance – Jacinta Stevens

DIRECTOR: Chief Executive – Rasiah Dev

SUMMARY:

This report provides the quarterly summary on gifts and hospitality declared by Councillors and Officers for the period 1 April to 30 June 2015. In addition it also reports on the cumulative value of gifts and hospitality for Councillors and officers whereby they have received gifts or hospitality from the same person or organisation.

RECOMMENDATION

THAT the Audit Committee:

- (1) Receive and note the Summary of Councillor gifts and hospitality, attached to this report as **Appendix A** declared for the period 1 April to 30 June 2015.
- (2) Receive and note the Summary of Officers gifts and hospitality, attached to this report as **Appendix B** respectively, declared for the period 1 April to 30 June 2015.
- (3) Note the cumulative summaries of gifts and / or hospitality received by Councillors and Council officers attached as **Appendix C**.

COMMITTEE RECOMMENDATION

MOVED: Mr Michael Said

SECONDED: Dr Bruce Carroll

CARRIED

THAT the Audit Committee:

- (1) Receive and note the Summary of Councillor gifts and hospitality, attached to this report as **Appendix A** declared for the period 1 April to 30 June 2015.
- (2) Receive and note the Summary of Officers gifts and hospitality, attached to this report as **Appendix B** respectively, declared for the period 1 April to 30 June 2015.
- (3) Note the cumulative summaries of gifts and / or hospitality received by Councillors and Council officers attached as **Appendix C**.

12. FINANCIAL REPORT – 2 MONTHS ENDING 31 AUGUST 2015**AUTHOR:** Financial Accountant – Michael O’Riordan**REVIEWED BY:** Chief Financial Officer – Allan Cochrane**SUMMARY:**

A comprehensive financial review has been undertaken for the two months ended 31 August 2015 to assess the financial performance of Council year-to-date. The outcome of the review indicates that Council has achieved a year-to-date operating surplus of \$93.1 million, which is \$2.9 million ahead of budget and capital works expenditure of \$4.3 million, which is \$1.0 million ahead of the budget.

The large surplus of \$93.1 million arises through the recognition of all rate revenue at the time of the first rate notice is sent in August. The 2015/16 budget also recognises rate revenue in August.

All material variations have been explained in the report.

CONSULTATION:

Managers and Co-ordinators

RECOMMENDATION

THAT the contents of the “Financial Report for the two months ended 31 August 2015” included as **Appendix A** to this report be received and the year-to-date actual and budget operating and capital results be received and noted.

COMMITTEE RECOMMENDATION

MOVED: Mr Terry Richards

SECONDED: Cr Tim Laurence

CARRIED

THAT the contents of the “Financial Report for the two months ended 31 August 2015” included as **Appendix A** to this report be received and the year-to-date actual and budget operating and capital results be received and noted.

**13. INVESTMENT PERFORMANCE REPORT – 12 MONTHS
ENDED 30 JUNE 2015****AUTHOR:** Financial Accountant - Michael O’Riordan**MANAGER:** Chief Financial Officer – Allan Cochrane**BUDGET****IMPLICATIONS:** Investments of \$47.0 million as at 30 June 2015 and interest earned on invested funds of \$1.30 million for the twelve months ended 30 June 2015.**SUMMARY:**

A comprehensive review of Council’s investment portfolio has been undertaken for the twelve months ended 30 June 2015. The Council’s investment portfolio has earned \$1.30 million in interest on investments with term deposits and cash investments earning an annualised rate of 3.21% (2014: 3.53%). As at 30 June 2015, the Council’s investment portfolio was valued at \$47.0 million (June 2014 \$40.9 million).

CONSULTATION:

Nil

RECOMMENDATION

THAT the contents of this report be received.

COMMITTEE RECOMMENDATION

MOVED: Cr Steven Tsitas**SECONDED:** Dr Bruce Carroll**CARRIED****THAT** the contents of this report be received.

14. CORPORATE RISK AND BCP UPDATE**AUTHOR:** Manager Corporate Risk – Gracie Karabinis**REVIEWED BY:** Acting Director Corporate Services – Tiffany White**SUMMARY:**

As a regular requirement of the Audit Committee, the Manager Corporate Risk is responsible for providing progress reports on the ongoing implementation of Council's Risk Management Framework.

This report provides an update of Council's current risk management status in relation to its Strategic and Operational Risks, Risk Performance and Business Continuity Planning.

CONSULTATION:

Executive Management Team
Strategic Risk and Insurance Advisor
Claims Administration and Support Officer
MAV Insurance
Echelon Claims Services

RECOMMENDATION

THAT this report be received and noted by the Audit Committee.

COMMITTEE RECOMMENDATION

MOVED: Mr Terry Richards**SECONDED:** Cr Tim Laurence**THAT:**

- (1) this report be received and noted by the Audit Committee
- (2) full details of all Strategic Risks be presented to the Audit Committee once complete
- (3) details of the two highest risk levels for Operational Risk come to the Audit Committee
- (4) a Fraud review paper come to the Audit Committee

CARRIED

15. BUSINESS CONTINUITY COMMITTEE TERMS OF REFERENCE**AUTHOR:** Acting Director Corporate Services – Tiffany White**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

At its meeting of 2 March 2015, the Audit Committee requested that the terms of reference for Council's Business Continuity Committee (BCP Committee) be tabled at the next Audit Committee meeting.

The BCP Committee's establishment document, produced in 2011, describes the role and responsibility of the Committee in relation to driving business continuity planning across Council, however detailed terms of reference were not developed at the same time and the establishment document had not been reviewed. For this reason BCP Committee Terms of Reference were not able to be tabled at the 1 June ordinary Audit Committee meeting. A discussion to develop detailed terms of reference was added to the agenda for the BCP Committee in June 2015 with the aim of tabling updated terms of reference at the next ordinary Audit Committee meeting.

Updated BCP Committee Terms of Reference are presented with this report for the Audit Committee's information.

CONSULTATION:

Manager Corporate Risk

Strategic Risk and Insurance Advisor

RECOMMENDATION

THAT this report and the attached Business Continuity Committee Terms of Reference (2015) be received and noted.

COMMITTEE RECOMMENDATION**MOVED:** Cr Steven Tsitas**SECONDED:** Dr Bruce Carroll

THAT this report and the attached Business Continuity Committee Terms of Reference (2015) be received and noted.

CARRIED

**16. GOVERNANCE, RISK AND CORPORATE PERFORMANCE
COMMITTEE MINUTES****AUTHOR:** Acting Director Corporate Services – Tiffany White**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

At its meeting of 24 November 2014, the Audit Committee requested that the minutes of Council's Governance, Risk and Performance Committee be tabled at Audit Committee meetings.

The Governance, Risk and Performance Committee last met on 24 June 2015 and 12 August 2015. The minutes of those meetings are attached to this report.

CONSULTATION:

Senior Council officers

RECOMMENDATION

THAT the attached Governance, Risk and Performance Committee minutes from the meetings of 24 June 2015 and 12 August 2015 be received and noted.

COMMITTEE RECOMMENDATION

MOVED: Mr Terry Richards

SECONDED: Cr Tim Laurence

THAT the attached Governance, Risk and Performance Committee minutes from the meetings of 24 June 2015 and 12 August 2015 be received and noted.

CARRIED

17. INTERNAL AUDIT PROGRESS REPORT**AUTHOR:** Acting Director Corporate Services – Tiffany White**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

The internal auditors, Crowe Horwath, have provided a report to update the Audit Committee on Council's internal audit activity since its last ordinary meeting on 1 June 2015.

CONSULTATION:

Acting Director Corporate Services
Senior Council Officers

RECOMMENDATION

THAT the attached Internal Audit Progress Report prepared by Crowe Horwath be received and noted.

COMMITTEE RECOMMENDATION

MOVED: Cr Steven Tsitas

SECONDED: Dr Bruce Carroll

THAT the attached Internal Audit Progress Report prepared by Crowe Horwath be received and noted.

CARRIED

18. INTERNAL AUDIT REPORT – FOLLOW UP OF SELECTED HIGH RISK MATTERS**AUTHOR:** Acting Director Corporate Services – Tiffany White**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

As part of the implementation of Council's audit program, internal audit has undertaken a follow up review of selected high risk matters from previous audits.

The review considered 34 recommendations, including all *High* and a range of *Medium* risk issues. The auditors concluded that:

- 22 recommendations had been completed; and
- 12 recommendations have not been completed within the timeframe initially presented to the Audit Committee
- 5 of the 12 outstanding recommendations are High risks

The internal auditors recommended that management should review the current process for monitoring and implementing recommendations raised in internal audit reports, to ensure that in the future these are actioned in a timely manner. This matter has been discussed with the Executive Management Team and it has been agreed that the outstanding action report will be circulated and updated monthly rather than quarterly.

CONSULTATION:

Executive Management Team

Relevant Managers

RECOMMENDATION

THAT the attached report: Internal Audit – Follow Up of Selected High Risk Matters, prepared by the internal auditors, Crowe Horwath, be received and noted.

COMMITTEE RECOMMENDATION

MOVED: Mr Terry Richards

SECONDED: Cr Tim Laurence

THAT the attached report: Internal Audit – Follow Up of Selected High Risk Matters, prepared by the internal auditors, Crowe Horwath, be received and noted.

CARRIED

19. INTERNAL AUDIT REPORT – PRIVACY MANAGEMENT**AUTHOR:** Acting Director Corporate Services – Tiffany White**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

As part of the implementation of Council's audit program, internal audit has undertaken a review of Council's privacy management policy and practice.

The auditors did not note any issues of a high risk nature and identified two medium and six low risks.

Two low risks and one medium risk have already been actioned by management.

CONSULTATION:

Chief Information Officer
Manager People and Development
Acting Manager Corporate Risk
Privacy Officer
Acting Director Corporate Services

RECOMMENDATION

THAT the attached report: Internal Audit – Privacy Management, prepared by the internal auditors, Crowe Horwath, be received and noted.

COMMITTEE RECOMMENDATION

MOVED: Cr Steven Tsitas

SECONDED: Dr Bruce Carroll

THAT the attached report: Internal Audit – Privacy Management, prepared by the internal auditors, Crowe Horwath, be received and noted.

CARRIED

20. INTERNAL AUDIT REPORT – PROCUREMENT: OVER THE TENDER THRESHOLD**AUTHOR:** Acting Director Corporate Services - Tiffany White**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

As part of the implementation of Council's audit program, internal audit has undertaken a review of Council's procurement over the tender threshold.

The auditors did not note any issues of a high risk nature and identified eight medium and three low risks.

CONSULTATION:

Manager Corporate Governance and Performance
Coordinator Governance
Acting Coordinator Procurement and Contracting
Procurement and Contracting Officer
Senior Procurement Officer
Acting Manager Leisure and Public Realm (Contract Manager)

RECOMMENDATION

THAT the attached report: Internal Audit – Procurement: Over the Tender Threshold, prepared by the internal auditors, Crowe Horwath, be received and noted.

COMMITTEE RECOMMENDATION

MOVED: Cr Tim Laurence**SECONDED:** Mr Terry Richards

THAT the attached report: Internal Audit – Procurement: Over the Tender Threshold, prepared by the internal auditors, Crowe Horwath, be received and noted.

CARRIED

21. INTERNAL AUDIT REPORT – VICROADS COMPLIANCE**AUTHOR:** Acting Director Corporate Services - Tiffany White**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 internal auditors reviewed the key controls surrounding access to VicRoads information in order to provide Council with an independent audit certification which can be forwarded to VicRoads in accordance with its obligations under the Agreement.

The auditors noted one non-compliance issue related to IT network administrators not signing confidentiality deeds. This matter has since been rectified.

CONSULTATION:

Coordinator Civic Compliance
Team Leader Business & Performance
Records Management Co-ordinator
Manager Economic Development and Civic Compliance
Systems Administration (Core Council Systems)
ICT Client Services Coordinator

RECOMMENDATION

THAT the attached report: Internal Audit – VicRoads Information Protection Agreement, prepared by the internal auditors, Crowe Horwath, be received and noted.

COMMITTEE RECOMMENDATION

MOVED: Cr Steven Tsitas

SECONDED: Dr Bruce Carroll

THAT the attached report: Internal Audit – VicRoads Information Protection Agreement, prepared by the internal auditors, Crowe Horwath, be received and noted.

CARRIED

22. INTERNAL AUDIT REPORT – MEMORANDUMS OF AUDIT PLANNING FOR UPCOMING AUDITS

AUTHOR: Acting Director Corporate Services – Tiffany White

REVIEWED BY: Chief Executive – Rasiah Dev

SUMMARY:

As part of the implementation of Council's audit program for 2015, Crowe Horwath has prepared memorandums of audit planning (MAPs) for the following upcoming or current audits:

- *Procurement – Over the Tender Threshold*
- *City Works and Parks and Gardens*
- *Core Financial Functions*
- *GST Review*
- *Risk Management Annual Review*
- *VicRoads Confidentiality Review*
- *Councillors Expense Claims*

These MAPs have been signed off by management. Some audits have already been completed, some are in progress and others are yet to commence.

CONSULTATION:

Executive Management Team

RECOMMENDATION

THAT the attached MAPs: Procurement – Over the Tender Threshold, City Works and Parks and Gardens, Core Financial Functions, GST Review, Risk Management Annual Review, VicRoads Confidentiality Review and Councillors Expense Claims, prepared by the internal auditors Crowe Horwath be received and noted.

COMMITTEE RECOMMENDATION

MOVED: Mr Terry Richards

SECONDED: Cr Tim Laurence

THAT the attached MAPs: Procurement – Over the Tender Threshold, City Works and Parks and Gardens, Core Financial Functions, GST Review, Risk Management Annual Review, VicRoads Confidentiality Review and Councillors Expense Claims, prepared by the internal auditors Crowe Horwath be received and noted.

CARRIED

23. OUTSTANDING INTERNAL AUDIT ACTIONS

AUTHOR: Acting Director Corporate Services – Tiffany White

REVIEWED BY: Chief Executive – Rasiah Dev

SUMMARY:

This report provides an update on progress towards implementing recommendations made in previous internal audit reports since the last ordinary Audit Committee meeting held on 1 June 2015.

29 actions drawn from four 2015 Audit Reports have been added to the status report since the last Audit Committee meeting. This increased the total number of outstanding actions to 57.

In the same period, 20 outstanding actions have been completed (including one high risk action) and there are currently 37 actions remaining. Of the remaining actions, only one is rated high risk, 18 are rated medium and 18 are rated low risk. In the attached report the completed actions are highlighted in green.

Current progress shows that 89% of actions up to the end of 2014 are complete, and that 61% of actions identified in 2015 are complete.

Actions not completed by their agreed due date

Of the 37 actions remaining, 7 (down from 10 in the previous period) are well past their due date or have a revised date one year or more post the original action date. None are rated as high risks. These are described below with management explanations to account for the delay in implementation. All of these actions feature in the attached report with a more detailed history of progress towards implementing them:

Password Security – Implement stronger password settings for the network (Low)

Significant progress has been made to address this issue for core systems. This action is due to be complete this calendar year.

Review and update Asset Management Plans every four years (Low)

A number of these reviews have been delayed in order to incorporate new data and align with the draft DCP and 10 year capital works program.

Implement policies and procedures to document current practices of Property Services (Medium)

Work is under way but delayed by resource.

Allocate the task of performing the tank dip to a staff member who does not have a fuel card and introduce fuel usage system recording software at Bundoora Park (Medium)

Funds for necessary software have been secured. Due to be completed by October 2015.

Obtain a separate safe for cash takings and petty cash – Northcote Town Hall

Purchase to be finalised by October 2015.

Install surveillance cameras with a view over the register – Northcote Town Hall

(Medium)

Security review of the venue has been completed and works will now be staged according to funding availability.

Food Act Compliance - Management should investigate the capabilities of Pathway in relation to allowing for system-generated scheduled inspection dates or to alter dates of actual inspection (Low)

Internal system modifications have been undertaken to enable new licence types for online lodgement.

CONSULTATION:

Senior Managers

RECOMMENDATION

THAT the Audit Committee receives and notes this report.

COMMITTEE RECOMMENDATION

MOVED: Cr Steven Tsitas

SECONDED: Dr Bruce Carroll

THAT:

- (1) The Audit Committee receives and notes this report
- (2) The Chairperson and Director Corporate Services work together on improving this report

CARRIED

**24. VAGO EXTERNAL AUDIT – INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 30 JUNE 2015****AUTHOR:** Acting Director Corporate Services – Tiffany White**MANAGER:** Chief Executive – Rasiah Dev**SUMMARY:**

The Auditor-General has completed the annual audit of the financial report and performance statement of Darebin City Council for the year ending 30 June 2015.

In the Auditor-General's opinion the financial report presents fairly, in all material respects, the financial position of Darebin City Council as at 30 June 2015 and its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the Local Government Act 1989.

CONSULTATION:

Director Corporate Services

Chief Financial Officer

Financial Accountant

RECOMMENDATION

THAT the attached independent auditor's report on Darebin City Council's financial report and performance statement for the year ended 30 June 2015 be received and noted.

COMMITTEE RECOMMENDATION**MOVED:** Mr Terry Richards**SECONDED:** Cr Tim Laurence

THAT the attached independent auditor's report on Darebin City Council's financial report and performance statement for the year ended 30 June 2015 be received and noted.

CARRIED

25. ASSET VALUATIONS PROPOSED REVIEW PLAN 2015/2016

The Chairperson will speak to this item at the meeting. For discussion only – No Report will be provided.

The oral report of the Chairperson was noted.

26. PROCUREMENT NON-CONFORMANCE REPORT**AUTHOR:** Acting Coordinator Procurement – Russell Lynch**REVIEWED BY:** Manager Corporate Governance and Performance – Jacinta Stevens**SUMMARY:**

Section 186 '*Restriction on power to enter into contracts*' of the *Local Government Act 1989* covers Council's obligations when entering into contracts.

This report seeks to inform the Audit Committee of goods and services or works that have not partially or fully complied with the requirements specified under the Local Government Act or Council's Procurement Policy.

CONSULTATION:

Chief Executive

Executive Management Team

RECOMMENDATION

THAT the Non Conformance Report as at 1 September 2015 attached at **Appendix A** to this report be received and noted.

COMMITTEE RECOMMENDATION

MOVED: Cr Steven Tsitas**SECONDED:** Dr Bruce Carroll

THAT the Non Conformance Report as at 1 September 2015 attached at **Appendix A** to this report be received and noted.

CARRIED

27. COUNCIL'S PROCUREMENT PROCESS AND DIRECTION**AUTHOR:** Acting Coordinator Procurement – Russell Lynch**MANAGER:** Manager Corporate Governance – Jacinta Stevens**SUMMARY:**

This report presents the Audit Committee with an overview of Council's Procurement process, including the internal Procurement Accredited Committee.

RECOMMENDATION

THAT the Audit Committee notes the overview of Council's centralised procurement processes including the Procurement Accredited Committee functions.

COMMITTEE RECOMMENDATION

MOVED: Mr Terry Richards**SECONDED:** Cr Tim Laurence

THAT the Audit Committee notes the overview of Council's centralised procurement processes including the Procurement Accredited Committee functions.

CARRIED

28. REVIEW OF COUNCIL'S GOVERNANCE AND COMPLIANCE POLICIES**AUTHOR:** Acting Director Corporate Services - Tiffany White**REVIEWED BY:** Chief Executive – Rasiah Dev**SUMMARY:**

At its meeting of 31 August 2015, the Audit Committee Chair requested that a discussion regarding Council's governance and compliance policies and their review cycle form part of the agenda for the next ordinary meeting.

The *Annual Report: Governance and Management Checklist in Report of Operations* is attached to inform the discussion.

CONSULTATION:

Audit Committee Chair

RECOMMENDATION

THAT the attached *Annual Report: Governance and Management Checklist in Report of Operations* be noted for discussion.

COMMITTEE RECOMMENDATION

MOVED: Cr Steven Tsitas**SECONDED:** Dr Bruce Carroll

THAT the attached *Annual Report: Governance and Management Checklist in Report of Operations* be noted for discussion.

CARRIED

29. SUMMARY OF EXTERNAL REPORTS WITH POTENTIAL IMPACTS FOR COUNCIL**AUTHOR:** Acting Director Corporate Services - Tiffany White**MANAGER:** Chief Executive – Rasiah Dev**SUMMARY:**

This items lists the external reports Council is aware of that have potential impacts for Council. These reports will be reviewed in due course to identify any gaps or issues Council needs to address.

The Internal Audit Progress Report provided by Crowe Horwath under the Internal Audit section of the meeting agenda also lists public sector reports of possible interest.

CONSULTATION:

Chief Financial Officer

RECOMMENDATION

THAT the Audit Committee notes the information in this report.

COMMITTEE RECOMMENDATION

MOVED: Cr Tim Laurence**SECONDED:** Mr Terry Richards

THAT the Audit Committee notes the information in this report.

CARRIED

30. OTHER BUSINESS

The Mayor thanked the Audit Committee for all their work. A new Mayor will be elected at the Statutory Meeting on 9 November 2015.

At his meeting with the newly appointed Director Corporate Services, the Chairperson will arrange to have the Audit Committee Performance Assessment done.

Ms White was thanked for her contribution to the Audit Committee during her time as Acting Director Corporate Services and congratulated for a job very well done.

31. NEXT MEETING

The next meeting of the Audit Committee will be held at 2:30pm on Monday 7 December 2015 in the Conference Room of Darebin City Council, 350 High Street, Preston.

Cr Tsitas and Cr Laurence left the meeting at 4:34 pm and discussion was held on Confidential Item 10 - Councillor Support and Expenses Report, and Item 11, Gifts and Hospitality Report.

32. IN CAMERA DISCUSSION

In accordance with the Audit Committee Charter, Item 6, Part 5(f) and Part 6(b), an opportunity is provided for the Audit Committee to meet with the internal auditor and external auditor to discuss any matters that the Audit Committee or the internal auditor and/or external auditor believe should be discussed privately. Management will be required to leave the meeting during discussion of this item.

On this occasion, no In Camera discussion was held.

33. CLOSE OF MEETING

The meeting concluded at 4:50pm.