



CITY OF VINCENT

MINUTES

Audit Committee

26 November 2019

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**MINUTES OF CITY OF VINCENT
AUDIT COMMITTEE
HELD AT THE COMMITTEE ROOM, ADMINISTRATION AND CIVIC CENTRE
244 VINCENT STREET, LEEDERVILLE
ON TUESDAY, 26 NOVEMBER 2019 AT 1PM**

PRESENT:	Mr Conley Manifis Cr Joshua Topelberg Cr Dan Loden Cr Susan Gontaszewski Cr Ashley Wallace Ms Elizabeth Hunt Cr Robert Piper	Independent External Member (Chair elect) South Ward (Deputy Chair elect) North Ward South Ward South Ward (via teleconference) Independent External Member Independent External Member
IN ATTENDANCE:	David MacLennan John Corbellini Vanisha Govender Meluka Bancroft Nirav Shah Sharron Kent	Chief Executive Officer A/Executive Director Community & Business Services Executive Manager Financial Services Executive Manager Corporate Strategy & Governance Coordinator Financial Services (Item 5.3 only) Governance & Council Liaison Officer
PRESENTERS:	Pippa Hobson Greg Godwin Aram Madnack	BDO Pty Ltd (Item 5.2 only) Moore Stephens (WA) Pty Ltd (Item 5.3 only) Office of the Auditor General (Item 5.3 only)

1 INTRODUCTION AND WELCOME

As the positions of Chair and Deputy Chair were vacant, the Chief Executive Officer, David MacLennan, declared the meeting open at 1.07pm and read the following Acknowledgement of Country statement:

"The City of Vincent would like to acknowledge the Traditional Owners of the land, the Whadjuk people of the Noongar nation and pay our respects to Elders past, present and emerging".

2 APOLOGIES / MEMBERS ON APPROVED LEAVE OF ABSENCE

Nil

3 DECLARATIONS OF INTEREST

Nil

4 CONFIRMATION OF MINUTES

MOTION AND COMMITTEE DECISION ITEM 4

Moved: Cr Topelberg , Seconded: Cr Loden

That the Minutes of the Audit Committee held on 27 August 2019 be confirmed.

CARRIED UNANIMOUSLY (7-0)

For: Cr Loden, Mr Manifis, Ms Hunt, Cr Wallace, Cr Gontaszewski, Mr Piper and Cr Topelberg

Against: Nil

5 BUSINESS ARISING**5.1 APPOINTMENT OF AUDIT COMMITTEE CHAIRPERSON AND DEPUTY CHAIRPERSON****TRIM Ref:** D19/178484**Author:** Sharron Kent, Governance and Council Liaison Officer**Authoriser:** David MacLennan, Chief Executive Officer**Attachments:** Nil**RECOMMENDATION:**

That _____ be elected as Chairperson of the Audit Committee for a period of 12 months, ending at the Audit Committee meeting in February 2021.

That _____ be elected as Deputy Chairperson of the Audit Committee for a period of 12 months, ending at the Audit Committee meeting in February 2021.

Chief Executive Officer, David MacLennan, called for nominations for the role of Chairperson of the Audit Committee. Mr Manifis nominated himself for the role. There being only one nomination, the Chief Executive Officer declared Mr Manifis elected unopposed to the role of Chairperson of the Audit Committee.

Chief Executive Officer, David MacLennan, called for nominations for the role of Deputy Chairperson of the Audit Committee. Cr Topelberg nominated himself for the role. There being only one nomination, the Chief Executive Officer declared Cr Topelberg elected unopposed to the role of Deputy Chairperson of the Audit Committee.

COMMITTEE DECISION ITEM 5.1**Moved:** Cr Loden, **Seconded:** Ms Hunt

That Mr Manifis be ELECTED as Chairperson of the Audit Committee for a period of 12 months, ending at the Audit Committee meeting in February 2021.

That Cr Topelberg be ELECTED as Deputy Chairperson of the Audit Committee for a period of 12 months, ending at the Audit Committee meeting in February 2021.

CARRIED UNANIMOUSLY (7-0)

For: Cr Loden, Mr Manifis, Ms Hunt, Cr Wallace, Cr Gontaszewski, Mr Piper and Cr Topelberg**Against:** Nil

Mr Manifis assumed the position of Chair.

Pippa Hobson of BDO Pty Ltd presented on the following Item.

Cr Loden vacated the meeting at 1.29pm and returned at 1.29pm during discussion and prior to voting on the following item.

5.2 REVIEW OF CITY OF VINCENT RISK APPETITE AND TOLERANCE STATEMENTS AND RISK MANAGEMENT POLICY - PRESENTATION FROM BDO PTY LTD

TRIM Ref: D19/171208

Author: Meluka Bancroft, Executive Manager Corporate Strategy and Governance

Authoriser: David MacLennan, Chief Executive Officer

Attachments:

1. Risk Management Policy - draft - Confidential
2. Risk Appetite and Tolerance Statements - draft prepared by BDO Pty Ltd - Confidential
3. Policy 4.1.26 - 'Risk Management' (current) - Confidential
4. Risk Management Administrative Procedure - draft - Confidential

RECOMMENDATION:

That the Audit Committee:

1. RECEIVES the update on the development and implementation of the risk management framework, including the new risk management policy, at Attachment 1 and risk appetite and tolerance statements, at Attachment 2; and
2. RECOMMENDS to Council:
 - 2.1 the repeal of the City's Policy 4.1.26 – 'Risk Management', at Attachment 3;
 - 2.2 approval of the updated policy – '*Risk Management*' for the purposes of local public notice for a period of at least 21 days; and
 - 2.3 endorsement of the risk appetite and tolerance statements.

Moved: Cr Topelberg, Seconded: Cr Gontaszewski

That the recommendation be adopted.

AMENDMENT 1

Moved: Cr Topelberg, Seconded: Cr Loden

That the recommendation be amended as follows in **red**:

That the Audit Committee:

1. RECEIVES the update on the development and implementation of the risk management framework, including the new risk management policy, at Attachment 1 and risk appetite and tolerance statements, at Attachment 2; and
2. RECOMMENDS to Council **for consideration the update on the risk management policy and risk appetite and tolerance statements.:**
 - ~~2.1 the repeal of the City's Policy 4.1.26 – 'Risk Management', at Attachment 3;~~
 - ~~2.2 approval of the updated policy – '*Risk Management*' for the purposes of local public notice for a period of at least 21 days; and~~
 - ~~2.3 endorsement of the risk appetite and tolerance statements.~~

AMENDMENT CARRIED (7-0)

For: Cr Loden, Mr Manifis, Ms Hunt, Cr Wallace, Cr Gontaszewski, Mr Piper and Cr Topelberg

Against: Nil

COMMITTEE DECISION ITEM 5.2**Moved: Cr Topelberg, Seconded: Cr Gontaszewski**

That the Audit Committee:

1. **RECEIVES** the update on the development and implementation of the risk management framework, including the new risk management policy, at Attachment 1 and risk appetite and tolerance statements, at Attachment 2; and
2. **RECOMMENDS** to Council for consideration the update on the risk management policy and risk appetite and tolerance statements.

CARRIED UNANIMOUSLY (7-0)**For:** Cr Loden, Cr Manifis, Ms Hunt, Cr Wallace, Cr Gontaszewski, Cr Piper and Cr Topelberg**Against:** Nil

Greg Godwin of Moore Stephens (WA) Pty Ltd and Aram Madnack of Office of the Auditor General presented on the following Item.

5.3 AUDITED FINANCIAL STATEMENTS AND CONCLUDING MEMORANDUM FOR YEAR ENDED 30 JUNE 2019 - TO BE PRESENTED BY THE OFFICE OF THE AUDITOR GENERAL AND MOORE STEPHENS

TRIM Ref: D19/165144

Author: Nirav Shah, Coordinator Financial Services

Authoriser: David MacLennan, Chief Executive Officer

Attachments: 1. Audit Concluding Memorandum - Confidential
2. Audited Annual Financial Statements - Confidential

RECOMMENDATION:

That the Audit Committee:

1. RECEIVES the Auditor's Concluding Memorandum prepared by Moore Stephens and the Office of the Auditor General, for the year ending 30 June 2019 at Attachment 1;
2. RECEIVES the Audited Annual Financial Statements for the year ended 30 June 2019 at Attachment 2; and
3. RECOMMENDS to Council the adoption of the Audited Annual Financial Statements for the year ended 30 June 2019.

Moved: Cr Topelberg, Seconded: Cr Gontaszewski

That the recommendation be adopted.

AMENDMENT 1

Moved: Cr Gontaszewski, Seconded: Cr Loden

That the recommendation be amended to include a new point 4. as follows in red:

4. REQUESTS that Administration track the Asset Sustainability Ratio non-compliance through the Audit Log and provides a response to the Minister for Local Government within 30 days of receipt of the auditor's report.

AMENDMENT CARRIED (7-0)

For: Ms Hunt, Cr Wallace, Cr Gontaszewski, Mr Piper and Cr Topelberg

Against: Nil

COMMITTEE DECISION ITEM 5.3

Moved: Cr Gontaszewski, Seconded: Cr Loden

That the Audit Committee:

1. RECEIVES the Auditor's Concluding Memorandum prepared by Moore Stephens and the Office of the Auditor General, for the year ending 30 June 2019 at Attachment 1;
2. RECEIVES the Audited Annual Financial Statements for the year ended 30 June 2019 at Attachment 2; and
3. RECOMMENDS to Council the adoption of the Audited Annual Financial Statements for the year ended 30 June 2019.
4. REQUESTS that Administration track the Asset Sustainability Ratio non-compliance through the Audit Log and provides a response to the Minister for Local Government within the deadline.

CARRIED UNANIMOUSLY (7-0)

For: Ms Hunt, Cr Wallace, Cr Gontaszewski, Mr Piper and Cr Topelberg

Against: Nil

At 2:30pm, Mr Conley Manifis (Chair) left the meeting and Cr Joshua Topelberg continued the meeting as Deputy Chair.

5.4 UPDATE ON THE INTERNAL AUDIT PLAN 2016 - 2020

TRIM Ref: D19/144919

Author: Meluka Bancroft, Executive Manager Corporate Strategy and Governance

Authoriser: David MacLennan, Chief Executive Officer

Attachments: 1. Internal Audit Plan 2016 - 2020 - Confidential

RECOMMENDATION:

That the Audit Committee:

- 1. NOTES the status of the Internal Audit Plan 2016 – 2020, at Attachment 1; and**
- 2. REQUESTS that the Chief Executive Officer prepare a new internal audit plan for the period 2019/20 – 2022/23, to be presented to the Audit Committee for endorsement in early 2020.**

COMMITTEE DECISION ITEM 5.4

Moved: Cr Loden, Seconded: Cr Gontaszewski

That the recommendation be adopted.

CARRIED UNANIMOUSLY (6-0)

(Mr Manifis had left the meeting and did not vote.)

Note: the Committee requested that the new internal audit plan for the period 2019/20 – 2022/23 (as per Recommendation 2.) be presented to the Audit Committee for endorsement at its first meeting in March 2020.

5.5 AUDIT COMMITTEE MEETING DATES 2020**TRIM Ref:** D19/153017**Author:** Sharron Kent, Governance and Council Liaison Officer**Authoriser:** David MacLennan, Chief Executive Officer**Attachments:** 1. Proposed Audit Committee Dates 2020 - Confidential**RECOMMENDATION:**That the Audit Committee **ADOPTS** the meeting schedule for 2020 as follows:

Date	Time
Tuesday 3 March	1.00pm
Tuesday 5 May	1.00pm
Tuesday 30 June	1.00pm
Tuesday 1 September	1.00pm
Tuesday 3 November	1.00pm

COMMITTEE DECISION ITEM 5.5**Moved:** Cr Loden, **Seconded:** Mr Piper

That the recommendation be adopted.

CARRIED UNANIMOUSLY (6-0)**For:** Cr Loden, Ms Hunt, Cr Wallace, Cr Gontaszewski, Mr Piper and Cr Topelberg**Against:** Nil**(Mr Manifis had left the meeting and did not vote.)**

5.6 REVIEW OF THE CITY OF VINCENT AUDIT LOG

TRIM Ref: D19/179864

Author: Sharron Kent, Governance and Council Liaison Officer

Authoriser: David MacLennan, Chief Executive Officer

Attachments: 1. City of Vincent Audit Log - as at November 2019 - Confidential

RECOMMENDATION:

That the Audit Committee recommends to Council that it NOTES the status of the City's Audit Log at Attachment 1.

Moved: Mr Piper, Seconded: Cr Loden

That the recommendation be adopted.

AMENDMENT 1

Moved: Cr Gontaszewski, Seconded: Ms Hunt

That the recommendation be amended as follows in **red**:

That the Audit Committee recommends to Council that it NOTES:

1. the status of the City's Audit Log at Attachment 1; **and**
2. **that a report is to be received by the Audit Committee at its next meeting, no later than March 2020, detailing the City's failure to meet the Australian Government "Roads to Recovery" expenditure maintenance requirements for 2018-19 and the proposed response to the Department of Infrastructure, Transport, Cities and Regional Development.**

COMMITTEE DECISION ITEM 5.6

Moved: Mr Piper, Seconded: Cr Loden

That the Audit Committee recommends to Council that it NOTES:

1. the status of the City's Audit Log at Attachment 1; **and**
2. **that a report is to be received by the Audit Committee at its next meeting, no later than March 2020, detailing the City's failure to meet the Australian Government "Roads to Recovery" expenditure maintenance requirements for 2018-19 and the proposed response to the Department of Infrastructure, Transport, Cities and Regional Development.**

CARRIED UNANIMOUSLY (6-0)

(Mr Manifis had left the meeting and did not vote.)

At 2.46pm, Cr Loden left the meeting.

6 GENERAL BUSINESS

Nil

7 NEXT MEETING

The next Audit Committee Meeting is scheduled for 1pm, Tuesday 3 March 2020.

8 CLOSURE

There being no further business, the meeting closed at 2.53pm.

These Minutes were confirmed by the Audit Committee as a true record and accurate record of the Audit Committee meeting held on 26 November 2019.

Signed:



Dated 5 May 2020