



CITY OF VINCENT

MINUTES

Audit Committee

3 March 2020

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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, 3 MARCH 2020 AT 1PM**

PRESENT:	Cr Joshua Topelberg	South Ward, Deputy Chair (Acting Presiding Member)
	Mr Conley Manifis	External Member, Chair (via teleconference)
	Cr Ashley Wallace	South Ward
	Cr Susan Gontaszewski	South Ward
	Mr Robert Piper	External Member
IN ATTENDANCE:	David MacLennan	Chief Executive Officer
	Vanisha Govender	Executive Manager Financial Services
	Virginia Miltrup	Executive Director Community & Business Services
	Meluka Bancroft	Executive Manager Corporate Strategy & Governance
	Wendy Barnard	Council Liaison Officer

1 INTRODUCTION AND WELCOME

The Chair, Conley Manifis, attended via teleconference so Cr Joshua Topelberg, Deputy Chair, acted as the Presiding Member and declared the meeting open at 1.04pm 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

Cr Dan Loden	North Ward	Approved leave of absence
Ms Elizabeth Hunt	External Member	Apology

3 DECLARATIONS OF INTEREST

Conley Manifis declared an impartiality interest. The extent of his interest is that his company is contracted by the Office of the Auditor General to complete external audits.

4 CONFIRMATION OF MINUTES

RECOMMENDATION

That the Minutes of the Audit Committee held on 26 November 2019 be confirmed.

The minutes of the Audit Committee Meeting held on 26 November 2019 were not received by all members. Therefore the Presiding Member requested that the minutes be circulated via email and members provide confirmation within 7 days of the email date.

NOTE: The minutes were circulated by email on 3 March 2020.

5 BUSINESS ARISING

5.1 ROADS TO RECOVERY BREACH

- Attachments:
1. Roads to Recovery Breach Advice Correspondence 
 2. Response to Department of Infrastructure, Transport, Cities & Regional Development on Roads to Recovery breach 

COMMITTEE DECISION ITEM 5.1

That the Audit Committee recommends to Council that it:

1. RECEIVES the update on the City's failure to meet the Australian Government "Roads to Recovery" expenditure maintenance requirements for 2018-19; and
2. NOTES the City's response to the Department of Infrastructure, Transport, Cities and Regional Development, at Attachment 2.

Moved: Cr Gontaszewski, Seconded: Mr Piper

That the recommendation be adopted.

CARRIED UNANIMOUSLY (5-0)

For: Mr Manifis, Cr Wallace, Cr Gontaszewski, Mr Piper and Cr Topelberg

Against: Nil

(Cr Loden was on approved leave of absence for the Meeting.)

(Ms Hunt was an apology for the Meeting.)

5.2 ASSET SUSTAINABILITY RATIO - ACTION PLAN

- Attachments:
1. Letter to Hon. David Templeman MLA 
 2. Draft Asset Sustainability Ratio - Action Plan 

RECOMMENDATION:

That the Audit Committee recommends to Council that it:

1. **RECEIVES** the City of Vincent response to the Minister for Local Government, at Attachment 1, explaining the City's non-compliance with the Asset Sustainability Ratio, in accordance with section 7.12A of the *Local Government Act 1995*;
2. **ADOPTS** the Asset Sustainability Ratio Action Plan at Attachment 2; and
3. **NOTES** that the Asset Sustainability Ratio Action Plan, supported by current Long Term Financial Plan forecasts, indicates that the Asset Sustainability Ratio will return to compliance by 2021/22.

Moved: Cr Gontaszewski, Seconded: Mr Wallace

That the recommendation be adopted.

AMENDMENT

Moved: Cr Gontaszewski, Seconded: Mr Piper

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

1. **RECEIVES** the City of Vincent response to the Minister for Local Government, at Attachment 1, explaining the City's non-compliance with the Asset Sustainability Ratio, in accordance with section 7.12A of the *Local Government Act 1995*;
2. **ADOPTS** the Asset Sustainability Ratio Action Plan at Attachment 2; and
3. **NOTES** that the Asset Sustainability Ratio Action Plan, supported by **the current draft update to the** Long Term Financial Plan, indicates that the Asset Sustainability Ratio will return to compliance by 2021/22.

AMENDMENT CARRIED (5-0)

For: Mr Manifis, Cr Wallace, Cr Gontaszewski, Mr Piper and Cr Topelberg

Against: Nil

(Cr Loden was on approved leave of absence for the Meeting.)

(Ms Hunt was an apology for the Meeting.)

COMMITTEE DECISION ITEM 5.2

That the Audit Committee recommends to Council that it:

1. **RECEIVES** the City of Vincent response to the Minister for Local Government, at Attachment 1, explaining the City's non-compliance with the Asset Sustainability Ratio, in accordance with section 7.12A of the *Local Government Act 1995*;
2. **ADOPTS** the Asset Sustainability Ratio Action Plan at Attachment 2; and
3. **NOTES** that the Asset Sustainability Ratio Action Plan, supported by the current draft update to the Long Term Financial Plan, indicates that the Asset Sustainability Ratio will return to compliance by 2021/22.

Moved: Cr Gontaszewski, Seconded: Mr Piper

CARRIED UNANIMOUSLY (5-0)

For: Mr Manifis, Cr Wallace, Cr Gontaszewski, Mr Piper and Cr Topelberg

Against: Nil

(Cr Loden was on approved leave of absence for the Meeting.)

(Ms Hunt was an apology for the Meeting.)

5.3 CITY'S CORPORATE RISK REGISTER

Attachments: 1. Corporate Risk Register - as at 25 February 2020 

RECOMMENDATION:

That the Audit Committee recommends that Council:

1. RECEIVES the City's Corporate Risk Register, as at Attachment 1; and
2. APPROVES the proposed risk management actions for the high and extreme risks.

Moved: Cr Gontaszewski, Seconded: Mr Piper

That the recommendation be adopted.

AMENDMENT 3

Moved: Mr Piper, Seconded: Cr Gontaszewski

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

1. **RECEIVES NOTES** the City's Corporate Risk Register, as at Attachment 1; and
2. **APPROVES NOTES** the proposed risk management actions for the high and extreme risks.
3. **REQUESTS that the updated Corporate Risk Register be presented to the Audit Committee meeting on 5 May 2020.**

AMENDMENT CARRIED (5-0)

For: Mr Manifis, Cr Wallace, Cr Gontaszewski, Mr Piper and Cr Topelberg

Against: Nil

(Cr Loden was on approved leave of absence for the Meeting.)

(Ms Hunt was an apology for the Meeting.)

COMMITTEE DECISION ITEM 5.3

Moved: Mr Piper, Seconded: Cr Gontaszewski

1. NOTES the City's Corporate Risk Register, as at Attachment 1; and
2. NOTES the proposed risk management actions for the high and extreme risks.
3. REQUESTS that the updated Corporate Risk Register be presented to the Audit Committee meeting on 5 May 2020.

CARRIED UNANIMOUSLY (5-0)

For: Mr Manifis, Cr Wallace, Cr Gontaszewski, Mr Piper and Cr Topelberg

Against: Nil

(Cr Loden was on approved leave of absence for the Meeting.)

(Ms Hunt was an apology for the Meeting.)

5.4 UPDATE ON THE INTERNAL AUDIT PROCESS AND REG 5 AND REG 17 REVIEWS

Attachments: 1. Improvement Plan - Risk Management, Internal Controls and Legislative Compliance - as at 25 February 2020 

RECOMMENDATION:

That the Audit Committee recommends to Council that it:

1. **NOTES** the status of the audit pursuant to regulation 17 of the *Local Government (Audit) Regulations 1996* and regulation 5 of the *Local Government (Financial Management) Regulations 1996*; and
2. **REQUESTS** that the Chief Executive Officer prepare a new internal audit plan for the period 2020/21 – 2023/24, taking into account the priority areas identified in the audit in recommendation 1 above, and the risks identified in the City's Corporate Risk Register, to be presented to the Audit Committee for endorsement at its 1 September 2020 meeting.

COMMITTEE DECISION ITEM 5.4

Moved: Mr Manifis, **Seconded:** Mr Piper

That the recommendation be adopted.

CARRIED UNANIMOUSLY (5-0)

For: Mr Manifis, Cr Wallace, Cr Gontaszewski, Mr Piper and Cr Topelberg

Against: Nil

(Cr Loden was on approved leave of absence for the Meeting.)

(Ms Hunt was an apology for the Meeting.)

5.5 LOCAL GOVERNMENT STATUTORY COMPLIANCE AUDIT RETURN

Attachments: 1. DRAFT City of Vincent Compliance Audit Return 2019 - updated version to be provided at Audit Committee 

RECOMMENDATION:

That the Audit Committee recommends to Council that it **ADOPTS** the Local Government Statutory Compliance Audit Return for the period 1 January 2019 to 31 December 2019 noting the four areas of non-compliance reported.

COMMITTEE DECISION ITEM 5.5

Moved: Cr Gontaszewski, **Seconded:** Mr Piper

That the recommendation be adopted.

CARRIED UNANIMOUSLY (5-0)

For: Mr Manifis, Cr Wallace, Cr Gontaszewski, Mr Piper and Cr Topelberg

Against: Nil

(Cr Loden was on approved leave of absence for the Meeting.)

(Ms Hunt was an apology for the Meeting.)

5.6 REVIEW OF THE CITY OF VINCENT AUDIT LOG

Attachments: 1. City of Vincent Audit Log as at 20 February 2020 

RECOMMENDATION:

That the Audit Committee recommends to Council that it NOTES the status of the City's Audit Log as at 20 February 2020, at Attachment 1.

COMMITTEE DECISION ITEM 5.6

Moved: Cr Gontaszewski, **Seconded:** Mr Piper

That the recommendation be adopted.

CARRIED UNANIMOUSLY (5-0)

For: Mr Manifis, Cr Wallace, Cr Gontaszewski, Mr Piper and Cr Topelberg

Against: Nil

(Cr Loden was on approved leave of absence for the Meeting.)

(Ms Hunt was an apology for the Meeting.)

5.7 APPLICATION OF THE CHANGES TO THE NEW ACCOUNTING STANDARDS

Attachments: Nil

RECOMMENDATION:

That the Audit Committee recommends to Council that it NOTES the changes to the Accounting standards applicable to the City as at 1 July 2019.

COMMITTEE DECISION ITEM 5.7

Moved: Cr Gontaszewski, **Seconded:** Mr Piper

That the recommendation be adopted.

CARRIED UNANIMOUSLY (5-0)

For: Mr Manifis, Cr Wallace, Cr Gontaszewski, Mr Piper and Cr Topelberg

Against: Nil

(Cr Loden was on approved leave of absence for the Meeting.)

(Ms Hunt was an apology for the Meeting.)

6 GENERAL BUSINESS

- 6.1 Robert Piper requested that the meeting agenda is provided at least two business days prior to the Audit Committee meeting.

7 NEXT MEETING

The next Audit Committee meeting is scheduled for 1pm, Tuesday 5 May 2020.

8 CLOSURE

There being no further business, the meeting closed at 2.25pm.

These Minutes were confirmed by the Audit Committee as a true record and accurate of the Audit Committee meeting held on 3 March 2020.

Signed: Conley Manifis

Dated