



MINUTES OF MEETING

INTERNAL AUDIT & RISK ADVISORY COMMITTEE

HELD ON TUESDAY 1 DECEMBER 2015

NOTE: All minutes are subject to confirmation at a subsequent Council or Planning and Strategy Committee meeting.

PRESENT:

Councillors

Clr Jean Hay

Clr Hugh Burns

Clr Steve Pickering

Mayor, Manly Council

Manly Council

Manly Council

Other Representatives

John Gordon

Brian Hrnjak

Community Member - Chair

Community Member – 8.45am

Council Staff

Michael Quirk

Anthony Hewton

Lynne Jess

Head of Internal Audit, North Shore Councils

Executive Manager, Corporate Services Support

Minute Taker

TO THE MAYOR AND COUNCILLORS OF THE COUNCIL

The **Audit & Risk Committee (the Committee)** met on Tuesday 1 December 2015, to consider the matters referred to it and now provides the following advice to Council.

ITEM 1

The meeting commenced at 8.40am.

ACTION

The Chair John Gordon welcomed the Councillor Pickering to the Committee and asked for any apologies. The Chair advised that Brian Hrnjak was caught in traffic so would be late for the meeting.

ITEM 2

DECLARATIONS OF INTEREST

After later joining the meeting, Brian Hrnjak advised he had a non-pecuniary interest in premises at 8/9 15 Central Avenue Manly.

ITEM 3

CONFIRMATION OF MINUTES

The Minutes of the meeting held on 6 October 2015 were confirmed.

Moved: Cllr Hugh Burns Seconded: John Gordon

The above minutes went to Council's Ordinary Meeting on 9 November 2015 for notation.

Business Arising from the minutes

- Executive Manager, Corporate Services Support, Anthony Hewton advised that Cllr Bingham's written resignation had been received and forwarded to the General Manager;
- The Chair, John Gordon requested that Council's Risk Manager give a presentation at the first meeting next year;
- The Chair also recommended to the General Manager that in future, to achieve maximum value-add from the Committee, the Committee review the Council accounts prior to them being lodged with the OLG.

**AH to
arrange**

ITEM 4

Report on Overall Internal Audit Program

The Internal Auditor spoke to his written report on Overall Internal Audit Program for 2015/2016.

- The overall program is slightly behind schedule. Audits which were not substantially commenced by the end of June have been included in the 2015-2016 Program.
- Resources are now up to full strength;
- Internal Auditor advised that 3 audits had been delayed;
 - Automated Data Audits
 - Project Management; and
 - DA Processing (these will be completed by first meeting next year);
- Terms of Reference for the provision of probity advice for Manly2015 have been revised and an updated Probity Plan provided;
- The Chair inquired on the status of Manly2015 and requested that the Committee be briefed on this matter at the first meeting next year;
- Internal Auditor, outlined the Internal Audit Calendar of 2015/16 and advised that dates shown are estimates and commencement dates may be varied with consultation re duration of audits. Anticipate findings in the first 2 months of the year, which will then be reported to the March meeting of the Committee.

AH

Recommendation:

The Committee recommends to Council that:

1. The Internal Auditor's Report on the Internal Audit Program be received and noted, including a briefing request on the Manly 2015 project.

ITEM 5

Report on Audit of Privacy Management

The Internal Auditor Spoke to his written report on Audit of Privacy Management and reported on its findings;

- Privacy Management Plan updated in 2013;
- Good awareness of confidentiality;
- Council has the advantage of a legal team that reviews all requests for information;
- Volunteers & coordinators can be challenging aspect for Council; and
- Privacy statement form requires review for consistency and accuracy.

Recommendation:

The Committee recommends to Council that:

1. The Internal Auditor's Report on Privacy Management at Manly Council be received and noted: and
2. The Committee receives feedback from the Internal Auditor at periodic intervals on how each of the recommendations is being implemented by Council.

ITEM 6

Internal Audit Performance Report

The Internal Auditor spoke to his written report on Internal Audit Performance Report and provided a review of the performance on the Internal Audit Function.

Six audit reports have been finalised and Council have been provided with a total of forty-nine recommendations for improvement.

Internal Audit is well advanced in the implementation of an online audit planning and working papers system using cloud-based applications.

A number of audits have been completed using the new application which will result in the format changing significantly. (each auditing staff member has a licence)

Shared learning - better practice to be shared across all Councils – now provide a short six-monthly report on highlights from recent audits.

Recommendation:

The Committee recommends to Council that:

1. The Internal Auditor's Performance Report be received and noted.

The Mayor left the meeting at 9.05am to attend another meeting.

ITEM 7**Report on Implementation of Audit Recommendations**

The Internal Auditor spoke to his written report and provided information on the implementation of recommendations arising out of the audits.

- Michael Quirk outlined the status of the recommendations;
- Cllr Burns asked if we could review/remove some moderate recommendations and tidy up before the next meeting; and
- Anthony Hewton advised staff would follow up on outstanding items.

Recommendation:

The Committee recommends to Council that:

1. The Internal Auditor's Report on the Implementation of Audit Recommendations be received and noted.

ITEM 8**General business**

The Chair raised the matter of current Local Government Reform /Council amalgamations (Fit for the Future) with the General Manager who briefed the Committee on what he sees will develop in this regard.

ITEM 9**Date of next meeting:**

Dates: TBC

The meeting closed at 10.25am