MINUTES OF MEETING

INTERNAL AUDIT & RISK ADVISORY COMMITTEE

HELD ON WEDNESDAY 9 MARCH 2016

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

PRESENT:

Councillors

Clr Jean Hay	Mayor, Manly Council 9.40am
Clr Hugh Burns	Manly Council (9.50am – 11.05am)
Clr Steve Pickering	Manly Council

Other Representatives

John Gordon	Community Member - Chair
Brian Hrnjak	Community Member

Council Staff

Michael Quirk	Head of Internal Audit, North Shore Councils
Anthony Hewton	Executive Manager, Corporate Services Support
Mary Rawlings	Manager, Enterprise risk & Business Development
Lynne Jess	Minute Taker

TO THE MAYOR AND COUNCILLORS OF THE COUNCIL

The **Audit & Risk Committee (the Committee)** met on 9 March 2016, to consider the matters referred to it and now provides the following advice to Council.

		ACTION
ITEM 1	The meeting commenced at 9.35am The Chair John Gordon welcomed the Committee and asked for any apologies. There were no apologies. .	
ITEM 2	**DECLARATIONS OF INTEREST** The Chair declared that he is on the Audit & Risk Committees for 7 other Councils including Warringah and Pittwater. 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 1 December 2015 were confirmed.	

The above minutes went to Planning & Strategy meeting on 1 February 2016.

Moved: Clr Hugh Burns
Seconded: Mayor Hay

ITEM 4 **Enterprise Risk Management at Manly Council Presentation by Mary Rawlings.**

- Mary Rawlings, Manager Enterprise Risk & Business Development presented an Update of Council's risk register in JRS has been completed. Matters arising in the process led to the production and distribution of a Risk Management brochure to all Council managers. Copies of the brochure were supplied to the Committee. No further update of the register will be undertaken until amalgamation has been effected or dropped.

- A report was given on the Business Continuity Plan (BCP) test, and the recently completed Climate Change Risk Assessment & Adaption Report for Council's underwriters was briefly described for the Committee.

- An update of Council's current position in terms of insurance and claims was provided, as was the positon of the HIH and Lehman recovery process, and for the latter the outstanding matter of the Federation note. Looking forward, the necessity for an analysis of risks related to the amalgamation process, once the decision has been made, was commented upon.

ITEM 5 **Internal audit Status Report**

The Internal Auditor spoke to his written report and updated the Committee on the following matters:

- Internal Audit Resourcing
- Status of Audit Program
- Automated data Audits
- Completed Audits in the Current period
- Implementation of Cloud based audit software
- Implementation of Audit Recommendations

The Chair requested the Committee be provided with an IPIDS Report.

The Chair also requested that the Internal Auditor provide an opportunity for the Audit & Risk Committee to meet without management at the conclusion of the next meeting.

Council's Internal Auditor Michael Quirk advised the Committee he would discuss the proposed audit & risk committee meeting program with the General Manager for next year.

Recommendation:

The Committee recommends to Council that;

The Internal Auditor's Report on the internal audit program be received and noted.

ITEM 6 **Report on Implementation of Audit Recommendations**

The Internal Auditor spoke to his written report on Implementation of Audit Recommendations and advised that Internal Audit had provided over 321 recommendations to council management for improvement and that council management have advised that 267 of these recommendations have been implemented.

Due to new reporting software, audit recommendations are being improved. It will now implement graphical reporting of the status of recommendations with ageing analysis.

The Internal Auditor advised that the programme may change due to amalgamation / Council mergers.

Recommendation:

The Committee recommends to Council that:

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

ITEM 7	**Review of Audit Charter** The Internal Auditor spoke to his written report and advised why it was necessary to merge the Internal Audit Charter and the Internal Audit Operating Protocols to provide a single agreement between Council, the Audit Committee and the internal audit function. **Recommendation:** The Committee recommends that Council approve the revised Internal Audit Charter incorporating the previous Internal Audit Operating Protocols.	**ACTION**
ITEM 8	**Report on Grants Administration by Internal Auditor** The Internal Auditor spoke to his written report on Grants Administration and advised that a new audit management and reporting system had been implemented which would make it easier and more succinct. A report on the Grant Funding Administration was circulated at the meeting. **Recommendation:** The Committee recommends to Council that: 1) The Internal Auditor's Report on Grants Administration at Manly Council be received and noted; 2) The Committee receives feedback from the Internal Auditor at periodic intervals on how each of the recommendations is being implemented by Council	
ITEM 9	**Report on Accounts Payable Data –** deferred to next meeting.	
ITEM 10	**General business** The meeting schedule for ongoing meetings was discussed. Anthony Hewton advised that we would retain the same schedule organised until further notice. Next meeting 8 June followed by 7 September 2016 both to be confirmed.	
ITEM 11	**Date of next meeting:** Dates: Wednesday 8 June 2016 Venue: Councillors' Room, Manly Town Hall, 1 Belgrave Street, Manly Time: 9.30am	

The meeting closed at 11.27am