NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that of a meeting of the **AUDIT & RISK COMMITTEE** will be held:

DATE: **Tuesday 20 March 2012**

TIME: **From 3.30pm to 5.30pm**

PLACE: **The Councillors' Room, Manly Town Hall**

COMMITTEE MEMBERS:

Councillors

Cllr Jean Hay, AM, Mayor	Manly Council
Cllr Hugh Burns	Manly Council
Cllr Cathy Griffin	Manly Council

Community Representatives

John Gordon	Community Member - Chairperson
Brian Hrnjak	Community Member

COUNCIL STAFF AND INVITED ATTENDEES:

Ross Fleming	Deputy General Manager, People, Place & Infrastructure
Jenny Nascimento	CFO
Anthony Hewton	Executive Manager, Corporate Support Services
Michael Quirk	Head of Internal Audit, North Shore Councils

All other Councillors are free to attend as observers and are invited to do so and to engage in discussions, but not in voting, on any matter before the Committee.

Anthony Hewton
Executive Manager
Corporate Support Services

Date:

AGENDA

AUDIT & RISK COMMITTEE

MEETING TO BE HELD ON TUESDAY 20th MARCH 2012 AT 3.30PM

THE COUNCILLORS' ROOM, MANLY TOWN HALL

ITEM 1 **Apologies and leave of absence**

ITEM 2 **Declarations of Interest – Pecuniary**
Non- Pecuniary

ITEM 3 **Confirmation of Minutes of Meeting 22nd November 2011**
- **Business arising**

ITEM 4 **Report - Implementation Status on Actions Recommended from Previous Audits being:**

- **Cash Handling**
- **Tendering**
- **Records Management**
- **Payroll Data Integrity**
- **EFT Payments**

ITEM 5 **Report – Commercial Leasing Report**

ITEM 6 **Report – Parking Management and Revenue Report**

ITEM 7 **Report - Internal Auditor's Report on the Internal Audit Program 2011/12**

ITEM 8 **General Business brought to the attention of the Chair prior to the Meeting, and approved for consideration, including:**

- **Arrangements for continuity of Committee 2012/13**
- **Results/feedback from Audit Committee Survey: Chairman to present verbal report**

ITEM 9 **Dates for Next Meetings – 22nd May and 21st August 2012**

MINUTES OF MEETING

AUDIT AND RISK COMMITTEE

HELD TUESDAY 22 NOVEMBER 2011

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

PRESENT:

Councillors

Cllr Jean Hay, AM, Mayor	Manly Council
Cllr Cathy Griffin	Manly Council
Cllr Hugh Burns	Manly Council

Other Representatives

John Gordon	Community Member (Chair)
Brian Hrnjak	Community Member

Council Staff

Ross Fleming	Deputy General Manager, PPI
Anthony Hewton	A/Executive Manager Corporate Services
Sabrina Zhang	Senior Management Accountant
Michael Quirk	Head of Internal Audit, North Shore Councils
Leena Dutta	Internal Auditor, North Shore Councils
Kathy Fuller	Minute taker

Invited Guests

Nil

TO THE MAYOR AND COUNCILLORS OF THE COUNCIL

The **Audit and Risk Committee (the Committee)** met on the 22nd November 2011, to consider the matters referred to it and now provides the following advice to Council.

OPEN	The meeting commenced at 9.35am.	**ACTION**
ITEM 1	**APOLOGIES AND LEAVE OF ABSENCE** An apology was received from Mrs Jenny Nascimento, CFO who is on annual leave.	
ITEM 2	**DECLARATION OF INTEREST** There were no declarations of interest declared by those present.	**For notation**
	The Chair Mr John Gordon informed the Committee that he has recently been appointed to Woollahra Council's Internal Audit Committee as Chair.	

ITEM 3	**CONFIRMATION OF MINUTES** The Chair opened the meeting by welcoming Mrs Leena Dutta and Ms Sabrina Zhang to the meeting as observers. Mrs Leena Dutta has taken up the part time position of Internal Auditor and will be an additional resource assisting Mr Michael Quirk with the agreed program of audits for Manly Council. Ms Sabrina Zhang has been appointed recently as Manly Council's Senior Management Accountant reporting to the CFO. The minutes of the Committee meeting held 11th October 2011 were confirmed. Moved: Cllr Hugh Burns Seconded: Cllr Cathy Griffin The Minutes of the Audit and Risk Committee held on the 11th October 2011 were adopted at Council's Meeting held on 14th November as Resolution 202/11.	**ACTION**
	Recommendation: The Committee resolved that the minutes of the Committee meeting held 11th October 2011 be confirmed.	**For notation**
ITEM 4	**Report – Implementation Status on Actions Recommended from Previous Audits** The Internal Auditor presented and spoke to his written report on the implementation status of the five completed audits. The outstanding actions arising from the audit of Credit Cards and the audit of Legal Services Expenditure are effectively completed, subject to further audit activity as part of the rolling Internal Audit Program. The report provided graphical information on progress on the implementation of the recommendations arising from the three remaining audits, tabulated by assessed risk level (these audits being Cash Handling, Tendering Procedures, and Records Management). The following points were made: ▪ Internal Audit is satisfied with the progress on implementation of the recommendations of the three remaining audits. ▪ Internal Audit stated that Council's Tender Review Panel was an effective additional control over tendering processes. ▪ Cllr Burns questioned the role of the Tender Review Panel in relation to SHOROC Tenders. ▪ The Chair requested a management response be reported back to the next meeting on the role of the Tender Review Panel with regard to SHOROC tenders.	**Report back to next meeting**
	A/Executive Manager Corporate Services updated the Committee on the roll out of the HP TRIM electronic records management system. The implementation of TRIM over the next four months should address and finalise the outstanding actions arising from the Audit of Records Management.	

Recommendation:
The Committee recommends to Council that:

ACTION

I. The Internal Auditor's Report on Implementation Status on Actions Recommended from Previous Audits be received and noted; and
II. The Committee receives feedback from the Internal Auditor at periodic intervals on how each of the recommendations is being implemented by Council.

ITEM 5 **Report - Tendering Information Report**

A/Executive Manager Corporate Services spoke to this report and discussion followed. Salient discussion points included:

- Cllr Burns stated that the evaluation criteria and weighting should be prepared in advance of the closing of the Tender. The Deputy General Manager confirmed that this is stated in the current Policy (page 13).
- Mr Hrnjak asked if the Tender Review Panel's role included an assessment on how the weightings are determined. The Deputy General Manager responded in the negative.
- The Chair stated that 'scope creep" is always problematic when deciding whether a proposed project should be the subject of quotations or tendering.
- The Committee agreed that variations are also problematic when managing contracts.
- Mr Hrnjak asked if there are any legal liabilities arising from Council resolving to postpone or cancel the proposal for a contract, as tenderers often expend significant time and expense in preparing a tender. There was general agreement that tenders are aware of this risk, and Council's adopted *Purchasing & Tendering Policy and Guidelines* states that Council has no obligation to accept any tender submitted (page 8).
- A/Executive Manager Corporate Services stated that a revised Tendering Policy, Procedures and Guidelines are being drafted and should be finalised by March 2012.

Recommendation:
The Committee recommends to Council that the Tendering Information Report be received and noted.

ITEM 6 **Internal Auditor's Report on Payroll Data Integrity**

The Internal Auditor spoke to his report and attached Executive Summary, and discussion followed. He made the following comments:

- A part of the audit objectives intended to be finalised included the implementation of automated audit routines for payroll data across the six member Councils. The delay in obtaining data from a number of Councils has extended the completion of this project. It is now expected to be fully implemented by the end of the calendar year.

- Manly Council has a range of processes and procedures to manage its payroll, however, a few weaknesses were revealed by the audit, which are being addressed by management.

Cllr Burns asked if the audit included an assessment of the amount of overtime worked. Internal Audit responded that an assessment of whether the overtime worked was warranted was outside the scope of the audit. The Deputy General Manager stated that all overtime is approved in advance and reported weekly to management as part of a report on staffing levels.

ACTION

Recommendation:
The Committee recommends to Council that:

I. The Internal Auditor's Report on Payroll Data Integrity at Manly Council be received and noted; and

II. The Committee receives feedback from the Internal Auditor at periodic intervals on how each of the recommendations is being implemented by Council.

ITEM 7 Internal Auditor's Report on EFT Payments

The Internal Auditor spoke to his report and attached Executive Summary, and discussion followed.

The Chair asked if Internal Audit intends to run a program to check for duplicate payments. Internal Audit responded in the affirmative, and once he has received all the necessary data.

The Deputy General Manager stated that all EFT payments are verified by an independent staff member as a final step in the process.

The Chair thanked Internal Audit and requested that a high level report be prepared for the next meeting summarising the status of all audits undertaken to date. A table showing graphs and numeric table showing by Audit Topic – number of recommendations made; number actioned; number outstanding; number overdue.

Report back to next meeting

Recommendation:
The Committee recommends to Council that:

I. The Internal Auditor's Report on EFT Payments at Manly Council be received and noted; and

II. The Committee receives feedback from the Internal Auditor at periodic intervals on how each of the recommendations is being implemented by Council.

ITEM 8 Internal Auditor's Report on the Internal Audit Program 2011-2012

The Internal Auditor spoke to his written report on the Proposed Internal Audit Program 2011-2012:

- Fieldwork has concluded on the *Audit of Parking Management and Revenue*, while fieldwork has commenced on the *Audit of*

Commercial Leasing.

- The overall program is slightly behind schedule due to recruitment action and some unexpected staff leave, however it is likely to be on track by the end of the first quarter of 2012.
- Mrs Leena Dutta has commenced duties as an Internal Auditor, and will be assisting Internal Audit with the program for Manly and three other North Shore councils.
- Cllr Griffin asked if an assessment of the tendering process would be included in the proposed audit of Parking Management & Revenue. Internal Audit responded in the negative.
- The Chair asked if there were any 'cameo' audits proposed for Manly Council? Internal Audit responded in the negative, however, this could be re-evaluated in March 2012.
- A/Executive Manager Corporate Services tabled the Action List for key resolutions of the Committee for the information of the Committee.
- The Chair inquired if Council had undertaken an assessment of its Enterprise-wide Risk. The Deputy General Manager responded in the affirmative, with the consultant's final report due soon. The Chair requested that the Committee be afforded a status report and presentation from the management and the consultant (InConsult) at its next meeting.

ACTION

Recommendation:

The Committee recommends to Council that the Internal Auditor's Report on the Internal Audit Program for 2011-2012 be received and noted.

ITEM 9 Report – Committee Meeting Dates for 2012

The Committee reviewed the proposed meeting dates for 2012, and agreed as follows:

- Tuesday 20 March 2012, 3.30pm
- Tuesday 22 May 2012, 3.30pm
- Tuesday 21 August 2012, 3.30pm
- Tuesday 20 November 2012, 3.30pm (tentative, and subject to confirmation).

The A/Executive Manager Corporate Services agreed to seek clarification regarding the Committee's status at the end of the present Council's term in September 2012. The Charter states that:

> *"The independent external members will be appointed for the term of Council, after which they will be eligible for extension or re-appointment following a formal review of their performance."*

Recommendation:

The Committee recommends to Council that the proposed meeting dates for 2012 be received and noted.

All to note

ITEM 10 GENERAL BUSINESS

ITEM 10.1 Review of the Performance of the Committee

The Chair requested that a short self-assessment survey instrument he devised be circulated to nominated staff in preparation for his report to Council as per the Charter:

“6.6 Assessment Arrangements
The Chair of the Committee will initiate a review of the performance of the Committee at least once every two years. The review will be conducted on a self-assessment basis (unless otherwise determined by the Chair), with appropriate input from management and any other relevant stakeholders, as determined by the Chair.”

ACTION

The Chair anticipates that following receipt of the feedback survey, his report will be finalised for presentation to the first meeting in March 2012..

Recommendation:
The Chair’s request for the completion of a self-assessment survey be received and noted.

ITEM 10.2 GIPA and Audit and Risk Committee documents

The Chair sought clarification on how much information would be provided on documents relating to the activities of the Audit and Risk Committee following a *GIPA* request. He referred to an information sheet prepared by the Institute of Internal Auditors and requested that Council obtain a copy of the document for circulation before the next meeting.

For the information of the Committee A/Executive Manager Corporate Services tabled a short report on the *Government Information Public Access (GIPA) Act 2009*, and the key processes in place at Council to ensure compliance with the Act.

Recommendation:
The Chair’s request be received and noted.

ITEM 11 NEXT MEETING DATE:

Date: Tuesday 20 March 2012
Time: 3.30 pm
Venue: Councillors’ Room

All to note

Meeting closed at 11.10am

TO:	Internal Audit & Risk Committee
MEETING DATE:	20 March 2012
AUTHOR:	Michael Quirk, Head of Internal Audit North Shore Councils (including Manly Council)
SUBJECT:	**Report – Implementation Status on Actions Recommended from Previous Audits**

1. INTRODUCTION

Since the commencement of the Internal Audit Program in 2010 seven audits have been completed and previously reported to the Audit and Risk Committee. This report provides updated information on the implementation of recommendations arising out of the audits.

The Audit reports presented to the Audit and Risk Committee provide an Executive Summary of the audit which is included in the meeting Agenda papers, and the full audit report which is available at each meeting. Each Audit report provides recommendations for management action, with a rating system for each recommendation based on the risk related to the Audit finding:

- Significant – High risk requiring urgent management action
- Moderate – Moderate risk requiring management action to be specified
- Minor – Low risk enabling resolution by routine procedures

Upon completion of each audit, an Action Plan for Implementation of Report Recommendations is provided to Council Management for comment and determination of accountabilities. Copies of the above audit reports will again be available for review at this meeting.

At its meeting of 22 November 2011, the Audit and Risk Committee requested further information regarding the implementation of Audit recommendations, particularly relating to the break-down of the ratings of audit recommendations. This report aims to provide an overview of the progress in implementing agreed Audit recommendations.

Implementation of Audit Recommendations

The following audits have been previously reported to the Audit and Risk Committee:

- Cash Handling (24 November 2010)
- Tendering Procedures (24 November 2010)
- Credit Cards (5 October 2011)
- Records Management (24 March 2011)
- Payroll Data Integrity (22 November 2011)
- EFT Payments (22 November 2011)
- Legal Services Expenditure (24 March 2011)

Council Management have been working on the implementation of the agreed recommendations contained in the above Internal Audit Reports. Council Management have advised that implementation action relating to recommendations in the above reports has been completed to the extent shown in the following table.

	SIGNIFICANT		MODERATE		MINOR		TOTAL
	Agreed	Completed	Agreed	Completed	Agreed	Completed	
Cash Handling	0	0	26	23	15	12	42
Tendering	3	2	20	15	1	1	24
Credit Cards	0	0	6	6	3	3	9
Records	0	0	0	0	0	0	13*
Payroll Data	0	0	8	4	2	1	10
EFT Payments	0	0	14	9	0	0	15
Legal Services	0	0	3	3	0	0	3

* Audit recommendations related to implementation of previous contract review report.

<u>Implementation of Audit Recommendations</u>

Internal Audit will be conducting a verification audit of the implementation actions in each audit. In November 2011 Internal Audit verified that Council management had implemented all agreed recommendations relating to audits of Credit Cards and Legal Services Expenditure.

2. RECOMMENDATION:

The Committee recommends to Council that:

1) The Internal Auditor's Report on Implementation of Recommendations Internal Audit Reports 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.

ATTACHMENTS

NIL

Michael Quirk

Head of Internal Audit North Shore Councils

March 2012

TO: Internal Audit & Risk Committee

MEETING DATE: 20 March 2012

AUTHOR: Michael Quirk, Head of Internal Audit North Shore Councils (including Manly Council)

SUBJECT: **Internal Auditor's Report on Commercial Leasing**

1. INTRODUCTION

The Internal Auditor has, as part of the Audit Program confirmed by the participating North Shore Councils and this Committee, conducted an audit of Commercial Leasing at Manly Council.

2. INFORMATION

The Internal Audit Program for 2011/2012 was approved by this Committee on 31 May 2011 and required an audit of Commercial Leasing to be conducted at Manly Council. The audit has been completed and the Audit Report has being reviewed by Council Management. A copy of the Executive Summary of the report is attached, and a copy of the full report will be available at the meeting.

The Report and its findings will be presented to the Committee by the Internal Auditor, Michael Quirk.

3. RECOMMENDATION:

The Committee recommends to Council that:

1) The Internal Auditor's Report on Commercial Leasing 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.

ATTACHMENTS

Manly Audit Executive Summary Commercial Leasing, 2 pages

Michael Quirk

Head of Internal Audit North Shore Councils

March 2012

Head of Internal Audit

Internal Audit Executive Summary Report

Subject:	**Commercial Leasing -** Report Approved

Objective and Scope	The objective of the review was to provide an assurance that management have in place adequate controls over the establishment and management of commercial leases in order to achieve Council's strategic objectives in the portfolio. To achieve the above stated objective the scope of our review included consideration of controls in: • Lease acquisition or determination • Policy governing lease/License terms and conditions • Rental income management and debtor control • Letting arrangements • Security deposits, insurances and certifications • Management of outgoings • Accounting for income/expenses The review was restricted to land and/or buildings on operational land that are held by Council for short or long term rental yields or capital gain and are not occupied by Council. In undertaking the review we interviewed staff and examined Council policy and strategy documents together with documentation relating to a small sample of commercial leases.

Major Findings	Council staff identified ten properties as being on operational land for which they receive rent. Four of these properties are managed by two different Property Agents. All leasing details are maintained in an excel-based lease register by the Administration Officer. Details are also noted in the leasing module of the Authority system. However, this is used as a data repository rather than a lease management tool. Several other documents are separately and manually updated and utilised for monitoring rent reviews, rent increase, currency of insurance certificates and leases due to expire. We note that although the lease management process is being well managed and the lease register being well maintained by the Administration Officer, it is still a manual intensive process that may be inefficient and prone to error. Importantly, the review found no evidence of fraud, or of intentional breach of the *Local Government Act, 1993*.

Summary of Recommendations	The review provided 3 detailed recommendations for improvement which were rated as either Moderate, or Minor Risk. A summary of the significant recommendations include: 1. Council consider an alternative information system approach to lease administration. 2. Council consider reviewing the two agent arrangement.

Overall Opinion and Rating	The concerns identified in the report indicate that the there is an **Effective Control Environment** (A small number of control risk issues mainly minor in nature with opportunities for improvement identified). **Control Environment Rating** 4

Current Status	Details of implementation of the review recommendations will be included in future reports to the Audit and Risk Committee.

TO: Internal Audit & Risk Committee

MEETING DATE: 20 March 2012

AUTHOR: Michael Quirk, Head of Internal Audit North Shore Councils (including Manly Council)

SUBJECT: **Internal Auditor's Report on Parking Management & Revenue**

1. INTRODUCTION

The Internal Auditor has, as part of the Audit Program confirmed by the participating North Shore Councils and this Committee, conducted an audit of Parking Management and Revenue at Manly Council.

2. INFORMATION

The Internal Audit Program for 2011/2012 was approved by this Committee on 30 May 2011 and required an audit of Parking Management & Revenue to be conducted at Manly Council. The audit has been completed and the Audit Report has being reviewed by Council Management. A copy of the Executive Summary of the report is attached, and a copy of the full report will be available at the meeting.

The Report and its findings will be presented to the Committee by the Internal Auditor, Michael Quirk.

3. RECOMMENDATION:

The Committee recommends to Council that:

1) The Internal Auditor's Report on Parking Management & Revenue 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.

ATTACHMENTS

Manly Audit Executive Summary Parking Management & Revenue, 2 pages

Michael Quirk

Head of Internal Audit North Shore Councils

March 2012

Head of Internal Audit

Internal Audit Executive Summary Report

Subject:	**Parking Revenue and Management -** Report Approved

Objective and Scope	The primary objectives of the audit were to assess the management and administration of the Council's parking management and revenue process. This included the following: ✓ Provide an assurance that adequate controls are in place to safeguard Council's parking revenue and commercial interests in parking management. ✓ Provide an assurance that adequate controls are in place over the issues of parking permits to protect Council's assets and reputation. The scope of the audit was restricted to an examination of the parking stations, parking meters and resident parking permits. A risk based approach was adopted for this review which was undertaken as follows: ✓ Obtaining, reviewing and assessing Council's approved policies and procedures relating to parking stations and parking permits; ✓ Reviewing and assessing revenue collection facilities, arrangements and processes; ✓ Reviewing and assessing the access controls and reconciliations over revenue and the issue of parking permits; ✓ Testing samples of revenue records for compliance with relevant agreements, policies and procedures; and ✓ Interviewing staff and observation of on-site facilities and records.

Major Findings	Our review showed that parking meter collection operations were reasonably controlled notwithstanding reported impacts of environmental conditions on parking meter systems. Our review did identify a number of areas for improvement evidenced by: ✓ Procedures lack sufficient controls to ensure that collections made from all parking stations are being fully deposited into Council's banking account on a timely basis. ✓ There is not a regular and complete reconciliation of credit card sales and cash collected to the Auto Pay Station information systems revenue collections. ✓ The method of replenishing cash in the Auto Pay Stations precludes effective reconciliation of sales. ✓ Access to cash tins in Autopay machines should be restricted and segregated from responsibility for oversight and

	reconciliation of collections. ✓ Council should further develop strategies to ensure that the issue of parking permits complies with regulatory requirements, and reduces the potential for fraud and resident complaints. Importantly, the review found no evidence of fraud, or of intentional breach of the *Local Government Act, 1993*.

Summary of Recommendations	The review provided 16 detailed recommendations for improvement which were rated as either Moderate, or Minor Risk. A summary of the significant recommendations include: 1. More timely banking of meter collections and reconciliations. 2. Review of preventative maintenance schedules for meters. 3. Improved processes for float collection and replenishment at Parking Auto-Pay Stations. 4. Independent review of collection reconciliations to banking records. 5. Consideration of further review of Designated and Resident Parking Schemes in line with RTA Guidelines. 6. Expediting electronic permit trials to improve traceability of permits in accordance with RTA Guidelines.

Overall Opinion and Rating	The concerns identified in the report indicate that the **Control Environment Requires Improvement** (several issues of concern noted which were mainly of a Moderate Risk nature). **Control Environment Rating** 3

Current Status	Details of implementation of the review recommendations will be included in future reports to the Audit and Risk Committee.

TO:	Internal Audit & Risk Committee
MEETING DATE:	20 March 2012
AUTHOR:	Michael Quirk, Head of Internal Audit North Shore Councils (including Manly Council)
SUBJECT:	**Internal Auditor's Report on the Internal Audit Program 2011-2012**

1. INTRODUCTION

The draft Internal Audit Program for 2011/12 was approved at the meeting of the Audit and Risk Committee on 31 May 2011. A copy of the approved Program is attached. This report provides information on the status of work on the approved Program.

2. INFORMATION

Internal Audit Planning

The additional internal auditor employed in late 2011 has been engaged since January in addressing the backlog of audit work across the four funding councils. With the combination of existing audit staff, Manly has access to an Internal Audit staff resource equivalent to approximately 8.7 staff-days per month (0.44 FTE).

At the request of the General Manager, Internal Audit will be conducting a compliance audit of Competitive Neutrality at Manly commencing late March 2012. This audit will take advantage of the additional audit resourcing and is expected to report to the Audit and Risk Committee in May 2012.

Initial planning for the 2012-2013 Internal Audit Plan has commenced. As previously forecast, the program for next year is likely to include core audits across all six shared service Councils, together with additional audits for a number of Councils to reflect differing risk profiles and priorities. The Plan will consider the long-term internal audit plan (copy attached), Manly Council's updated enterprise risk position, together with discussions with senior management at Manly and the General Managers of the six member Councils. A draft of the Plan will be submitted to the May meeting of the Audit and Risk Committee.

Other Internal Audit Activity

The Head of Internal Audit has recently met with representatives of Council's external audit firm Hill Rogers Spencer Steer. The purpose of the meeting was to exchange information regarding issues at Manly, and to assist in planning future audit activity.

At the request of the General Manager, it is proposed that Internal Audit will provide probity services in relation to the *Manly2015* initiative. Council staff have prepared a draft Probity Plan and it is expected that this will be reviewed as further action progresses on this initiative.

Status of Audits

Fieldwork has concluded on the *Audit of Long Term Financial Plan* with the draft report currently subject to review. Planning is currently underway for the *Audit of Asset Acquisitions and Disposals*, and the *Audit of Fraud and Corruption Prevention*. It is expected that these audits will be concluded by the May Audit and Risk Committee meeting. The overall program is slightly behind schedule but is likely to be delivered on target by year-end.

Completed Audits in the Current Period

The *Audit of Parking Management and Revenue* and *Audit of Commercial Leasing* were finalised in the current period and are subject to separate reports at the meeting.

3. RECOMMENDATION:

The Committee recommends to Council that:

1) The Internal Auditor's Report on the Internal Audit Program for 2011-2012 be received and noted.

ATTACHMENTS

North Shore Councils Audit Program – 2011-2012 – Manly Municipal Council, 1 page

Michael Quirk

Head of Internal Audit North Shore Councils

March 2011

NORTH SHORE COUNCILS AUDIT PROGRAM – 2011-2012 – MANLY MUNICIPAL COUNCIL

ID	Audit	Description	Benefit	Prop Coverage	Est. Start Date	Est. Finish Date
05/10	Commercial Leasing	Controls from decision to management and accounting	Predictable leasing outcomes	All by individual testing	Completed	
01/11	Parking Management & Revenue	Controls over revenue collection and parking schemes	Security, Fraud prevention, reputation risk mitigation	All by parking stations, parking meter and parking schemes by individual testing	31/08/11 Commenced	19/09/11
02/11	Long Term Financial Plans	Controls over compliance with standards, integration, assumptions and projections	Compliance and effectiveness	All by individual testing	09/11/11 Commenced	~~16/11/11~~ 30/03/2012
03/11	Asset Acquisition/Disposal	Controls from decision to management and accounting	Contingency project from 2010/11	All by individual testing	04/01/12 Commenced	~~23/01/12~~ 20/04/2012
04/11	Fraud & Corruption Prevention	Control over comprehensive corporate framework	Lower IR issues, fraud and corruption prevention, reputation risk mitigation	All by individual testing	01/03/12 Delayed	~~08/03/12~~ 11/05/2012
05/11	Capital Projects	High-level assessment of probity controls	Contingency project from 2010/11; Fraud prevention	All by individual testing	17/05/12	05/06/12
08/11 NEW	Competitive Neutrality	Compliance with competition reporting requirements		Council business undertakings	26/03/2012	20/04/2012

Approved in principle by General Managers 7 April 2011
Endorsed by Manly Council Audit & Risk Committee meeting 31 May2011