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***Agenda***

***Audit & Risk Committee Meeting***

***10 February 2020***

**ATTENTION**

This Agenda has yet to be dealt with by the Committee.

The Administration Recommendations, shown at the beginning of each item, have yet to be considered by the Committee and are not to be interpreted as being the position of either the Committee or Council.

The Minutes of the meeting held to discuss this Agenda should be read to ascertain the decision of the Committee.

Before acting on any recommendation of the Committee a check must also be made in the Ordinary Council Minutes following the Committee Meeting to ensure that Council did not make a decision at variance to the Committee Recommendation.



Mark Goodlet

Chief Executive Officer

5 February 2020

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**City of Nedlands**

**Notice of a meeting of the Audit & Risk Committee to be held in the Council Chambers at the City of Nedlands, 71 Stirling Highway, Nedlands** **on Monday 10 February 2020 at 5.30 pm.**

###### Audit & Risk Committee Agenda

# Declaration of Opening

The Presiding Member will declare the meeting open at 5.30 pm and will draw attention to the disclaimer below.

(NOTE: Council at its meeting on 24 August 2004 resolved that should the meeting time reach 11.00 p.m. the meeting is to consider an adjournment motion to reconvene the next day).

# Present and Apologies and Leave of Absence (Previously Approved)

**Leave of Absence** Nil.

**(Previously Approved)**

**Apologies** Councillor B Hodsdon Hollywood Ward

Paul Setchell Community Member

**Disclaimer**

Members of the public who attend Council meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council’s position. For example, by reference to the confirmed Minutes of Council meeting. Members of the public are also advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material.

# Public Question Time

A member of the public wishing to ask a question should register that interest by notification in writing to the CEO in advance, setting out the text or substance of the question. Questions tabled at the meeting may be unable to be answered due to the requirement for technical research and will therefore be answered directly afterwards.

Questions must relate to a matter contained within the agenda of this meeting.

# Addresses By Members of the Public (only for items listed on the agenda)

Addresses by members of the public who have completed Public Address Session Forms will be invited to be made at this point.

# Disclosures of Financial Interest

The Presiding Member to remind Councillors and Staff of the requirements of Section 5.65 of the Local Government Act to disclose any interest during the meeting when the matter is discussed.

A declaration under this section requires that the nature of the interest must be disclosed. Consequently, a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration.

However, other members may allow participation of the declarant if the member further discloses the extent of the interest. Any such declarant who wishes to participate in the meeting on the matter, shall leave the meeting, after making their declaration and request to participate, while other members consider and decide upon whether the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.

# Disclosures of Interests Affecting Impartiality

The Presiding Member to remind Councillors and Staff of the requirements of Council’s Code of Conduct in accordance with Section 5.103 of the Local Government Act.

Councillors and staff are required, in addition to declaring any financial interests to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making procedure.

The following pro forma declaration is provided to assist in making the disclosure.

“With regard to …… the matter in item x….. I disclose that I have an association with the applicant (or person seeking a decision). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.”

The member or employee is encouraged to disclose the nature of the association.

# Declarations by Members That They Have Not Given Due Consideration to Papers

Members who have not read the business papers to make declarations at this point.

# Confirmation of Minutes

## Audit & Risk Committee Meeting 14 November 2019

The minutes of the Audit & Risk Committee held 14 November 2019 are to be confirmed.

# Matters for Which the Meeting May Be Closed

The Committee, in accordance with Standing Orders and for the convenience of the public, is to identify any matter which is to be discussed behind closed doors at this meeting, and that matter is to be deferred for consideration as the last item of this meeting.

# Items for Discussion

Note: Regulation 11(da) of the *Local Government (Administration) Regulations 1996* requires written reasons for each decision made at the meeting that is significantly different from the relevant written recommendation of a committee or an employee as defined in section 5.70, but not a decision to only note the matter or to return the recommendation for further consideration.

# 8.1 Planning and Development Audit

|  |  |
| --- | --- |
| **Owner** | City of Nedlands |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Peter Mickleson – Director Planning & Development |
| **CEO** | Mark Goodlet |
| **Attachments** | 1. CONFIDENTIAL – Audit and Investigation Report 2. CONFIDENTIAL Appendix 1 Mcleods Legal Advice 3. CONFIDENTIAL – Appendix 2 Audit of Transactions with Discrepancy 4. CONFIDENTIAL – Appendix 3 Observation & Comments by Director Planning & Development |

**Executive Summary**

The objective of this report is to inform the Audit & Risk Committee about an investigation and audit conducted by the CEO for the City’s Planning & Development department in relation to the processing of development applications (DA).

The investigation and audit are concluded, and the report is compiled to present the facts and outcome to the Audit & Risk Committee.

Given that the risks have been assessed and mitigated, and the actions required have been implemented, the recommendation to the committee is to receive and note the report. The audit has provided useful information to inform the Planning Business Unit’s structure and assessment processes, particularly in light of the current upsurge in development applications.

**Recommendation to Committee**

**The Audit and Risk Committee:**

1. **receives the Investigation and Audit report; and**
2. **notes the information and contents of the report.**

**Discussion/Overview**

Mid last year, the City responded to received complaints regarding some of the determined Development Approvals (DA’s) applications from the applicant or affected neighbours. Following review and response to the complaints an internal audit was commissioned by the CEO as a compliance and performance tool to assess and address risk and improve the business.

The CEO nominated Senior Finance Officer – Governance to ensure the internal audit was executed effectively and appropriately. The Senior Finance Officer – Governance was nominated based on his:

* professional experience in the performance of audits over 9 years including Local Government audits; and
* independence from the Planning & Development department including reporting directly to the CEO.

The Audit was concluded, and the report was compiled to present the findings and necessary details to the committee. Accordingly, the report is tabled to the Audit & Risk Committee for their information and consideration.

**Key Relevant Previous Council Decisions:**

Nil.

**Consultation**

Nil

**Budget/Financial Implications**

The internal audit has been conducted using internal resources and there are no other financial impacts for the City.

# 8.2 Internal Audit Actions Log

|  |  |
| --- | --- |
| **Owner** | City of Nedlands |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **CEO** | Mark Goodlet |
| **Attachments** | 1. CONFIDENTIAL – Internal Audit Actions Log |

**Executive Summary**

The attached Internal Audit Actions Log contains details of the matters raised by the auditors during the City’s Internal Audit program. The list apportions information detailing the Log Reference, Audit Name, Original and Revised Due Dates, Action Owner details, Item Status, Status Comments and Rating.

The recently updated internal audit Actions Log is presented to the Audit and Risk Committee for their information.

**Recommendation to Committee**

**The Audit and Risk Committee receives the internal audit Actions Log.**

**Discussion/Overview**

An audit is a process through which internal control effectiveness is examined and assessed. The objective is to provide an audit for compliance with relevant management policies and procedures. Each internal audit undertaken results in actions being recommended to the City’s Administration. These actions are monitored for completion using the internal audit Actions Log.

The attached list contains details of the Actions raised and outcome.

The recently updated internal audit Actions Log is presented to the Audit and Risk Committee for their information.

**Key Relevant Previous Council Decisions:**

Nil.

**Consultation**

Nil.

**Budget/Financial Implications**

Nil.

Any actions requiring expenditure that is not allocated to an existing budget will be considered by Council during budget deliberations.

# 8.3 Annual Compliance Audit Return

|  |  |
| --- | --- |
| **Owner** | City of Nedlands |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **CEO** | Mark Goodlet |
| **Attachments** | 1. Compliance Audit Return 2019 |

**Executive Summary**

The 2019 Compliance Audit Return is an annual return that is required to be reviewed and adopted by Council prior to submission to the Department of Local Government, Sport and Cultural Industries by 31 March 2019. The Audit and Risk Committee are required to review the return and is to submit results for that review to Council.

**Recommendation to Committee**

**The Audit and Risk Committee:**

1. **receives the completed 2019 Annual Compliance Audit Return and review the information and contents of the return**;

1. **report the results of the review to the Council; and**
2. **recommends Council to support the adoption of the 2019 Annual Compliance Audit Return**

**Discussion/Overview**

Local governments are required to complete the annual Compliance Audit Return. The attached return for the City of Nedlands is for the period 1 January 2019 to 31 December 2019. It is required to be considered and adopted by Council, and submitted to the Department of Local Government, Sports and Cultural Industries by 31 March 2020. The Audit and Risk Committee is required to review the return and is to submit the results of that review to Council.

In accordance with Regulation 14 and 15 of the Local Government (Audit) Regulations 1996 the 2019 Annual Compliance Audit Return must be:

1. Presented to the Audit and Risk Committee for review and then presented to Council;
2. Adopted by Council;
3. Recorded in the minutes of the meeting at which it was adopted; and
4. A certified copy of the return, along with a copy of the minutes recording its adoption, to be submitted to the Department by 31 March 2020.

The City’s 2019 Compliance Audit Return was completed in February by Management following a review and assessment of:

* Council meeting agendas and minutes;
* Performance plans, media advertisements, procedures and policies, registers, delegation records, local laws; and
* Interviews with responsible officers.

**Key Relevant Previous Council Decisions:**

Nil.

**Consultation**

The Audit and Risk Committee is required to review the return and is to submit the results of that review to Council.

**Budget/Financial Implications**

The 2019 Compliance Audit Return has been conducted using internal resources and there are no other financial impacts.

# Audit & Risk Committee Dates for 2020

|  |  |
| --- | --- |
| **Owner** | City of Nedlands |
| **Employee Disclosure under *section 5.70 Local Government Act 1995*** | Nil. |
| **Director** | Lorraine Driscoll – Director Corporate & Strategy |
| **CEO** | Mark Goodlet |
| **Attachments** | Nil. |

**Executive Summary**

This report seeks the Audit and Risk Committee’s approval to set the remaining Committee dates for 2020.

**Recommendation to Committee**

**The Audit and Risk Committee agrees to the following Audit and Risk Committee Meetings dates for the remainder of 2020:**

1. **8th June 2020;**
2. **5th October 2020; and**
3. **9th November 2020.**

**Discussion/Overview**

For the Audit and Risk Committee to fulfill its duty to the Council, it must meet several times a year.

In scheduling the remaining meetings for 2020 around key financial and auditing dates the Audit & Risk Committee will be allowing Administration to plan reports around these dates and provide timely information to the Committee.

**Key Relevant Previous Council Decisions:**

There are no relevant previous Council decisions to consider.

**Budget/Financial Implications**

There are no Budget/Financial Implications.

# Confidential Items

Nil.

# Date of next meeting

The date of the next meeting of this Committee is 8 June 2020.

# Declaration of Closure

There being no further business, the Presiding Member will declare the meeting closed.