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***Minutes***

***Audit & Risk Committee Meeting***

***10 February 2020***

**ATTENTION**

**These Minutes are subject to confirmation**

This is a committee which has only made recommendations to Council. No action should be taken on any recommendation contained in these Minutes. The council resolution pertaining to an item will be made at the Ordinary Council Meeting next following this meeting.

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**City of Nedlands**

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

# Declaration of Opening

The Presiding Member declared the meeting open at 5.30 pm and drew 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)

**Councillors** Councillor L J McManus (Presiding Member)

 Her Worship the Mayor, C M de Lacy

 Councillor A W Mangano Dalkeith Ward

Councillor R Senathirajah Melvista Ward

**Staff** Mr M A Goodlet Chief Executive Officer

Mrs L M Driscoll Director Corporate & Strategy

Mr P L Mickleson Director Planning & Development

Mr A Khetani Senior Finance Officer – Governance

Mrs S C Gibson PA to Director Corporate & Strategy

**Invited Guests** Ms A Cheng Moore Stephens

**Public** There were no members of the public present.

**Press** There were no representatives from the press

**Leave of Absence** Councillor B Hodsdon Hollywood Ward

**(Previously Approved)**

**Apologies** Mr 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.

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# Public Question Time

Nil

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

Nil

# Disclosures of Financial Interest

The Presiding Member reminded 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.

There were no disclosures of financial interest.

# Disclosures of Interests Affecting Impartiality

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

There were no disclosures affecting impartiality.

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

Nil.

# Confirmation of Minutes

## Audit & Risk Committee Meeting 14 November 2019

Moved – Councillor Mangano

Seconded – Councillor Senathirajah

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

**CARRIED UNANIMOUSLY 4/-**

# Matters for Which the Meeting May Be Closed

Nil.

# 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
 |

**Regulation 11(da) – Not Applicable – Minor addition requesting report back to the next Committee Meeting.**

Moved – Councillor Senathirajah

Seconded – Mayor de Lacy

**That the Recommendation to Committee be adopted subject to adding the words “has expressed disappointment at some of the” before the words “contents of the report; and” and adds an additional clause 3 as follows:**

1. **notes the actions proposed to ensure assessment of Planning matters are fully compliant and requests the CEO to report back to the next Audit & Risk Meeting on the matter.**

**CARRIED UNANIMOUSLY 4/-**

**Committee Recommendation**

**The Audit and Risk Committee:**

1. **receives the Investigation and Audit report;**
2. **notes the information and has expressed disappointment at some of the contents of the report; and**
3. **notes the action proposed to ensure assessment of Planning matters are fully compliant and requests the CEO to report back to the next Audit & Risk Meeting on the matter.**

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.

**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.

**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.

Mr Mickleson, Director Planning & Development retired from the meeting at 6.29 pm.

# 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  |

**Regulation 11(da) – Not Applicable – Recommendation Adopted**

Moved – Councillor Senathirajah

Seconded – Councillor Mangano

**Committee Recommendation / Recommendation to Committee**

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

**CARRIED UNANIMOUSLY 4/-**

**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.

**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  |

**Regulation 11(da) – Not Applicable – Recommendation Adopted**

Moved – Mayor de Lacy

Seconded – Councillor Senathirajah

**Committee Recommendation / 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.**

**CARRIED UNANIMOUSLY 4/-**

**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.

**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. |

**Regulation 11(da) – Not Applicable – Recommendation Adopted**

Moved – Councillor Senathirajah

Seconded – Councillor Mangano

**Committee Recommendation / 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.**

**CARRIED UNANIMOUSLY 4/-**

**Executive Summary**

This report seeks the Audit and Risk Committee’s approval to set the remaining Committee dates for 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 the Audit & Risk Committee is 8 June 2020.

# Declaration of Closure

There being no further business, the Presiding Member declared the meeting closed 6.57 pm.