



City of Nedlands

Minutes

Audit & Risk Committee Meeting 21 September 2021

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 a meeting of the Audit & Risk Committee held in the Council Chamber, 71 Stirling Highway, Nedlands and Livestreamed on Tuesday 21 September 2021 at 5pm.

Declaration of Opening

The Presiding Member declared the meeting open at 5pm and drew attention to the disclaimer below.

Present and Apologies and Leave of Absence (Previously Approved)

Councillors	Councillor L J McManus	(Presiding Member)
	Councillor R Senathirajah	Melvista Ward
	Councillor A W Mangano	Dalkeith Ward
	Mr S Foley	Community Member

Staff	Mr W R Parker	Chief Executive Officer
	Mr E K Herne	Director Corporate & Strategy
	Mrs N M Ceric	Executive Officer
	Ms R Jahmeerbacus	Manager Financial Services

Invited Guests	Ms M Shafizadeh	Moore Australia, Director Governance & Risk Advisory
	Mr D Vo	Moore Australia, Government & Risk Advisory

Leave of Absence Nil.
(Previously Approved)

Apologies	Councillor J D Wetherall	Hollywood Ward
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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 the Council meeting. Members of the public are also advised to wait for written advice from the CEO, on behalf of Council prior to taking action on any matter that they may have before Council.

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1. 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.

Nil.

2. 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.

Nil.

3. Disclosures of Financial and/or Proximity Interest

The Presiding Member reminded Council Members, Committee Members and Employees 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.

4. Disclosures of Interests Affecting Impartiality

The Presiding Member reminded Council Members, Committee Members and Employees of the requirements of Council's Code of Conduct in accordance with Section 5.103 of the *Local Government Act*.

There were no disclosures of financial interest.

5. Declarations by Council & Committee Members That They Have Not Given Due Consideration to Papers

Nil.

6. Confirmation of Minutes

6.1 Audit & Risk Committee Meeting 30 August 2021

Moved – Councillor Senathirajah
Seconded – Mr Foley

The minutes of the Audit & Risk Committee held 30 August 2021 be confirmed.

CARRIED UNANIMOUSLY 4/-

7. Matters for Which the Meeting May Be Closed

Council, 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.

Committee Members were reminded that should they wish to discuss Confidential attachments it is recommended that they do so behind closed doors.

8. 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.

Closure of Meeting to the Public

Moved – Councillor Senathirajah
Seconded - Councillor Mangano

That the meeting be closed to the public in accordance with Section 5.23 (c) of the Local Government Act 1995 to allow confidential discussion on the following Items.

CARRIED UNANIMOUSLY 4/-

The meeting was closed to the public at 5.03 pm.

8.1 Moore Australia – Internal Audit

Committee	21 September 2021
Council	28 September 2021
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Nil.
Director	Ed Herne – Director Corporate & Strategy
Attachments	Nil.
Confidential Attachments	1. Proposed Internal Audit Plan (Committee request) 2022-2024, 2. Proposed Internal Audit Plan (Management request) 2022-2024.

Regulation 11(da) – The Committee agreed to appoint Moore Australia for a period of three (3) years however, more time is required to prepare the Internal Audit Plan for the year ending 2024. Additionally it was important that the resolution was stand alone and not referring to an attachment.

Moved – Councillor Mangano

Seconded – Councillor McManus

Committee Recommendation

That Council:

- approves the Internal Audit Plan and Moore Australia fee as proposed by management for the year ending 30 June 2022 and 2023 as per the table below:**

Audit Projects for the year ending 30 June 2022		Proposed Hours	Proposed Budget
1	Procurement and planning for the implementation of the new finance system	75	15,500
2	Risk Management (including Fraud and Corruption)	50	10,300
3	Conflict of Interest (including Gifts and Benefits)	50	10,300
4	Occupational Safety and Health	75	15,500
	TOTAL PROPOSED HOURS FOR AUDIT TOPICS	250	51,600
	Audit and Risk Committee Attendance-preparation of report, attendance and validation of internal audit recommendations	75	NIL (value = \$32,300)
	TOTAL PROPOSED HOURS AND FEE	325	51,600
	BLENDED RATE		\$158

Audit Projects for the year ending 30 June 2023		Proposed Hours	Proposed Budget
1	Asset Management	75	15,500
2	Audit and Risk Committee Effectiveness	37.5	7,700
3	Planning approvals- review of potential bias, compliance, approval rates, SAT determinations, historical statistical analysis, benchmarking,	75	15,500
4	Post implementation of the new finance system	75	15,500
5	Workforce Management- Recruitment, Induction, Performance Management, Terminations	75	15,500
	TOTAL PROPOSED HOURS FOR AUDIT TOPICS	337.50	69,700
	Audit and Risk Committee Attendance- preparation of report, attendance and validation of internal audit recommendations	75	NIL (value = \$32,300)
	TOTAL PROPOSED HOURS AND FEE	412.50	69,700
	BLENDED RATE		\$169

2. **approves for Moore Australia to be reappointed as the City's internal auditor for the 3 years ending 30 June 2022 to 30 June 2024; and**
3. **requests Moore Australia to provide the proposed Audit Plan for the year ending 30 June 2024 for the consideration of the Audit & Risk Committee by the 30 June 2022.**

Ms Shafizadeh and Mr Vo left the meeting at 5.35pm.

CARRIED UNANIMOUSLY 4/-

Recommendation to Committee

That Council:

1. approves the Internal Audit Plan recommended by management for the year ending 30 June 2022, 2023, and 2024; and
2. approves for Moore Australia to be reappointed as the City's internal auditor for the 3 years ending 30 June 2022 to 30 June 2024.

Executive Summary

The purpose of this report is to approve the internal audit topics for the year ended 30 June 2022, 2023, and 2024 as recommended by management, and to approve for Moore Australia to be reappointed as the City's internal auditor for the 3 years ended 30 June 2022 to 30 June 2024.

Discussion/Overview

1. Internal Audit Plan for the years ending 2022 - 2024

Following the last Audit and Risk Committee meeting on 30 August 2021, Moore Australia has prepared the internal audit plan for the years ending 30 June 2022 to 30 June 2024 based on topics recommended by the Committee (refer Attachment 1).

With the upcoming ERP implementation now being identified as a KRA for the City, management has considered the workload associated with the audit plan further and its impact on the timing of the ERP implementation and proposed an alternate internal audit plan (refer Attachment 2).

2. Approval for Moore Australia to be reappointed as the City's internal audit provider for the 3 years ending 30 June 2022 to 2024

Moore Australia are seeking approval to continue as the City's internal audit provider to undertake the Strategic Audit Plan for the 3 years ending 30 June 2022 to 2024. The experience and expertise of Moore Australia's key personnel are provided in the proposal to provide internal audit services (refer to Attachments 1 and 2).

Key Relevant Previous Council Decisions:

Nil.

Consultation

Nil.

Strategic Implications

How well does it fit with our strategic direction?

The City of Nedlands relies on internal audit as the third line of defense to provide insight and improvement opportunities to the system of internal control.

Who benefits?

The City will benefit from having a Strategic Internal Audit Plan. This provides a strategic view of the internal audit topics planned for the next year to demonstrate the risks being mitigated by the work performed by the internal audit function, Office of the Auditor General via their financial and performance audit function and what work needs to be performed by the City of Nedlands.

Does it involve a tolerable risk?

The work included within the Strategic Internal Plan aims to reduce the residual risk identified by the City of Nedlands by identifying controls and improvement opportunities.

What level of risk is associated with the option? How can it be managed?

Nil.

Do we have the information we need?

Yes. The Strategic Internal Audit Plan identifies the internal audit topics for the years ending 30 June 2022 to 30 June 2024.

Budget/Financial Implications

Can we afford it?

The internal audit fees for the year ended 30 June 2022 have been included in the budget.

How does the option impact upon rates?

The impact of this option has already been included in the 2021-22 budget.

Conclusion

Therefore, it is recommended that the Audit and Risk Committee approves the internal audit topics recommended by management for the year ended 30 June 2022 to 30 June 2024 and approved the reappointment of Moore Australia as the City's internal audit provider for the 3 years ending 30 June 2022 to 30 June 2024.

Moved - Councillor Mangano
Seconded - Councillor Senathirajah

That the meeting be reopened to members of the public and the press.

CARRIED UNANIMOUSLY 4/-

The meeting was reopened to members of the public at 5.39 pm.

In accordance with Standing Orders 12.7(3) the Presiding Member read out the motions passed by the Committee whilst it was proceeding behind closed doors and the vote of the members to be recorded in the minutes under section 5.21 of the Local Government Act 1995.

Ms Shafizadeh and Mr Vo returned to the meeting at 5.35pm.

9. Urgent Business Approved By the Presiding Member or By Decision

Nil.

10. Confidential Items

Nil.

11. Date of next meeting

The next meeting of the Audit & Risk Committee is to be advised.

Declaration of Closure

There being no further business, the Presiding Member declared the meeting closed at 5.42pm.