



City of Nedlands

Agenda

Audit & Risk Committee Meeting

14 May 2018

Dear Committee Member

The next meeting of the Audit & Risk Committee will be held on Monday, 14 May 2018 in the Meeting Room at the City of Nedlands Council Administration Building located at 71 Stirling Highway, Nedlands commencing at 4pm.

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.

Greg Trevaskis
Chief Executive Officer
7 May 2018

Table of Contents

Declaration of Opening	3
Present and Apologies and Leave of Absence (Previously Approved)	3
1. Public Question Time	3
2. Addresses By Members of the Public (only for items listed on the agenda)	4
3. Disclosures of Financial Interest	4
4. Disclosures of Interests Affecting Impartiality	4
5. Declarations by Members That They Have Not Given Due Consideration to Papers	4
6. Confirmation of Minutes	5
6.1 Audit & Risk Committee Meeting 22 February 2018	5
7. Items for Discussion	5
7.1 BDO Audit – Financial Application Control Review	6
7.2 BDO Audit – Financial Processes Review	7
7.3 State Records Commission – Amended Recordkeeping Plan RKP	9
7.4 Internal Auditor Appointment	11
8. Confidential Items	13
8.1 Relationship with key supplier Civica Pty Limited	13
9. Date of next meeting	13
Declaration of Closure	13

City of Nedlands

Notice of a meeting of the Audit & Risk Committee to be held in the Meeting Room at the City of Nedlands on Monday 14 May 2018 at 4pm.

Audit & Risk Committee Agenda

Declaration of Opening

The Presiding Member will declare the meeting open at 4:00pm 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 None at distribution of agenda.
(Previously Approved)

Apologies

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.

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 direct afterwards.

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

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.

3. 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.

4. 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.

5. 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.

6. Confirmation of Minutes

6.1 Audit & Risk Committee Meeting 22 February 2018

The minutes of the Audit & Risk Committee held 22 February 2018 are to be confirmed.

7. 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.

7.1 BDO Audit – Financial Application Control Review

Owner	City of Nedlands
Officer	Andrew Melville - Manager Health & Compliance
Director	Lorraine Driscoll – Director Corporate & Strategy
Disclosure of Interest	No officer involved in the preparation of this report had any interest which required it to be declared in accordance with the provisions of the Local Government Act (1995).
Attachments	1. BDO Audit (WA) Pty Ltd – Financial Application Control Review

Executive Summary

BDO Audit (WA) Pty Ltd are the City’s appointed Internal Auditors. As part of an agreed Internal Audit plan, BDO Audit (WA) Pty Ltd have conducted a number of internal audits across various business areas within the City. This report seeks to provide the Committee with an update on the findings of the Financial Application Control Review.

Recommendation to the Audit and Risk Committee

The Audit and Risk Committee receives the Financial Application Control Review and notes the finding and recommendation of the Audit and the actions proposed by Administration.

Background

BDO Audit (WA) Pty Ltd are the City’s appointed Internal Auditors and in accordance with the 2017/18 Internal Audit Annual Plan have facilitated a Review of the City’s financial application control processes.

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. The assessment is conducted with input from city personnel and is facilitated by the BDO Audit Team.

The attached report contains details of the issues raised and management’s comments.

The Financial Application Control Review is presented to the Audit and Risk Committee for their information.

7.2 BDO Audit – Financial Processes Review

Owner	City of Nedlands
Officer	Andrew Melville – Manager Health and Compliance
Director	Lorraine Driscoll – Director Corporate & Strategy
Disclosure of Interest	No officer involved in the preparation of this report had any interest which required it to be declared in accordance with the provisions of the Local Government Act (1995).
Attachments	1. City of Nedlands Financial Processes Review

Executive Summary

The attached Financial Processes Review report contains details of the issues raised in a recent Audit completed by BDO, the City’s internal Auditors and also includes management’s comments.

The Financial Processes Review is presented to the Audit and Risk Committee for their information.

Recommendation to Committee

The Audit and Risk Committee receives the Financial Processes Review and notes the finding and recommendation of the Audit and the actions proposed by Administration.

Discussion/Overview

BDO Audit (WA) Pty Ltd are the City’s appointed Internal Auditors and in accordance with the 2017/18 Internal Audit Annual Plan have facilitated a Review of the City’s financial processes.

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. The assessment is conducted with input from city personnel and is facilitated by the BDO Audit Team.

The attached report contains details of the issues raised and management’s comments.

The Financial Processes Review 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.

7.3 State Records Commission – Amended Recordkeeping Plan RKP

Owner	City of Nedlands
Director	Lorraine Driscoll – Director Corporate & Strategy
Disclosure of Interest	No officer involved in the preparation of this report had any interest which required it to be declared in accordance with the provisions of the Local Government Act (1995).
Attachments	1. Letter from State Records Commission regarding Amended Recordkeeping Plan RKP 2018005

Executive Summary

At the Audit and Risk Committee meeting of 22nd February 2018 we advise the Committee of the work we had completed on the City’s Recordkeeping Plan 2018. This report provides an update on the process.

Recommendation to Committee

The Audit and Risk Committee notes this report.

Discussion/Overview

At the end of December 2017, the City submitted its Record Keeping Plan 2018 (*State Records Act 2000*) to the State Records Office for review.

The plan contains, a comprehensive review and documentation of its Information Management system, processes, policies and procedures. It reflects the significant changes and improvements that have taken place during the past few years.

We are pleased to advise that the plan has been approved by the State Records Commission, with the a recognition that the City has made a strong commitment to address the small number of improvements recommended by the Commission.

In accordance with the State Records Act 2000, the plan is to be reviewed within five years of its approval date and is due to be submitted by 23 March 2023.

Key Relevant Previous Council Decisions:

Nil

Consultation

Detailed conversations were held with Professor Joseph at Curtin University and representatives from the State Records Office.

Budget/Financial Implications

Engagement of a records expert at a total cost of \$3784, this was absorbed in the budget allocated to Information Management.

7.4 Internal Auditor Appointment

Owner	City of Nedlands
Officer	Andrew Melville – Manager Health and Compliance
Director	Lorraine Driscoll – Director Corporate & Strategy
Disclosure of Interest	No officer involved in the preparation of this report had any interest which required it to be declared in accordance with the provisions of the Local Government Act (1995).
Attachments	There were no attachments for this report.

Executive Summary

This report is to advise the Audit and Risk Committee of the Chief Executive Officer's recent appointment of Moore Stephens (WA) Pty. Ltd to undertake the City's Internal Audit program for a period of 3 years, commencing 1 July 2018.

Recommendation to Committee

The Audit and Risk Committee notes that the City of Nedlands has appointed Moore Stephens (WA) Pty. Ltd. to undertake the City's Internal Audit program for a period of 3 years, commencing 1 July 2018.

Discussion/Overview

Moore Stephens (WA) Pty Ltd have been recently appointed by the Chief Executive Officer to undertake the City of Nedlands' Internal Audit program for a period of 3 years commencing 1 July 2018.

Moore Stephens (WA) Pty. Ltd. has a 30 year history of providing services to local government in Western Australia. They have completed works of a similar nature previously and their submission provided a good understanding of the methodology required to complete the required works.

This appointment follows the release of a Request for Quote (RFQ 2017/18.14) that was issued by the City, requesting that submissions be made for the supply of internal audit services. The request was emailed to three competent organisations on 2 February 2018 and closed on 2 March 2018 at 5pm.

Moore Stephens (WA) Pty. Ltd. was the sole quoter to make a submission to the City in response to the request.

The submission was assessed by 3 staff at the city in accordance with the qualitative criteria which included:

- Key Personnel, Skills and Experience;
- Organisational Capabilities;
- Performance; and
- Price.

A plan will be developed with advice from the Chief Executive Officer in the coming weeks to determine Audit priorities over the next 3 years.

Key Relevant Previous Council Decisions:

Nil

Consultation

Nil

Budget/Financial Implications

The price quoted was within the City's existing budget parameters and will require ongoing consideration annually in accordance with the annual budget process.

8 Confidential Items

8.1 Relationship with key supplier Civica Pty Limited

Confidential report circulated to Committee Members.

9 Date of next meeting

The date of the next meeting of this Committee is to be advised.

Declaration of Closure

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