

FRIDAY, 27 MARCH 2015

'With the consent of the Committee on Friday 27 March 2015, (Decision 21\3171) all Decisions and Supporting Documents were moved from the Confidential Section of Council's Minutes into the Open Section.

CITY OF DARWIN

MINUTES OF THE RISK MANAGEMENT & AUDIT COMMITTEE HELD IN MEETING ROOM 1, CIVIC CENTRE, HARRY CHAN AVENUE ON FRIDAY, 27 MARCH 2015 COMMENCING AT 9.00 AM.

PRESENT: Mr Iain Summers (Chairman); Member R M Knox; Member S J Niblock; Mr Craig Spencer.

OFFICERS: Chief Executive Officer, Mr Brendan Dowd; General Manager Corporate Services, Dr Diana Leeder; Executive Manager, Mr M Blackburn; Team Coordinator Risk Audit & Safety, Mr Tony Simons; Manager Climate Change & Environment, Ms S Gamble; Records Manager, Mr K Sohl; Finance Manager, Mr Miles Craighead; Committee Administrator, Mrs P Hart.

APOLOGY: Member R K Elix.

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1. MEETING DECLARED OPEN

The Chairman declared the meeting open at 9.04 am.

2. APOLOGIES AND LEAVE OF ABSENCE

2.1 Apologies

Nil

2.2 Leave of Absence Granted

(Knox/Niblock)

THAT it be noted Member R K Elix is an apology due to a Leave of Absence previously granted on 24 February 2015, for the period 24 March 2015 to 30 March 2015.

DECISION NO.21\3151

(27/03/15)

Carried

2.3 Leave of Absence Requested

Nil

3. DECLARATION OF INTEREST OF MEMBERS AND STAFF

3.1 Declaration of Interest by Members

Nil

3.2 Declaration of Interest by Staff

Nil



4. CONFIDENTIAL ITEMS

4.1 Closure to the Public for Confidential Items

Common No. 1944604

(Niblock/Knox)

COMMITTEE'S DECISION

THAT pursuant to Section 65(2) of the Local Government Act and Regulation 8 of the Local Government (Administration) Regulations the meeting be closed to the public to consider the following Items:-

<u>Item</u>	<u>Regulation</u>	<u>Reason</u>
7.1	8(c)(iv)	information that would, if publicly disclosed, be likely to prejudice the interests of the council or some other person
9.1-9.14	8(c)(iv)	information that would, if publicly disclosed, be likely to prejudice the interests of the council or some other person

DECISION NO.21\3152

(27/03/15)

Carried

5. CONFIRMATION OF MINUTES PERTAINING TO THE PREVIOUS RISK MANAGEMENT & AUDIT COMMITTEE MEETING

5.1 Risk Management & Audit Committee Meeting held on Friday, 7 March 2014

(Summers/Niblock)

COMMITTEE'S DECISION

THAT the minutes of the previous Confidential Risk Management & Audit Committee Meeting held on Friday, 07 March 2014, tabled by the Chairman, be received and confirmed as a true and correct record of the proceedings of that meeting.

DECISION NO.21\3153

(27/03/15)

Carried

5.2 Risk Management & Audit Committee Meeting held on Friday, 31 October 2014

(Niblock/Knox)

COMMITTEE'S DECISION

THAT the minutes of the previous Open Risk Management & Audit Committee Meeting held on Friday, 31 October 2014, tabled by the Chairman, be received and confirmed as a true and correct record of the proceedings of that meeting.

DECISION NO.21\3154

(27/03/15)

Carried



6. BUSINESS ARISING FROM THE MINUTES PERTAINING TO THE PREVIOUS RISK MANAGEMENT & AUDIT COMMITTEE MEETING

6.1 Business Arising

The Committee was advised that the committee evaluation process is on track to be presented to the May 2015 Risk Management & Audit Committee Meeting.

7. INFORMATION ITEMS

7.1 Review of Outstanding Audit Issues Register Common No. 422690

(Knox/Niblock)

COMMITTEE'S DECISION

THAT the Committee resolve under delegated authority:-

- A. THAT the Outstanding Audit Issues Register as at 12 March 2015, be received and noted.
- B. THAT the revised due date for Outstanding Audit Issue No. 140 be May 2015.

DECISION NO.21\3155

(27/03/15)

Carried

ACTION: EA TO GM CORP

8. ACTION ITEMS

Nil

9. OFFICERS REPORTS

9.1 Progress of Control Self-Assessment Report No. 15A0021 TS:mp (27/03/15) Common No. 1536877

(Niblock/Knox)

COMMITTEE'S DECISION

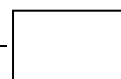
THAT the Committee resolve under delegated authority:

THAT Report Number 15A0021 TS:mp entitled Progress of Control Self-Assessment, be received and noted.

DECISION NO.21\3156

(27/03/15)

Carried



9.2 Progress of Risk Management Framework

Report No. 15A0020 TS:mp (27/03/15) Common No. 2363571

(Knox/Niblock)

COMMITTEE'S DECISION

THAT the Committee resolve under delegated authority:

THAT Report Number 15A0020 TS:mp entitled Progress of Risk Management Framework, be received and noted.

DECISION NO.21\3157

(27/03/15)

Carried

9.3 Audit Closing Report 2014 - Management Response

Report No. 15A0039 MC:mp (27/03/15) Common No. 2251082

(Niblock/Knox)

COMMITTEE'S DECISION

THAT the Committee resolve under delegated authority:

A. THAT Report Number 15A0039 MC:mp entitled Audit Closing Report 2014 - Management Response, be received and noted.

B. THAT the Committee note the proposal that the current format of the "Management Discussion and Analysis" be replaced with an executive summary that might include frequently asked questions.

DECISION NO.21\3158

(27/03/15)

Carried

ACTION: MANAGER FINANCE

9.4 Audited Financial Statements for the Year Ended 30 June 2013 - Outstanding Issues

Report No. 15A0043 MC:mp (27/03/15) Common No. 2527584

(Knox/Niblock)

COMMITTEE'S DECISION

THAT the Committee resolve under delegated authority:

A. THAT Report Number 15A0043 MC:mp entitled Audited Financial Statements for the Year Ended 30 June 2013 - Outstanding Issues, be received and noted.

B. THAT Outstanding Audit Issue 141 be amended to the status of complete.

DECISION NO.21\3159

(27/03/15)

Carried

ACTION: EA TO GM CORP
NOTE: MANAGER FINANCE, GM CORP



9.5 Progress Report On Outstanding Audit Issue 142

Report No. 15A0038 LC:mp (27/03/15) Common No. 1536877

(Niblock/Knox)

COMMITTEE'S DECISION

THAT the Committee resolve under delegated authority:

- A. THAT Report Number 15A0038 LC:mp entitled Progress Report on Outstanding Audit Issue 142, be received and noted.
- B. THAT Outstanding Audit Issue 142 be transferred to the completed audit issues register.

DECISION NO.21\3160

(27/03/15)

Carried

ACTION: EA TO GM CORP

NOTE: MANAGER BUSINESS SERVICES, GM CORP

9.6 Depreciation Expense 2015

Report No. 15A0034 DL:mp (27/03/15) Common No. 2999553

(Niblock/Knox)

COMMITTEE'S DECISION

THAT the Committee resolve under delegated authority:

- A. THAT Report Number 15A0034 DL:mp entitled Depreciation Expense 2015, be received and that the Committee noted the effect that the revaluations will have on the depreciation charge in 2014/15.
- B. THAT the Committee note that a report will be prepared on Depreciation Expense 2015 for the Corporate & Economic Development Committee.

DECISION NO.21\3161

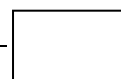
(27/03/15)

Carried

ACTION: MANAGER FINANCE

NOTE: GM CORP

Mr Craig Spencer joined the meeting at 10.27 am.



9.7 Assessment of Asset Management Processes - Deloitte 2014

Report No. 15A0040 MC:mp (27/03/15) Common No. 1713107

(Niblock/Knox)

COMMITTEE'S DECISION

THAT the Committee resolve under delegated authority:

- A. THAT Report Number 15A0040 MC:mp entitled Assessment of Asset Management Processes - Deloitte 2014, be received and noted.
- B. THAT Management agreed recommendations not yet completed be added to the Outstanding Audit Issues Register (with the exception of the table on minor matters).
- C. THAT the following Outstanding Audit Issues be removed from the register as they are covered by the more up to date Deloitte assessment of asset management processes which will provide an improved focus:
 - a. Outstanding Audit Issue 116 "Asset Management & Financial Sustainability Review" (stemming from Access Economics and Jeff Roorda & Associates reviews).
 - b. Outstanding Audit Issue 137 Asset Management Plan – originally part of Outstanding Audit Issue 116.
- D. THAT a presentation on the Asset Finda system and its relationship with Map Info and Authority come to the Committee in May 2015.

DECISION NO.21\3162

(27/03/15)

Carried

ACTION: EA TO GM CORP, MANAGER FINANCE

9.8 Outstanding Audit Issue 122 - Review of Fraud Management Arrangements

Report No. 15A0041 MC:mp (27/03/15) Common No. 2862013

(Niblock/Spencer)

COMMITTEE'S DECISION

THAT the Committee resolve under delegated authority:

- A. THAT Report Number 15A0041 MC:mp entitled Outstanding Audit Issue 122 - Review of Fraud Management Arrangements, be received and noted.
- B. THAT the Outstanding Audit Issues Register be amended to have a completion date of 31 October 2015 for Outstanding Audit Issue 122 – Review of Fraud Management Arrangements item 2.2.5 (1.2.4).

DECISION NO.21\3163

(27/03/15)

Carried

ACTION: MANAGER FINANCE, EA TO GM CORP



9.9 Report on Records Management Review

Report No. 15A0031 KS:mp (27/03/15) Common No. 3027964

Records Manager Mr K Sohl was in attendance from 10.53 am.

(Knox/Spencer)

COMMITTEE'S DECISION

THAT the Committee resolve under delegated authority:

- A. THAT Report Number 15A0031 KS:mp entitled Report on Records Management Review, be received and noted.
- B. THAT the Committee note that the actions relate more specifically to operational issues and business re-engineering for the Records Management Unit and not relate to internal control issues per se.
- C. THAT the implementation of actions be managed through the Chief Officers' Group, the General Manager Corporate Services and the Records Manager.
- D. THAT any risk and control issues identified during the implementation, the review of the Records Management Unit and the implementation of the new version of Council's Corporate Information System ECM be added to the Corporate Services operational risk assessment and be presented to the committee as part of the continuing review of risk management processes.
- E. THAT Outstanding Audit Issue 142 (Corporate Information A, B and C) be transferred to the completed audit register.
- F. THAT the implementation timeline of the identified projects to deal with the internal audit issues be presented to the May 2015 meeting.

DECISION NO.21\3164

(27/03/15)

Carried

ACTION: MANAGER RECORDS, EA TO GM CORP
NOTE: GM CORP



9.10 Outstanding Audit Issue No. 143 - Environmental Management System Assessment

Report No. 14TS0257 SG:nj (27/03/15) Common No. 1713107

Manager Climate Change & Environment Ms S Gamble was in attendance from 11.01 am.

(Knox/Niblock)

COMMITTEE'S DECISION

THAT the Committee resolve under delegated authority:

- A. THAT Report Number 14TS0257 SG:nj entitled Outstanding Audit Issue No. 143 – Environmental Management System Assessment, be received and noted.
- B. THAT Outstanding Audit Issue No. 143, Sections 3.1, 3.2, 3.9 and 3.10 be moved to the Completed Audit Issues Register.
- C. THAT the Outstanding Audit Issue Register be amended to have a completion date of July 2015 for Outstanding Audit Issue No. 143, Section 3.3 and 3.4.

DECISION NO.21\3165

(27/03/15)

Carried

ACTION: EA TO GM CORP
NOTE: MANAGER CLIMATE CHANGE & ENVIRONMENT

9.11 Progress Report on the Internal Audit Plan

Report No. 15A0019 TS:mp (27/03/15) Common No. 1536877

(Spencer/Knox)

COMMITTEE'S DECISION

THAT the Committee resolve under delegated authority:

- A. THAT Report Number 15A0019 TS:mp entitled Progress Report on the Internal Audit Plan, be received and noted.
- B. THAT **Attachment B** to Report Number 15A0019 TS:mp, the amended Internal Audit Plan for 2014/15, be approved except that the Fleet & Fuel Rebate internal audit should be removed as it does not have a clear link to the risk registers; and noting that the Credit Card Management Audit has been removed as all items have been addressed in a recent procurement audit.
- C. THAT the committee invites Management to propose an alternate risk register based internal audit topic.

DECISION NO.21\3166

(27/03/15)

Carried

ACTION: TEAM COORDINATOR RISK AUDIT & SAFETY



9.12 Internal Audit - Council Decisions

Report No. 15TC0020 MB:mp (27/03/15) Common No. 3035180

Executive Manager Mr M Blackburn was in attendance from 11.26 am.

(Niblock/Spencer)

COMMITTEE'S DECISION

THAT the Committee resolve under delegated authority:

- A. THAT Report Number 15TC0020 MB:as entitled, Internal Audit - Council Decisions be received and noted.
- B. THAT the Risk Management and Audit Committee note the management response to the summary of opportunities to improve control design and framework, and compliance matters as listed in **Attachment B** to Report Number 15TC0020 MB:as entitled, Internal Audit - Council Decisions.
- C. THAT items 1 – 3 inclusive be managed through the upgrade of ECM.
- D. THAT items 4, 6 and 7 not be transferred to the Outstanding Audit Issues Register as they either of a minor nature or have been implemented.
- E. THAT item 5 be transferred to the Outstanding Audit Issues Register.

DECISION NO.21\3167

(27/03/15)

Carried

ACTION: EA TO GM CORP
NOTE: EXECUTIVE MANAGER

9.13 Internal Audit - Elected Members Allowances

Report No. 15TC0021 MB:as (27/03/15) Common No. 1555141

(Knox/Spencer)

COMMITTEE'S DECISION

THAT the Committee resolve under delegated authority:

- A. THAT Report Number 15TC0021 MB:as entitled, Internal Audit - Elected Members Allowances, be received and noted.
- B. THAT the Risk Management and Audit Committee note the management response to the summary of opportunities to improve control design and framework, and compliance matters as listed in **Attachment B** to Report Number 15TC0021 MB:as entitled, Internal Audit – Elected Members Allowances.
- C. THAT items 1, 3 and 4 not be transferred to the Outstanding Audit Issues Register as they are of minor nature.

DECISION NO.21\3168

(27/03/15)

Carried

ACTION: EA TO GM CORP
NOTE: EXECUTIVE MANAGER



9.14 Outstanding Audit Issue No. 139 - Assessment of Procurement Processes
Report No. 15A0042 MC:mp (27/03/15) Common No. 1536877

(Niblock/Spencer)

COMMITTEE'S DECISION

THAT the Committee resolve under delegated authority:-

- A. THAT Report Number 15A0042 MC:mp entitled Outstanding Audit Issue No. 139 - Assessment of Procurement Processes, be received and noted.
- B. THAT Outstanding Audit Issue No. 139, items 3.3.6 a-b relating to small suppliers and events planning be transferred to the completed audit issues register as it is already recorded in operating procedures.
- C. THAT Outstanding Audit Issue No. 139 item 3.4.2 a, credit card policy/procedure improvements be amended to completed status.

DECISION NO.21\3169

(27/03/15)

Carried

ACTION: EA TO GM CORP
NOTE: MANAGER FINANCE

10. GENERAL BUSINESS

10.1 Risk Management & Audit Committee Operation
Common No. 2989430

(Summers/Niblock)

THAT the Risk Management & Audit Committee will operate consistent with all other Council committees and that the Terms of Reference be updated to reflect this.

DECISION NO.21\3170

(27/03/15)

Carried

ACTION: EA TO GM CORP, CA

11. MOVING OF CONFIDENTIAL DECISIONS & SUPPORTING DOCUMENTS AFTER DISCUSSION

(Spencer/Knox)

THAT all decisions and supporting documents from this, the Risk Management & Audit Committee held on Friday, 27 March 2015, be moved into Open.

DECISION NO.21\3171

(27/03/15)

Carried



Risk Management & Audit Committee Meeting – Friday, 27 March 2015

12. CLOSURE OF MEETING

The meeting closed at 12.09 pm.

**MR IAIN SUMMERS
(CHAIRMAN) – RISK
MANAGEMENT &
AUDIT COMMITTEE
MEETING – FRIDAY,
27 MARCH 2015**

Confirmed On: *Friday, 29 May 2015*

Chairman: _____

