



CITY OF VINCENT

MINUTES

Audit Committee

4 May 2021

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**MINUTES OF CITY OF VINCENT
AUDIT COMMITTEE
HELD AS E-MEETING AND AT THE
ADMINISTRATION AND CIVIC CENTRE
244 VINCENT STREET, LEEDERVILLE
ON TUESDAY, 4 MAY 2021 AT 1.00PM**

PRESENT:	Mr Conley Manifis	Independent External Member (Chair) (electronically, left at 3.00pm during item 6.1)
	Cr Joshua Topelberg	South Ward
	Cr Ashley Wallace	South Ward
	Mr Robert Piper	Independent External Member (electronically)
at	Cr Susan Gontaszewski	South Ward (electronically, left meeting 2.55pm during item 6.1)
	Mr Aaron Smith	Independent External Member (electronically)
IN ATTENDANCE:	David MacLennan	Chief Executive Officer
	Virginia Miltrup	Executive Director Community & Business Services
	Andrew Murphy	Executive Director Infrastructure & Environment
	Vanisha Govender	Executive Manager Financial Services
	Jordan Koroveshi	A/Executive Manager Corporate Strategy & Governance
	Emily Williams	Senior Land and Legal Advisor
	Wendy Barnard	Council Liaison Officer

1 INTRODUCTION AND WELCOME

The Presiding Member, Conley Manifis, declared the meeting open at 1.01pm and read the following Acknowledgement of Country statement:

“The City of Vincent would like to acknowledge the Traditional Owners of the land, the Whadjuk people of the Noongar nation and pay our respects to Elders past, present and emerging”.

2 APOLOGIES / MEMBERS ON APPROVED LEAVE OF ABSENCE

Cr Dan Loden was an apology at this meeting.

3 DECLARATIONS OF INTEREST

Conley Manifis declared an impartiality interest. The extent of his interest is that his company is contracted by the Office of the Auditor General to complete external audits. He also declared that he does work for the Town of Bassendean.

4 CONFIRMATION OF MINUTES

COMMITTEE DECISION

Moved: Cr Gontaszewski, Seconded: Mr Smith

That the minutes of the Audit Committee held on 2 March 2021 be confirmed.

CARRIED UNANIMOUSLY (6-0)

For: Mr Manifis, Cr Topelberg, Cr Wallace, Mr Piper, Cr Gontaszewski and Mr Smith

Against: Nil

(Cr Loden was an apology for the Meeting.)

5 BUSINESS ARISING

5.2 AMENDMENTS TO THE CITY'S RISK MANAGEMENT POLICY AND PROCEDURE

- Attachments:
1. Risk Management Policy - amended (in mark-up) 
 2. Risk Management Procedure - draft 

RECOMMENDATION:

That the Audit Committee recommends to Council that it:

1. APPROVES the amendments to the City's Risk Management Policy, as at Attachment 1, which will be subject to public notice and formal adoption by Council; and
2. NOTES the new Risk Management Procedure as at Attachment 2.

Moved: Cr Topelberg, **Seconded:** Ms Gontaszewski

That the recommendation be adopted.

Administration note: a number of amendments were proposed to the Risk Management Policy during discussion of this item, including:

1. under the section of the Policy titled 'Policy', an additional point be added as follows:

'Ensure that an appropriate level of expertise is sought in relation to risk classification.'
2. an additional heading is inserted in the Policy titled 'Implementation' with the following content:
'Any changes to this Policy will be applied to the City's existing Risk Register within 60 days of the Policy being amended.'
3. in the Risk Classification Matrix at Attachment 2 of the Policy, the proposed amendment from High to Medium risk under the catastrophic column should not proceed and the risk should remain as High.

These amendments will be made to the Policy for presentation at the next meeting.

DEFERRED

Moved: Cr Gontaszewski, **Seconded:** Cr Topelberg

That the motion be deferred until the probability timescale classification in the likelihood table can be clarified.

CARRIED UNANIMOUSLY (6-0)

For: Mr Manifis, Cr Topelberg, Cr Wallace, Mr Piper, Cr Gontaszewski and Mr Smith

Against: Nil

(Cr Loden was an apology for the Meeting.)

5.1 REVIEW OF THE CITY'S CORPORATE RISK REGISTER

- Attachments:
1. Corporate Risk Register - as at 8 October 2020 
 2. Corporate Risk Register - Confidential Items - Confidential

RECOMMENDATION:

That the Audit Committee recommends to Council that it:

1. RECEIVES the City's Corporate Risk Register as at 8 October 2020, at Attachment 1; and
2. APPROVES the proposed risk management actions for the high and extreme risks.

Moved: Cr Gontaszewski, Seconded: Cr Wallace

That the recommendation be adopted.

AMENDMENT

Moved: Mr Piper, Seconded: Mr Smith

That the recommendation be amended as follows:

RECEIVES the City's Corporate Risk Register as at 8 October 2020, at Attachment 1 **with the following amendment;**

That the City undertake a reassessment of the risks associated with the 3 grandstand structures (Leederville Oval, Litis Stadium and Beatty Park) using the broader consequence types, specifically to include people (safety) and reputation and present the findings to the next Audit Committee meeting; and

AMENDMENT CARRIED (6-0)

For: Mr Manifis, Cr Topelberg, Cr Wallace, Mr Piper, Cr Gontaszewski and Mr Smith

Against: Nil

(Cr Loden was an apology for the Meeting.)

COMMITTEE DECISION ITEM 5.1

That the Audit Committee recommends to Council that it:

1. RECEIVES the City's Corporate Risk Register as at 8 October 2020, at Attachment 1 with the following amendment;

That the City undertake a reassessment of the risks associated with the 3 grandstand structures (Leederville Oval, Litis Stadium and Beatty Park) using the broader consequence types, specifically to include people (safety) and reputation and present the findings to the next Audit Committee meeting; and

2. APPROVES the proposed risk management actions for the high and extreme risks.

CARRIED UNANIMOUSLY (6-0)

For: Mr Manifis, Cr Topelberg, Cr Wallace, Mr Piper, Cr Gontaszewski and Mr Smith

Against: Nil

(Cr Loden was an apology for the Meeting.)

5.3 INTERNAL AUDIT PROGRAM 2021/22 - 2023/24

Attachments: 1. Internal Audit Program 2021/22 - 2023/24 - draft 

RECOMMENDATION:

That the Audit Committee recommends to Council that it:

1. APPROVES the Internal Audit Program 2021/22 – 2023/24, as at Attachment 1; and
2. NOTES that the Chief Executive Officer will engage a suitably qualified auditor to undertake the audits in accordance with the Internal Audit Program 2021/22 – 2023/24.

Moved: Cr Gontaszewski, Seconded: Mr Piper

That the recommendation be adopted.

AMENDMENT

Moved: Mr Piper, Seconded: Cr Gontaszewski

That a recommendation be added as follows:

3. REQUESTS the City engage a safety risk expert to complete an independent assessment of risk controls currently in place for the 3 grandstand facilities (Leederville Oval, Litis Stadium and Beatty Park) and present the findings to the next Audit Committee meeting.

AMENDMENT CARRIED (6-0)

For: Mr Manifis, Cr Topelberg, Cr Wallace, Mr Piper, Cr Gontaszewski and Mr Smith

Against: Nil

(Cr Loden was an apology for the Meeting.)

COMMITTEE DECISION ITEM 5.3

That the Audit Committee recommends to Council that it:

1. APPROVES the Internal Audit Program 2021/22 – 2023/24, as at Attachment 1; and
2. NOTES that the Chief Executive Officer will engage a suitably qualified auditor to undertake the audits in accordance with the Internal Audit Program 2021/22 – 2023/24.
3. REQUESTS the City engage a safety risk expert to complete an independent assessment of risk controls currently in place for the 3 grandstand facilities (Leederville Oval, Litis Stadium and Beatty Park) and present the findings to the next Audit Committee meeting.

CARRIED UNANIMOUSLY (6-0)

For: Mr Manifis, Cr Topelberg, Cr Wallace, Mr Piper, Cr Gontaszewski and Mr Smith

Against: Nil

(Cr Loden was an apology for the Meeting.)

5.4 AUDITOR GENERAL'S APPLICATION CONTROLS AUDITS 2021

Attachments: Nil

RECOMMENDATION:

That the Audit Committee recommend to Council that it:

- 1. NOTES the findings from Office of the Auditor General's Application Controls Audit 2021.**

COMMITTEE DECISION ITEM 5.4

Moved: Cr Topelberg, Seconded: Cr Wallace

That the recommendation be adopted.

CARRIED UNANIMOUSLY (6-0)

For: Mr Manifis, Cr Topelberg, Cr Wallace, Mr Piper, Cr Gontaszewski and Mr Smith

Against: Nil

(Cr Loden was an apology for the Meeting.)

5.5 REVIEW OF THE CITY'S AUDIT LOG

- Attachments:
1. Audit Log as at 27 April 2021 
 2. Confidential Audit Log as at 27 April 2021 - Confidential

RECOMMENDATION:

That the Audit Committee recommends to Council that it:

1. NOTES the status of the City's Audit Log as at 27 April 2021, at Attachment 1 and as summarised in the table below;
2. NOTES that the completion date for the below items was previously extended:
 - 2.1 EA:2020/10 (1) (a) and (b) Office of the Auditor General Information Systems Audit – Confidential – extended from February 2021 to August 2021 and now on track for completion;
 - 2.2 EA:2020/10 (11) Office of the Auditor General Information Systems Audit – Confidential – extended from January 2021 to August 2021 and now on track for completion; and
 - 2.3 EA:2020/10 (12) Office of the Auditor General Information Systems Audit – Confidential – extended from February 2021 to December 2021, as it has been planned as a staged approach.
3. APPROVES the amendment to the proposed completion date for the following items:
 - 3.1 EA:2019/7 Office of the Auditor General's Performance Audit 2019 - Fraud Prevention in Local Government - Findings and Recommendations – was proposed for closure at the 2 March 2021 meeting but reinstated until training has been completed. Due for completion May 2021; and
 - 3.2 EA:2020/10 (20) Office of the Auditor General Information Systems Audit – Business Continuity Plan – Testing was extended from March 2021 to April 2021 and now on track for completion.

COMMITTEE DECISION ITEM 5.5

Moved: Cr Wallace, **Seconded:** Mr Piper

That the recommendation be adopted.

CARRIED UNANIMOUSLY (6-0)

For: Mr Manifis, Cr Topelberg, Cr Wallace, Mr Piper, Cr Gontaszewski and Mr Smith

Against: Nil

(Cr Loden was an apology for the Meeting.)

5.6 REVIEW OF OFFICE OF THE AUDITOR GENERAL'S REGULATION OF CONSUMER FOOD SAFETY BY THE DEPARTMENT OF HEALTH

Attachments: Nil

The scope of the audit and recommendations are specific to the Department of Health, not Local Government. The City has no response to provide.

5.7 REPORT ON THE NON-STRUCTURAL RISKS ASSOCIATED WITH THE CITY'S AGEING SPORTING INFRASTRUCTURE ASSETS**Attachments: Nil**

This report will be presented to the 29 June 2021 Audit Committee Meeting. The reason for the delay is that a lack of resources, coupled with a high workload, meant it was not possible to compile the required information in time for the 4 May 2021 meeting.

6 GENERAL BUSINESS

6.1 E-Permit privacy review

The new E-Permits system raised the broader issue of the City's holding of personal information of residents and their guests. Some residents who are eligible for parking permits had queried how the data was kept, maintained and deleted.

The CEO advised that vehicle movements are not tracked by the E-Permits system. Rangers use the system to check if a license plate is registered for a valid permit.

There was discussion on the City's recent decision to use the Australian Privacy Principles (APPs) to guide access, use, disclosure and retention of personal information collected by the City. This currently includes a review of some ePermits procedures and how the software vendor stores and disposes of data collected.

The City will use the APP for a privacy framework review, including policy redevelopment, nomination of Privacy Officers and staff training and awareness of privacy principles.

6.2 Tender evaluation and assessment process

Elected Members have requested that when large tenders are presented to Council for approval, the top three potential tenders' evaluation information is attached to the Agenda. The City's current procedure for submitting tender evaluations to Council has been reviewed to WALGA who confirmed that it is in line with best practice.

It was requested that the City contact the Department of Local Government, Sport and Cultural Industries for further advice on tender evaluation and what information should be provided to Council. A report on the tender process, paperwork and assessment should be submitted to the next Audit Committee meeting.

6.3 Next meeting

Cr Topelberg and Cr Gontaszewski will be on leave of absence for the next meeting. The City is to investigate rescheduling the next meeting to 8 or 15 June 2021, so that quorum will be achieved.

7 NEXT MEETING

29 June 2021

- External Audit (OAG) Entrance Meeting.
- Report on the non-structural risks associated with the City's ageing sporting infrastructure assets (report to detail the financial, reputational and strategic risks relating to the non-structural elements of these assets).
- Review of number and composition of audit committee members and reimbursement of external members.
- Review of Audit Log.
- Review of Corporate Risk Register.
- Fraud Update and Emerging Issues – Governance, Risk and Compliance
- OAG Performance Audit and Other Audit / Best Practice Recommendations
- Tender Evaluation and Assessment Process.
- Reassessment of the risks associated with the 3 grandstand structures (Leederville Oval, Litis Stadium and Beatty Park) using the broader consequence types, specifically to include safety and reputation.
- Safety risk expert report on risk controls for the 3 grandstand facilities (Leederville Oval, Litis Stadium and Beatty Park).
- Amendments to the City's Risk Management Policy and Procedure, attendance/input by RiskWest in regard to determining probability/likelihood frequency for likelihood criteria matrix.

8 CLOSURE

There being no further business the meeting closed at 3.07pm.

These Minutes were confirmed at the 29 June 2021 meeting of the Audit Committee as a true and accurate record of the Audit Committee meeting held on 4 May 2021

Signed: Mr Conley Manifis

Dated