

Audit Committee Meeting

Summary MINUTES

10 December 2015

at 9:00 AM

COPACC Meeting Rooms



COLAC-OTWAY SHIRE Audit Meeting

10 December 2015

TABLE OF CONTENTS

Officers' Reports

AC150212-1	5 - Confirmation of Minutes 2 September 2015	4
AC151012-2	6 A - Business Arising - Appointment of Chairperson	5
AC151012-3	6 B - Business Arising from the Previous Meeting(s) – Colac Livestock Selling Centre	6
AC151012-4	7 - CEO's Statement of Compliance	7
AC150212-5	8.1 A - Financial Reporting - First Quarter Financial Performance Report - 2015/2016	8
AC150212-6	8.2 A - Internal Control - IT Security and Control Environment Review	9
AC151012-7	8.2 B - Internal Control – Waste Audit Report - July 2014 to June 2015	10
AC150212-8	8.3 A - Risk Management – Risk Management Adherence Report	11
AC150212-9	8.4 A - Fraud Prevention/Awareness - Fraud Control Program	12
AC150212-10	8.6 A - Internal Audit - Internal Audit Progress Update	13
AC151012-11	8.6 B - Internal Audit - Memorandum of Audit Planning	14
AC150212-12	8.8 A - Compliance - Excess Annual Leave Report	15
AC151012-13	8.8 B - Compliance - Compliance Register 2015/2016	16
AC150212-14	8.9 A - Reporting Responsibilities – Operational Plan Update – First Quarter 2015-2016	17
AC151012-15	8.9 B Reporting Responsibilities – Local Government Performance Reporting Framework update	18
AC150212-16	8.10 A - Other - Audit Committee Plan	19
AC150212-17	8.10 B - Other - Audit Committee Dates for 2016	20

SUMMARY MINUTES of the **AUDIT COMMITTEE MEETING OF THE COLAC-OTWAY SHIRE COUNCIL** held at the COPACC Meeting Rooms on 10 December 2015 at 9.00am.

1. OPENING OF MEETING

2. PRESENT

Mike Said (Chair)
Ms Linda MacRae
Cr Terry Woodcroft (arrived 9.08am)
Cr Stephen Hart

Ms Sue Wilkinson, Chief Executive Officer (arrived 9.08am)
Mr Mark Lyons, General Manager, Corporate Services
Mr Brydon King, General Manager Development & Community Services
Ms Jenny Wood, Manager Governance & Customer Service
Mr Ashley Roberts, Manager Financial Services
Mr David Testa, Financial Operations Coordinator
Ms Carmen Lawrence, Manager People, Performance & Culture
Mr Tony White, Manager Economic Development & Events
Ms Alison Richardson, Governance Officer
Mr Martin Thompson, Crowe Horwath
Mr Andrew Zavitsanos Crowe Horwath

3. APOLOGIES

Mr Stephen O’Kane, LDAssurance

4. DISCLOSURE OF ANY CONFLICTS OF INTEREST

Nil

5. CONFIRMATION OF MINUTES – PREVIOUS MEETING

6. BUSINESS ARISING FROM THE PREVIOUS MEETING(S)

7. CEO’S DECLARATION OF LEGAL COMPLIANCE

AC150212-1 5 - CONFIRMATION OF MINUTES 2 SEPTEMBER 2015

AUTHOR:	Mark Lyons	ENDORSED:	Mark Lyons
DEPARTMENT:	Corporate Services	FILE REF:	F15/5693

Recommendation(s)

That the Audit Committee endorses the minutes of the meeting held on 2 September 2015.

Resolution

***MOVED Cr Stephen Hart seconded Ms Linda MacRae
That the Audit Committee endorses the minutes of the meeting held on 2 September 2015
subject to minor amendment of the Resolution Item AC150209-21 point 2 replace the word
'construction' with 'project'.***

CARRIED 3 : 0

AC151012-2

6 A - Business Arising - Appointment of Chairperson

AUTHOR:	Mark Lyons	ENDORSED:	Mark Lyons
DEPARTMENT:	Corporate Services	FILE REF:	F15/5693

Original Recommendation

That the Audit Committee appoints.....as the Chairperson of the Audit Committee until 1 December 2016.

~~~~~

**Resolution**

**MOVED Cr Stephen Hart seconded Ms Linda MacRae**

**That the Audit Committee appoints Mike Said as the Chairperson of the Audit Committee until 1 December 2016.**

**CARRIED 3 : 0**

**Terry Woodcroft arrived at the meeting 9:08am**

**Sue Wilkinson arrived at the meeting 9:08am**

---

**AC151012-36 B - Business Arising from the Previous Meeting(s) - Colac Livestock Selling Centre**

|             |                                        |           |             |
|-------------|----------------------------------------|-----------|-------------|
| AUTHOR:     | Tony White                             | ENDORSED: | Brydon King |
| DEPARTMENT: | Development &<br>Community<br>Services | FILE REF: | F15/5693    |

**Original Recommendation**

**That the Audit Committee note the positive introduction of the Avdata system at the Colac Regional Saleyards.**

~~~~~

Resolution

MOVED Cr Stephen Hart seconded Ms Linda MacRae

That the Audit Committee note the positive introduction of the Avdata system at the Colac Regional Saleyards and further, a report be tabled at the Audit Committee meeting to be held on Wednesday 1 June 2016 with a focus on understanding the relationship between current and historical collection practices to understand if internal control processes were effective .

Carried 4:0

AC151012-4

7 - CEO's Statement of Compliance

AUTHOR:	Mark Lyons	ENDORSED:	Mark Lyons
DEPARTMENT:	Corporate Services	FILE REF:	F15/5693

Recommendation(s)

That the Audit Committee notes the following issue:

- 1. Alvie Organics Facility – Common Law Claim (Injury at Work)
*Original Recommendation***

That the Audit Committee notes the following issue:

MOVED Cr Terry Woodcroft seconded Ms Linda MacRae

That the Audit Committee notes the following issue:

- 1. Alvie Organics Facility – Common Law Claim (Injury at Work)**
- 2. *And that the CEO provide updates to the progress of Business Improvement activities as appropriate.***

CARRIED 4 : 0

**AC150212-5 8.1 A - FINANCIAL REPORTING - FIRST QUARTER
FINANCIAL PERFORMANCE REPORT - 2015/2016**

AUTHOR:	Ashley Roberts	ENDORSED:	Mark Lyons
DEPARTMENT:	Corporate Services	FILE REF:	F15/5693

Recommendation(s)

That the Audit Committee receives the report on the First Quarter Financial Performance Report for 2015/2016 for information.

Resolution

MOVED Cr Stephen Hart seconded Cr Terry Woodcroft
That the Audit Committee receives the report on the First Quarter Financial Performance Report for 2015/2016 for information.

CARRIED 4 : 0

**AC150212-6 8.2 A - INTERNAL CONTROL - IT SECURITY AND CONTROL
ENVIRONMENT REVIEW**

AUTHOR:	Callum Fairnie	ENDORSED:	Mark Lyons
DEPARTMENT:	Corporate Services	FILE REF:	F15/5693

Recommendation(s)

That the Audit Committee notes the report on IT Security and Control Environment Review and the continuous improvements addressing the recommendations in the Internal Audit Report – “IT Control Environment Review”.

Resolution

MOVED Ms Linda MacRae seconded Cr Stephen Hart

That the Audit Committee notes the report on IT Security and Control Environment Review and the continuous improvements addressing the recommendations in the Internal Audit Report – “IT Control Environment Review”.

CARRIED 4 : 0

AC151012-7 8.2 B - Internal Control - Waste Audit Report - July 2014 to June 2015

AUTHOR:	Jenny Wood	ENDORSED:	Mark Lyons
DEPARTMENT:	Corporate Services	FILE REF:	F15/5693

Original Recommendation

That the Audit Committee receives the annual Waste Management Report for the period July 2014 to June 2015.

~~~~~

**Resolution**

**MOVED Cr Terry Woodcroft seconded Ms Linda MacRae  
That the Audit Committee receives the annual Waste Management Report for the period July 2014 to June 2015.**

**CARRIED 4 : 0**

**AC150212-8      8.3 A - RISK MANAGEMENT - RISK MANAGEMENT  
ADHERENCE REPORT**

|             |                    |           |            |
|-------------|--------------------|-----------|------------|
| AUTHOR:     | Carmen Lawrence    | ENDORSED: | Mark Lyons |
| DEPARTMENT: | Corporate Services | FILE REF: | F15/5693   |

**Recommendation(s)**

***That the Audit Committee receives the Risk Management Adherence Report as at 12 November 2015.***

**Resolution**

MOVED Cr Stephen Hart seconded Cr Terry Woodcroft

***That the Audit Committee receives the Risk Management Adherence Report as at 12 November 2015.***

CARRIED 4: 0

**AC150212-9      8.4 A - FRAUD PREVENTION/AWARENESS - FRAUD  
CONTROL PROGRAM**

|             |                    |           |            |
|-------------|--------------------|-----------|------------|
| AUTHOR:     | Ashley Roberts     | ENDORSED: | Mark Lyons |
| DEPARTMENT: | Corporate Services | FILE REF: | F15/5693   |

**Recommendation(s)**

***That the Audit Committee receives the Fraud Control Program Report for the period 15 August 2015 to 31 October 2015.***

***Resolution***

***MOVED Ms Linda MacRae seconded Cr Stephen Hart  
That the Audit Committee receives the Fraud Control Program Report for the period 15 August 2015 to 31 October 2015.***

CARRIED 4 : 0

**AC150212-10    8.6 A - INTERNAL AUDIT - INTERNAL AUDIT PROGRESS  
UPDATE**

|             |                    |           |            |
|-------------|--------------------|-----------|------------|
| AUTHOR:     | Mark Lyons         | ENDORSED: | Mark Lyons |
| DEPARTMENT: | Corporate Services | FILE REF: | F15/5693   |

**Recommendation(s)**

***That the Audit Committee notes the Internal Audit Progress Reports for the periods 2014/2015 to 2015/2016.***

**Resolution**

**MOVED Cr Terry Woodcroft seconded Ms Linda MacRae**

***That the Audit Committee notes the Internal Audit Progress Reports for the periods 2014/2015 to 2015/2016.***

**CARRIED 4 : 0**

**AC151012-11**

**8.6 B - Internal Audit - Memorandum of Audit Planning**

|                    |                    |                  |            |
|--------------------|--------------------|------------------|------------|
| <b>AUTHOR:</b>     | Mark Lyons         | <b>ENDORSED:</b> | Mark Lyons |
| <b>DEPARTMENT:</b> | Corporate Services | <b>FILE REF:</b> | F15/5693   |

**Original Recommendation**

**That the Audit Committee confirms the objective and scope contained in the Memorandum of Audit Planning document for each audit listed below:-**

- 1. Insurance and Risk Management**
- 2. Purchasing Cards**
- 3. Human Resources**

~~~~~

Resolution

MOVED Cr Stephen Hart seconded Ms Linda MacRae

That the Audit Committee confirms the objective and scope contained in the Memorandum of Audit Planning document for each audit listed below:-

- 1. Insurance and Risk Management**
- 2. Human Resources**

And further that the scope for the purchasing cards audit be amended to include an overview of Fuel and Fleet card usage and management.

CARRIED 4 : 0

AC150212-12 8.8 A - COMPLIANCE - EXCESS ANNUAL LEAVE REPORT

AUTHOR:	Ashley Roberts	ENDORSED:	Mark Lyons
DEPARTMENT:	Corporate Services	FILE REF:	F15/5693

Recommendation(s)

That the Audit Committee receives the Annual Leave Report as at 4 November 2015 for information.

Resolution

***MOVED Ms Linda MacRae seconded Cr Stephen Hart
That the Audit Committee receives the Annual Leave Report as at 4 November 2015 for information and further that the CEO also include information on action taken relating to the management of long service leave in the next report to the committee.***

CARRIED 4 : 0

AC151012-13

8.8 B - Compliance - Compliance Register 2015/2016

AUTHOR:	Mark Lyons	ENDORSED:	Mark Lyons
DEPARTMENT:	Corporate Services	FILE REF:	F15/5693

Original Recommendation

That the Audit Committee notes the report on the Compliance Register.

~~~~~

**Resolution**

**MOVED Cr Terry Woodcroft seconded Ms Linda MacRae**

**That the Audit Committee notes the report on the Compliance Register.**

**CARRIED 4 : 0**



**AC150212-14 8.9 A - Reporting Responsibilities - Operational Plan Update - First Quarter  
2015-2016**

|             |                    |           |            |
|-------------|--------------------|-----------|------------|
| AUTHOR:     | Carmen Lawrence    | ENDORSED: | Mark Lyons |
| DEPARTMENT: | Corporate Services | FILE REF: | F15/5693   |

**Recommendation(s)**

**That the Audit Committee receives the report on the Operational Plan Performance Report to September 2015.**

**Resolution**

**MOVED Cr Stephen Hart seconded Cr Terry Woodcroft**

**That the Audit Committee receives the report on the Operational Plan Performance Report to September 2015.**

**CARRIED 4 : 0**

**AC151012-1 5 8.9 B Reporting Responsibilities - Local Government Performance Reporting Framework update.**

|             |                    |           |            |
|-------------|--------------------|-----------|------------|
| AUTHOR:     | Margaret Giudice   | ENDORSED: | Mark Lyons |
| DEPARTMENT: | Corporate Services | FILE REF: | F15/4519   |

**Original Recommendation**

**That the Audit Committee notes the successful completion of the inaugural reporting and audit of LGPRF data**

~~~~~

Resolution

MOVED Ms Linda MacRae seconded Cr Stephen Hart

That the Audit Committee notes the successful completion of the inaugural reporting and audit of LGPRF data

CARRIED 4 : 0

AC150212-16

8.10 A - Other - Audit Committee Plan

AUTHOR:	Mark Lyons	ENDORSED:	Mark Lyons
DEPARTMENT:	Corporate Services	FILE REF:	F15/5693

Recommendation

That the Audit Committee notes the updated Audit Committee Plan for 2015/2016 through to September 2016.

Resolution

MOVED Cr Terry Woodcroft seconded Ms Linda MacRae

That the Audit Committee notes the updated Audit Committee Plan for 2015/2016 through to September 2016.

CARRIED 4 : 0

AC150212-17 8.10 B - OTHER - AUDIT COMMITTEE DATES FOR 2016

AUTHOR:	Mark Lyons	ENDORSED:	Mark Lyons
DEPARTMENT:	Corporate Services	FILE REF:	F15/5693

Recommendation:

That the Audit Committee confirms the 2016 meeting dates and times:

- Wednesday 2 March 2016 - 9 am
- Wednesday 1 June 2016 - 9 am
- Tuesday 6 September 2016 - 8.30 am
- Wednesday 7 December 2016 - 9 am

Resolution

MOVED Cr Stephen Hart seconded Ms Linda MacRae

That the Audit Committee confirms the 2016 meeting dates and times:

- Wednesday 2 March 2016 - 9 am
- Wednesday 1 June 2016 - 9 am
- Tuesday 6 September 2016 - 8.30 am
- Wednesday 7 December 2016 - 9 am

And that revised dates and confirmation of changes as discussed be circulated to all Committee members as soon as possible

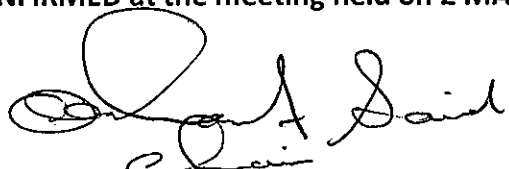
CARRIED 4 : 0

GENERAL BUSINESS

Members of the Audit Committee thanked Cr. Michael Delahunty for his contribution to the Audit Committee over the last 12 months.

The Meeting Was Declared Closed at 11.10am

CONFIRMED at the meeting held on 2 MARCH 2016


Colin O'Shea
Chair, Audit Committee