

5 Recommendations of the Audit Committee Meeting held on 23 November 2016

Abstract

Council's Audit Committee held its most recent meeting on 23 November 2016. This report presents the recommendations of that Audit Committee meeting for consideration by Council. A schedule of reports and committee recommendations is presented as an attachment to this report.

Officers' recommendation

That Council resolve to adopt the resolutions recommended to Council contained in Attachment 1 (as annexed to the minutes) reflecting the recommendations from the Audit Committee meeting held on 23 November 2016.

**Responsible director: Marilyn Kearney
Corporate Services**

1. Purpose

To present to Council the recommendations of the Audit Committee meeting held on 23 November 2016. A schedule of reports and committee recommendations is presented as an attachment to this report.

2. Policy implications and relevance to council plan

The Audit Committee Charter provides that recommendations of the Audit Committee are not binding until considered and adopted by Council.

As detailed in the Council Plan 2013-17 and the Boroondara Public Health and Wellbeing Plan. In particular, the Council Plan theme of Responsible management, which includes the following:

Financial management - We will provide custome-focused financial management processes, budget systems and valuation practices in accordance with professional standards and legislative requirements.

Governance - We will ensure Council is open, transparent, inclusive, and accountable to the community by having sound processes for making and implementing decisions.

3. Background

This report aims to summarise the issues considered at the Audit Committee meeting held on 23 November 2016. The report is also intended to identify those matters requiring Council resolution and adoption and those matters that are presented to be "received and noted".

Full copies of papers presented to the Audit Committee can be accessed by councillors via ECM. Assistance in locating these papers can be provided by the Governance department.

4. Outline of key issues/options

As recorded in the minutes of the Audit Committee meeting held on 23 November 2016.

- A1 Standard Questions for Tabling at the Audit Committee Meetings
- A2 Business Arising
- A3 Risk Management Framework and Strategic Risk Register Update
- A4 Year end update and Audit Closing Report for the year ended 30 June 2016
- A5 Disaster Recovery Exercise Report
- A6 Road Management Plan Compliance Review - Internal Audit Report
- A7 Internal Audit Update - August 2016
- A8 Review of the Internal Audit Charter
- A9 Reports to Parliament by the Victorian Auditor-General's Office and other Regulatory Bodies
- A10 Audit Committee Administrative Matters

A summary of the content of the reports tabled and identification of the required Council action is contained in **Attachment 1**.

The Audit Committee also discussed scheduled meeting dates for 2017 and resolved that the meeting schedule be amended as follows:

Wednesday 29 March 2017, 5.30pm
Wednesday 17 May 2017, 5.30pm
Wednesday 23 August 2017, 5.30pm
Wednesday 29 November 2017, 5.30pm

5. Consultation/communication

Not applicable.

6. Financial and resource implications

Council's operating budget provides funds for the Internal Audit Program and for implementation costs associated with these Audit recommendations.

7. Governance issues

Officers involved in the preparation of this report have no conflict of interest. The list of prescribed human rights contained in the Victorian Charter of Human Rights and Responsibilities has been reviewed in accordance with Council's Human Rights Compatibility Assessment Tool and it is considered that the proposed actions contained in this report present no breaches of, or infringements upon, those prescribed rights.

8. Social and environmental issues

The contents of this report are consistent with Council's desire to provide solid financial and governance frameworks to support the enhancement of urban environmental and social amenity.

9. Conclusion

This report presents to Council the recommendations of the Audit Committee meeting held on 23 November 2016.

Manager and report officer: Chris Hurley, Commercial and Property Services

Summary of reports tabled at Audit Committee meeting held 23 November 2016

Attachment 1

Report No	Report Title	Summary of Content	Recommended Council Resolution
A1.	Standard Questions for Tabling at the Audit Committee meetings	<p>Audit Committee Members were given the opportunity to:</p> <ol style="list-style-type: none"> 1. Ask Auditors present if their work had been obstructed in any way. Auditors present responded that no obstructions had been experienced. 2. Ask if there were any matters such as breach of legislation or practices that need to be brought to the attention of the Audit Committee. None were identified. 3. Request a discussion of any matter with the Auditors in the absence of management and other staff. 	Council note the responses of Officers, Auditors and Members, to the standard questions outlined in this report.
A2.	Business Arising	This report updated the Audit Committee on matters raised at previous meetings and provided follow up information on queries raised by Committee members. The Committee noted the actions taken in response to matters arising from the minutes of the previous meeting.	Council note the actions taken in response to matters arising from the minutes of previous meetings as outlined in Attachment 1 (as annexed to the Audit Committee minutes).
A3.	Risk Management Framework and Strategic Risk Register Update	This report updated the Audit Committee on the implementation of Council's risk management activities and provided a status update on Council's Strategic and Operational Risk Registers. The report updated the Audit Committee on the progress of risk mitigation strategies and the outcomes of recent risk assessment workshops.	Council receive and note the report.
A4.	Year end update and Audit Closing Report for the year ended 30 June 2016	This report updated the Audit Committee on events in relation to the year end audit of Council's Annual Financial Statements and Performance Statement for the year ended 30 June 2016. The report noted that audit clearance was received from the Victorian Auditor-General and a copy of the final audit certification was tabled.	Council receive and note the report
A5.	Disaster Recovery Exercise	This report updated the Audit Committee on the outcomes of the IT Disaster Recovery Exercise held in September 2016. The exercise was conducted to test the ability of Council's IT systems to recover in the event that key systems are unavailable from the Camberwell main site. The exercise tested the recovery times available from Council's secondary and back-up locations. The report noted that Boroondara maintains a high level of recovery capability. Two technical issues for future attention were identified and management has implemented plans to address the issues identified.	Council receive and note the report.

Summary of reports tabled at Audit Committee meeting held 23 November 2016

Report No	Report Title	Summary of Content	Recommended Council Resolution
A6.	Road Management Plan Compliance Review - Internal Audit Report	This report updated the Audit Committee on the outcomes of the Internal Audit Review of Council's compliance with its Road Management Plan. The report identified a need to implement a number of improvements in relation to asset inspection and defect rectifications. Management has accepted the recommendations and implementation of required actions is underway. Two High risk issues were identified and immediate rectification actions have been implemented.	Council receive and note the report.
A7.	Internal Audit Update - November 2016	This report updated the Audit Committee on the progress of the internal audit plan and status of audit recommendations arising from finalised internal audit reports.	Council receive and note the report.
A8.	Review of the Internal Audit Charter	The Committee reviewed the draft Internal Audit Charter 2016-18. The Internal Audit Charter is a formal statement of purpose, authority and responsibility for the internal audit function at Council. The Internal Audit Charter also establishes the reporting and accountability lines for the internal audit function. The Audit Committee resolved to defer consideration of the document to the next meeting.	That Council note the Internal Audit Charter 2016-18 will be considered at the March 2017 Audit Committee meeting.
A9.	Reports to Parliament by the Victorian Auditor-General's Office and other regulatory bodies	<p>This report updated the Audit Committee on recent reports to Parliament by the Victorian Auditor General's Office (VAGO) and other regulatory bodies that have a local government context.</p> <p>The report noted that since the last Audit Committee meeting the following report of relevance had been presented to Parliament:</p> <ul style="list-style-type: none"> • Audit Committee Governance <p>The Committee was updated on management's review of the report and the consideration of issues raised and their applicability to the City Of Boroondara and its procedures and practices.</p>	Council receive and note the report.
A10.	Audit Committee Administrative Matters	1. The Audit Committee noted that the recommendations from the previous Audit Committee meeting of 17 August 2016 had been reviewed and endorsed by Council at the Council meeting held 12 September 2016. The appropriate Council report and minute was provided to the Audit Committee.	Council receive and note the report.

**Summary of reports tabled at Audit Committee meeting held
23 November 2016**

Report No	Report Title	Summary of Content	Recommended Council Resolution
		<ol style="list-style-type: none">2. The Audit Committee reviewed progress against the 2016-17 Audit Committee Annual Plan noting that all required activities to date have been completed.3. The Audit Committee was updated on the progress of the September 2016 Quarterly Performance Report (QPR).4. The Audit Committee was provided with a copy of the Chair's annual address to Council which took place on 10 October 2016.	