



City of Perth

**Audit and Risk Committee
Minutes**

**5 November 2018
4.30pm**

**Committee Room 1
Level 9
Council House**

APPROVED FOR RELEASE

E Barrenger

**ERICA BARRENGER
ACTING CHIEF EXECUTIVE OFFICER**



City of Perth

**Audit and Risk Committee
Minutes**

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4.30pm**

**Committee Room 1
Level 9
Council House**

Minutes to be confirmed at the next **Audit and Risk Committee** meeting.

**THESE MINUTES ARE HEREBY CERTIFIED AS
CONFIRMED**

PRESIDING MEMBER'S SIGNATURE

DATE:-----

Minutes of the **Audit and Risk Committee** meeting of the City of Perth in Committee Room 1, Ninth Floor, Council House, 27 St Georges Terrace, Perth on Monday, 5 November 2018.

Members in Attendance:

Mr Maurich	Presiding Member and Independent Member
Commissioner Lumsden	
Commissioner Hammond	(Teleconference)
Commissioner McMath	

Officers:

Ms Barrenger	Acting Chief Executive Officer
Mr Mianich	Director Corporate Services
Ms Moore	Director Community and Commercial Services
Mr Crosetta	Director Construction and Maintenance
Mr Fitzpatrick	Acting Director Economic Development and Activation
Mr Farley	Acting Director Planning and Development
Mr Ridgwell	Manager Governance
Mr Richards	Manager Finance
Ms Holmes-Cavanagh	Manager Corporate Communications
Mr Gale	Manager Strategy and Partnership
Mr Ngara	Risk Management Coordinator
Mr White	Chief Accountant
Mr Cheldi	Internal Auditor
Ms Mendoza	Assistant Internal Auditor
Ms Obern	Governance Officer

Guests and Deputations:

Nil

1. Declaration of Opening

4.31pm The Presiding Member declared the meeting open.

2. Apologies and Members on Leave of Absence

Nil

3. Question Time for the Public

Nil

4. Confirmation of Minutes – 13 August 2018

Moved Commissioner Lumsden, seconded Mr Maurich

That the minutes of the meeting of the Audit and Risk Committee held on 13 August 2018 be confirmed as a true and correct record.

The motion was put and carried

The votes were recorded as follows:

For: Mr Maurich, Commissioners Lumsden, Hammond and McMath

Against: Nil

5. Correspondence

A series of questions were received from Tony Ransom, Pearl Villa, 453 Murray Street, Perth WA 6000 (CM 288774/18). As Mr Ransom was not present for the meeting, the questions and responses will be responded to in writing.

6. Disclosures of Members' Interests

Nil

7. Matters for which the Meeting may be Closed

The Acting Chief Executive Officer advised that, in accordance with Section 5.23(2) of the *Local Government Act 1995*, should a Committee member wish to discuss the content of the confidential attachments listed below, it is recommended that Committee resolve to close the meeting to the public prior to discussion of the following:

Attachment No.	Item No. and Title	Reason
Confidential Attachment 8.1B	Item 8.1 — Risk Management Quarterly Update	s5.23(2)(f)(i)(ii)
Confidential Attachments 8.3B and 8.3C	Item 8.3 — Review of Named Contractors in the Corruption and Crime Commission Report into Bribery and Corruption within North Metropolitan Health Service	s5.23(2)(c)

8. Reports

Item 8.1 Risk Management Quarterly Update

Moved Commissioner Lumsden, seconded Commissioner Hammond

That the Audit and Risk Committee RECEIVES the Risk Management Quarterly Update for November 2018.

The motion was put and carried

The votes were recorded as follows:

For: Mr Maurich, Commissioners Lumsden, Hammond and McMath

Against: Nil

Meeting Notes:

1. The Committee requested that cyber security be embedded in the Risk Plan and considered in the audit process.
2. The Chair requested the next risk report include a summary of control effectiveness performance (i.e. number of risks identified as inadequate).
3. The Committee requested to have a summary report on the medium organisational risks.
4. In respect to Operational Risk ID 110 – On Street Parking Compliance Management – it was identified that a clear separation of costs is being undertaken between On and Off Street Parking. Allocation of internal charges require review and will be undertaken to align with services.
5. The Committee requested that deliverable dates be consistently detailed in all Treatment Action Plans.
6. Strategic Risk ID 2 – Financial Sustainability – identifies the development for the creation of a new City of Perth ‘Development Corporation’. Legislation currently prohibits such a corporate structure and this should not attract any significant resources until legislative changes are considered and only if they come into effect.

Item 8.2 Chief Executive Officer Review of Systems and Procedures 2018

Moved Commissioner Lumsden, seconded Commissioner Mr Maurich

That the Audit and Risk Committee ACCEPTS the Chief Executive Officer review of the appropriateness and effectiveness of systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Regulation 17 of the Local Government Act 1995.

The motion was put and carried

The votes were recorded as follows:

For: Mr Maurich, Commissioners Lumsden, Hammond and McMath

Against: Nil

Meeting Notes:

1. The Committee noted that the Responsible Parties for Financial Management Systems and Procedures Review should be the Chief Executive Officer and not Manager Finance as detailed on page 60 of the agenda.
2. The Committee requested a summary of all policies (High, Medium and Low Risk) to be circulated to Committee Members.
3. The Committee expressed concern over the finding that a Financial Management and System and Procedure audit has not been undertaken and noted that it needs to be undertaken with immediate priority.
4. The Committee commended the organisation for advancing to a level of maturity classified as "Structured". It was noted that the assessment of Project Risk Management was excluded from the overall assessment of "Intuitive" and significant progress is required in this area.

5.26pm Commissioner McMath departed the meeting and returned at 5.27pm.

Item 8.3 Review of Named Contractors in the Corruption and Crime Commission Report into Bribery and Corruption within North Metropolitan Health Service

Moved Commissioner Lumsden seconded Mr Maurich

That the Audit and Risk Committee RECEIVES the report on the review of Named Contractors in the Corruption and Crime Commission Report into Bribery and Corruption within North Metropolitan Health Service which concluded that dealings between the City and the named contractors within the report were for legitimate required services.

The motion was put and carried

The votes were recorded as follows:

For: Mr Maurich, Commissioners Lumsden, Hammond and McMath

Against: Nil

Meeting Notes:

1. Referencing the Statement of Business Ethics (Attachment 8.3D) the Committee noted that the wording should be strengthened to prevent incentives of gifts and benefits. Manager Governance to make necessary amendments and circulate to Committee members.
2. The Committee requested the Director Corporate Services provide a Creditors Volume Report to enable the Committee to have an improved line of sight of contractors spend patterns.

Item 8.4 Outstanding Internal Audit Items – October 2018

Moved Commissioner Lumsden, seconded Commissioner McMath

That the Audit and Risk Committee RECEIVES the report — Outstanding Internal Audit Items — October 2018.

The motion was put and carried

The votes were recorded as follows:

For: Mr Maurich, Commissioners Lumsden, Hammond and McMath

Against: Nil

Item 8.5 Organisational Capability and Compliance Assessment – Status Report

Moved Commissioner McMath, seconded Commissioner Hammond

That the Audit and Risk Committee RECEIVES the Implementation Status Report on addressing the findings from the Deloitte Organisational Capability and Compliance Assessment.

The motion was put and carried

The votes were recorded as follows:

For: Mr Maurich, Commissioners Lumsden, Hammond and McMath

Against: Nil

9. Motions of which previous notice has been given

Nil

10. General Business

10.1 Responses to General Business from a Previous Meeting

Nil

10.2 New General Business

Nil

11. Items for consideration at a future meeting

Outstanding Items:

Nil

12. Closure

5.48pm There being no further business, the Presiding Member declared the meeting closed.