



CENTRAL TABLELANDS ALLIANCE (CTA) AUDIT COMMITTEE

MINUTES – 19 October 2018

1. Welcome and Acknowledgement of Country

We acknowledge the traditional custodians of the land on which we live and work - the Wiradjuri and Gundungurra Nations of people and we pay our respects to the Elders past, present and emerging.

2. Attendance

Rob Campbell	Chair
Neil Maltby	Independent Member
Phillip Burgett	Independent Member
Mayor Kathy Sajowitz	Mayor Oberon Council - Member
Deputy Mayor Wayne McAndrew	Deputy Mayor Lithgow City Council – Alternate for the Mayor
Gary Wallace	General Manager Oberon Council
Lynette Safranek	Finance & Community Services Director Oberon Council
Ross Gurney	Chief Financial and Information Officer Lithgow Council
John Thompson	External Auditor Via Phone Conference
Andrew Muir	Acting General Manager Lithgow City Council
Trinity Newton	Secretariat – Lithgow Council

3. Apologies

Graham Faulkner, General Manager, Lithgow City Council
Mayor Ray Thompson – Lithgow City Council

4. Declarations of Interest

Nil

5. Confirmation of minutes of previous meeting.

The Minutes of the CTA Audit Committee held 22 June 2018 were confirmed. The minutes have been endorsed by both Oberon and Lithgow Councils.

Moved: Kathy Sajowitz

Seconded: Neil Maltby

Carried

John Thompson proposed that the Audit office call in. This was not an item on the agenda and the Chairman advises that an audit discussion was not required.

John Thompson left the meeting at 2:34 pm.

6. Business Arising and Action List

Chairman advised that the charter has been amended and approved by each council.

The complete set of the Charter is to be circulated to the Committee by the secretariat.

7. Chairman's Report

Rob Campbell presented the Chairman's report which had been circulated as part of the Agenda and Business Paper for the meeting.

Supportive structure: an appropriately resourced internal audit function.

Ross Gurney gave advice that Lithgow City Council was unable to carry forward any funds from the 2017/18 budget due the restriction of carryovers. It is feasible to complete one internal audit project before 30 June 2019. In planning for the following financial year, LCC can incorporate a budget request for a more substantial internal audit program.

Oberon Council carried over their unspent budget from last financial year. Given the timeframe, Oberon will also only have time and funds for one internal audit project in 2018/19

Both councils are agreed that the total budget for 2018/19 should be close to sufficient for a single joint internal audit project in 2018/19.

The highest priority risks were discussed. Lithgow City Council's Priority List for internal audit includes payroll, certificates, property management. Oberon Council's Priority List for internal audit includes Procurement, Environment & Development and WHS non-compliance (was the top priority but has been addressed).

LCC and Oberon should determine a project which is of common importance to both Councils.

Contract / Project Management is a common project which was identified by Oberon. The Committee put the recommendation:

That the contract / project management internal audit be the common project to be carried out by both Councils.

Moved: Wayne McAndrew

Seconded: Kathy Sajowitz

Carried

The discussion continued to determine the next steps for the internal audit project.

Options include using an LG procurement contract or seeking quotes via Vendor panel.

Lynette Safranek gave an overview of the Vendor Panel process.

Ross Gurney will ask the LCC Procurement Officer to investigate the options.

Both Councils are to prepare a scoping document for review – Ross Gurney and Lynette Safranek will co-ordinate the preparation of a scoping document.

Final Step - before appointment of the proposed contractor, documentation is to be reviewed by the independent members of the Committee.

Ross Gurney attended an internal audit seminar in June 2018 and presented the keys points around legislatively mandated internal audit. Guidelines will be developed for internal audit to be a requirement by the time of the next Council elections.

Rob raised the issue of funding the 2018/19 internal audit process. Approx. \$20,000 in total will be available for this audit.

Recommendations from June meeting Chairman's Report and execution thereof

1. That the Central Tablelands Alliance (CTA) Audit Committee Charter be amended - *has been completed.*
- 2 That the Committee's approach to the Audit Plan (ie. evidence based spot check) be endorsed pending appointment of an Internal Auditor – *planning for the audit project is to be addressed by Ross Gurney and Lynette Safranek. The recommendation for appointing an auditor to complete the project will be reported to the next meeting.*
3. That the Committee recommend that each of the CTA Councils move to appointment of an Internal Auditor as a matter of priority - *still outstanding. The process for engaging an internal auditor and the options for appointment (direct employment or contractor) was discussed.*
4. That the Committee requests each Council to urgently review and update their Risk Register and submit to the Chairman - *the Committee discussed the item. The Risk registers are to be updated and sent to Rob Campbell by COB 19 November 2018.*

Moved: Phillip Burgett

Seconded: Wayne McAndrew

8. Other Items

Nil

9. Confidential Session – Lithgow Council

Lithgow Audit is close to complete. Audit reports are forthcoming and are due on Tuesday 30/10/18. Audit Office and Crowe Horwath will present to the November meeting of Council.

10. Confidential Session – Oberon Council

Oberon Council reported on their Audit. Audit Officer gave them praise for clear and clean accounts. Audit Office Management letter has been received. Financial statements are on public exhibition and will go to the next council meeting.

Audit office would like the CTA Committee look at the unedited audit documents.

11. Next meeting, location and secretariat

Subsequent meetings will be held:

Thursday 13 December 10 am at Oberon Council.

Thursday 14 March at 10 am at Lithgow City Council.
 Thursday 13 June at 10 am at Oberon Council.

12. Meeting close

The Chair thanked everybody for their input into the meeting and closed the meeting at 3:23 pm.

SUMMARY OF ACTIONS

Activity	Responsibility
INTERNAL AUDIT PROJECT <ul style="list-style-type: none"> Investigate the options for procurement of one internal audit project for 2018/19 (LG procurement contract or Vendor Panel). 	Ross Gurney
INTERNAL AUDIT PROJECT <ul style="list-style-type: none"> Co-ordinate the preparation of an internal audit project scoping document for contract / project management. 	Ross Gurney Lynette Safranek
INTERNAL AUDIT PROJECT <ul style="list-style-type: none"> Before commencement of the internal audit project, documentation is to be reviewed 	Chair and Independent Members
RISK REGISTERS <ul style="list-style-type: none"> Each Council to urgently review and update their Risk Register and submit to the Chairman by COB 19 November 2018 then send to Rob Campbell 	Ross Gurney Lynette Safranek